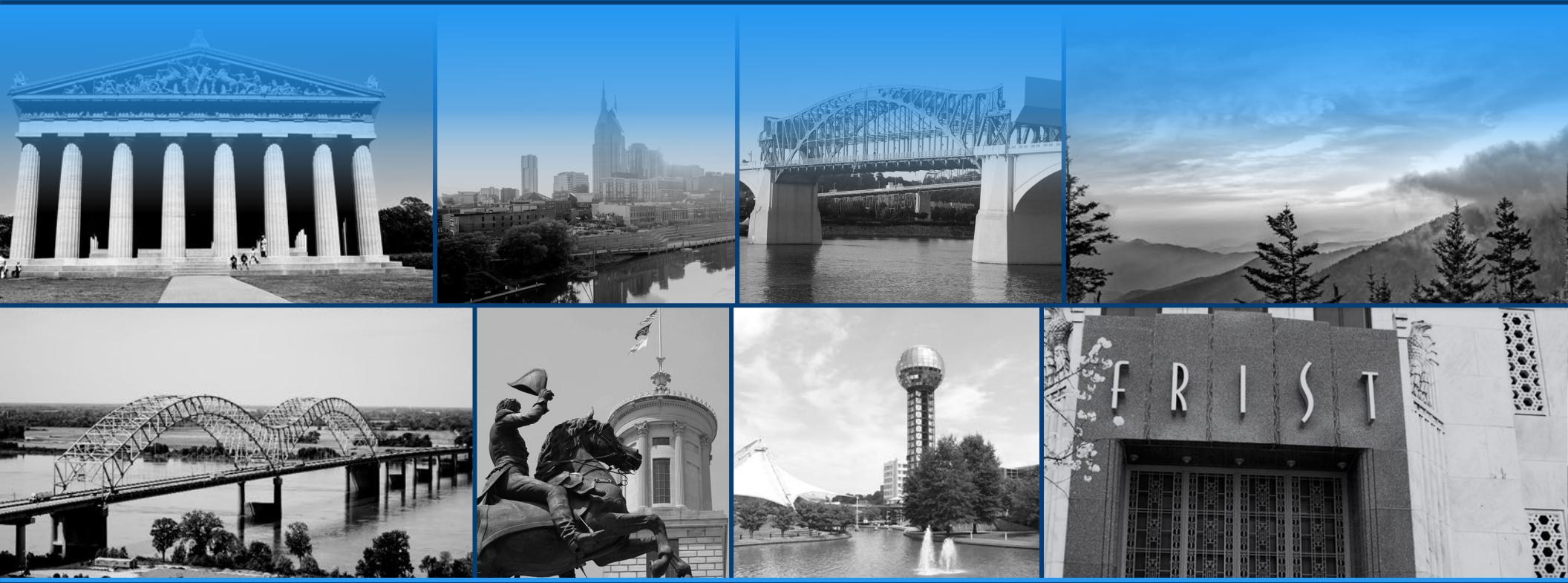
FB Financial Corporation



2024 First Quarter Earnings Presentation

April 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, 2023, 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 pre-tax pre-provision net revenue, 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.

1Q 2024 Highlights

Key highlights

- 1Q 2024 pre-tax pre-provision net revenue of $35.0 million and $51.2 million on an adjusted[1] basis, resulting ROAA and adjusted ROAA[1] of 0.89% and 1.27%, respectively
- Balance sheet restructure during the quarter by selling $207.9 million of securities at a loss of $16.2 million yielding a modeled additional 9 cents per share in 2024 and a 2.1 year TBV earn back period
- Follow through on expense reductions during a period of revenue headwinds for the Company and the industry. Banking expenses were $60.3 million in 1Q 2024 compared to $68.5 million in 4Q 2023 and $66.8 million in 1Q 2023; Core banking expenses[1] were $59.8 million in 1Q 2024 compared to $62.6 million in 4Q 2023 and $66.8 million in 1Q 2023
- On-going fortifying of already strong key balance sheet measures with ample liquidity, preliminary CET1 of 12.6%, TCE Ratio of 10.0%, ACL of 1.63% of loans HFI, and modest real estate loan concentrations
- Annualized net charge-offs of 0.02% in the quarter in-line with 10-year cumulative net charge-offs of $23.5 million, or average of 0.05% annually over the previous 10 fiscal years
- Mortgage pre-tax contribution of $3.1 million in 1Q 2024 compared to a loss of $0.6 million 4Q 2023 and a contribution of $0.3 million in 1Q 2023
- Preliminary capital ratios reflect strength and optionality for 2024:
  - Tangible Common Equity to Tangible Assets[1] 9.99%
  - Common Equity Tier 1 Ratio of 12.6%
  - Total Risk-Based Capital of 15.0%

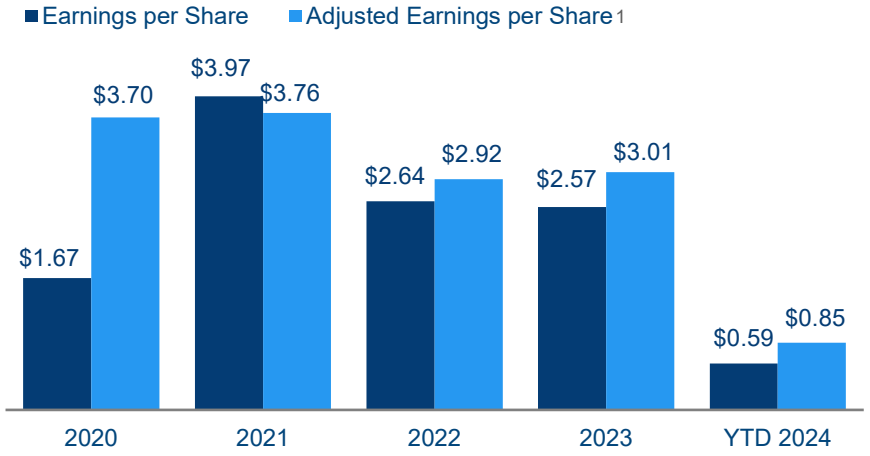
Financial results

	1Q 2024
Diluted earnings per common share	$0.59
Adjusted diluted earnings per common share[1]	*$0.85*
Net income ($mm)	$28.0
Adjusted net income[1] ($mm)	*$39.9*
Return on average assets	0.89%
Adjusted return on average assets[1]	*1.27%*
Return on average common equity	7.70%
Adjusted return on average common equity[1]	*11.0%*
Return on average tangible common equity[1]	9.29%
Adjusted return on average tangible common equity[1]	*13.5%*
Pre-tax pre-provision net revenue ($mm)	$35.0
Adjusted pre-tax pre-provision net revenue[1] ($mm)	*$51.2*
Net interest margin (tax-equivalent basis)	3.42%
Total common equity / total assets	11.8%
Tangible common equity / tangible assets[1]	*9.99%*

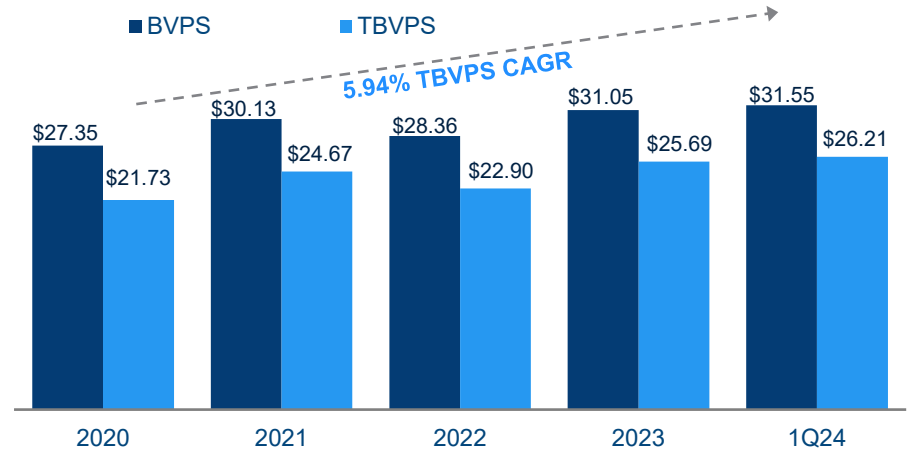
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] Concentration ratios for FirstBank.

Driving shareholder value

Earnings per Share

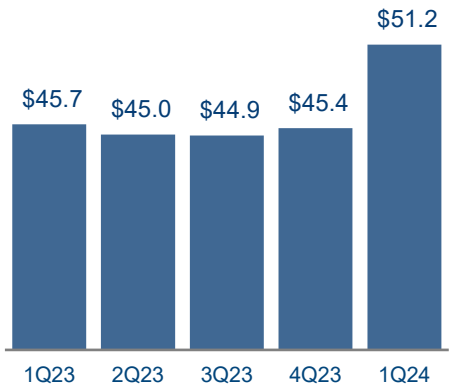


Tangible Book Value per Share[1]

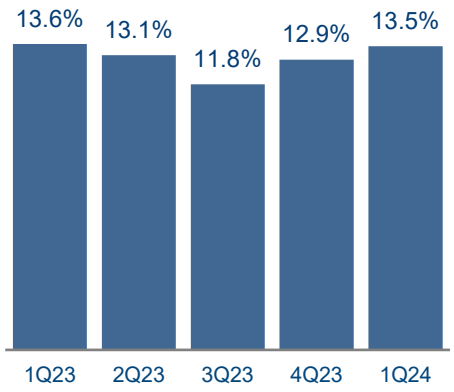


Dashboard

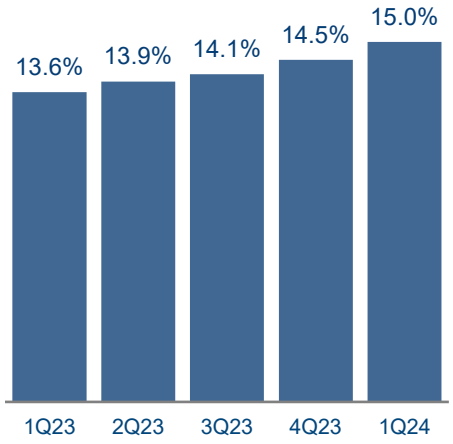
Adjusted PPNR[1]



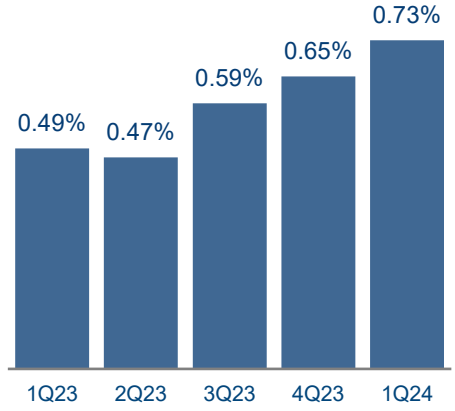
Adjusted ROATCE[1]



Total RBC Ratio[2]



NPLs / Loans HFI



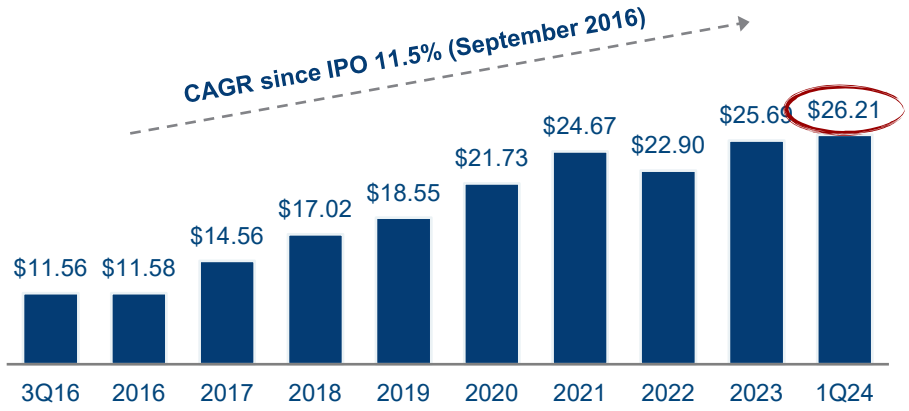
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] 1Q24 calculation is preliminary and subject to change.

Well-capitalized for future opportunities

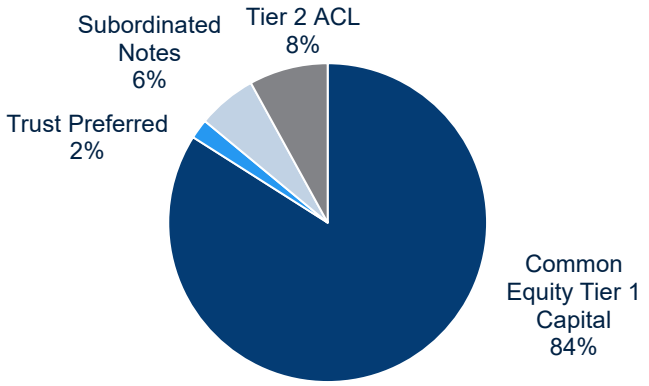
Capital Position

	1Q23	4Q23	1Q24
Shareholder's Equity/Assets	10.5%	11.5%	11.8%
TCE/TA[1]	8.7%	9.7%	10.0%
Common Equity Tier 1[2]	11.3%	12.2%	12.6%
Tier 1 Risk-Based[2]	11.6%	12.5%	12.8%
Total Risk-Based[2]	13.6%	14.5%	15.0%
Tier 1 Leverage[2]	10.4%	11.3%	11.3%
C&D to 100% Tier 1 Capital plus ACL[2,3]	120%	93%	83%
CRE to 300% Tier 1 Capital plus ACL[2,3]	294%	265%	255%
AOCI Adjusted Ratios[1,2]			
Adj. Common Equity Tier 1			11.6%
Adjusted Total Risk-Based			14.1%

Tangible Book Value per Share[1]



Simple Capital Structure



Total regulatory capital $1,658 mm

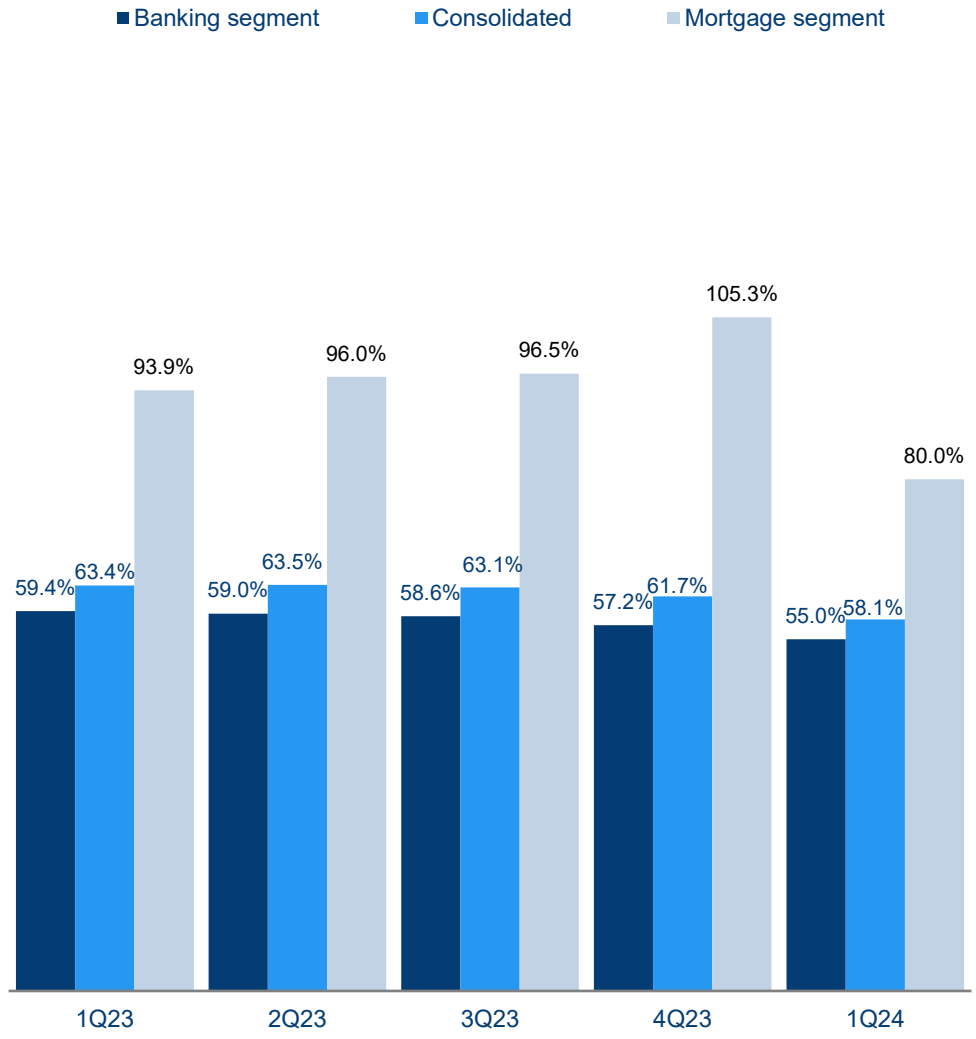
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] 1Q24 calculation is preliminary and subject to change. [3] Concentration ratios for FirstBank.

Building operating leverage

Highlights

- Consolidated 1Q 2024 efficiency ratio of 67.4%; core efficiency ratio[1] of 58.1%
- Prudent expense management driving meaningful improvements in efficiency ratio
- Mortgage revenue and expense improvements reflected in core efficiency ratio
- Creating operating leverage through scalable platform

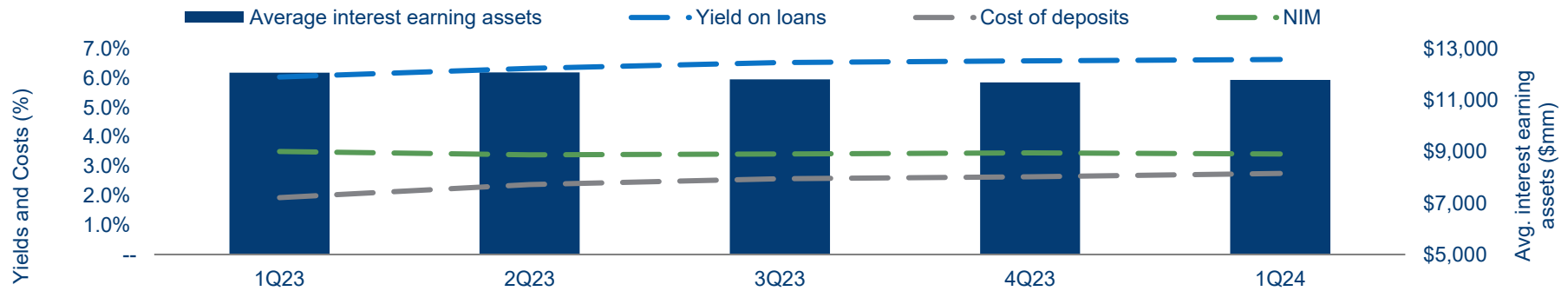
Core efficiency ratio (tax-equivalent basis)[1]



[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

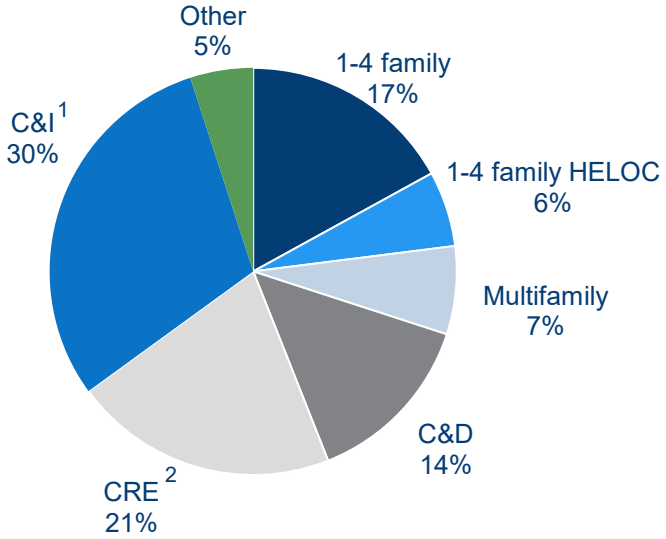


	1Q23	2Q23	3Q23	4Q23	1Q24
NIM[1]	**3.51%**	**3.40%**	**3.42%**	**3.46%**	**3.42%**
Impact of accretion and nonaccrual interest (bps)	2	1	3	2	3
Deposit Cost:					
Cost of MMDA	2.95%	3.43%	3.78%	3.88%	3.93%
Cost of customer time	2.54%	3.00%	3.37%	3.69%	3.90%
Cost of interest-bearing	2.53%	3.06%	3.33%	3.40%	3.49%
Total deposit cost	**1.94%**	**2.38%**	**2.58%**	**2.65%**	**2.76%**
Loans HFI Yield:					
Contractual interest[1]	5.90%	6.16%	6.32%	6.43%	6.55%
Origination and other loan fee income	0.13%	0.17%	0.19%	0.14%	0.06%
Nonaccrual interest	0.01%	0.01%	0.02%	0.02%	0.02%
Accretion on purchased loans	0.01%	0.00%	0.01%	0.00%	0.01%
Total loan (HFI) yield	**6.05%**	**6.34%**	**6.54%**	**6.59%**	**6.64%**
Securities yield[1]	**2.15%**	**2.15%**	**2.14%**	**2.45%**	**2.71%**

[1] Includes tax-equivalent adjustment.

Balanced loan portfolio

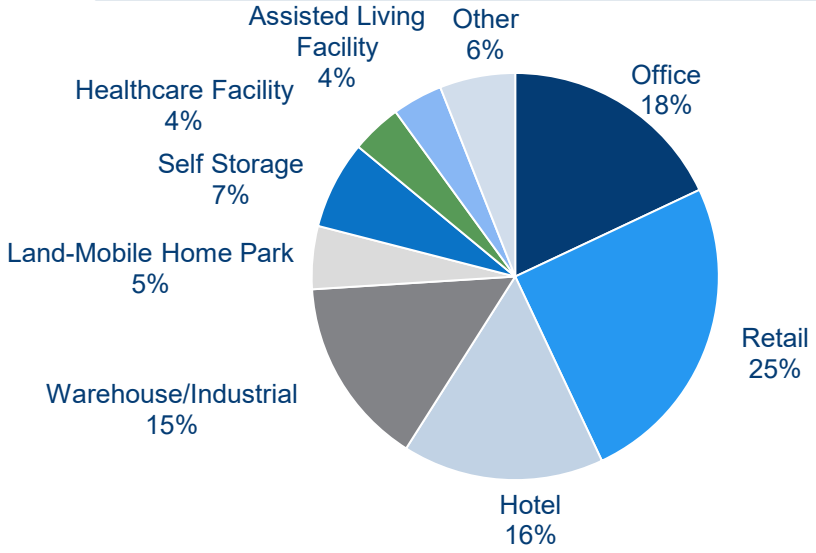
Portfolio mix



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

	C&I	CRE-OO	Total	% of Total
Real estate rental and leasing	$ 320	$ 231	$ 551	19%
Finance and insurance	327	18	345	12%
Manufacturing	173	83	256	9%
Other services (except public administration)	60	188	248	9%
Retail trade	66	153	219	8%
Health care and social assistance	57	126	183	6%
Construction	112	63	175	6%
Wholesale trade	92	62	154	5%
Professional, scientific and technical services	93	38	131	5%
Accomodation and food services	20	108	128	5%
Transportation and warehousing	77	35	112	4%
Information	65	14	79	3%
Administrative and support and waste manag	57	10	67	2%
Arts, entertainment and recreation	29	35	64	2%
Other	74	72	146	5%
Total	**$ 1,622**	**$ 1,236**	**$ 2,858**	100%

CRE[2] exposure by type

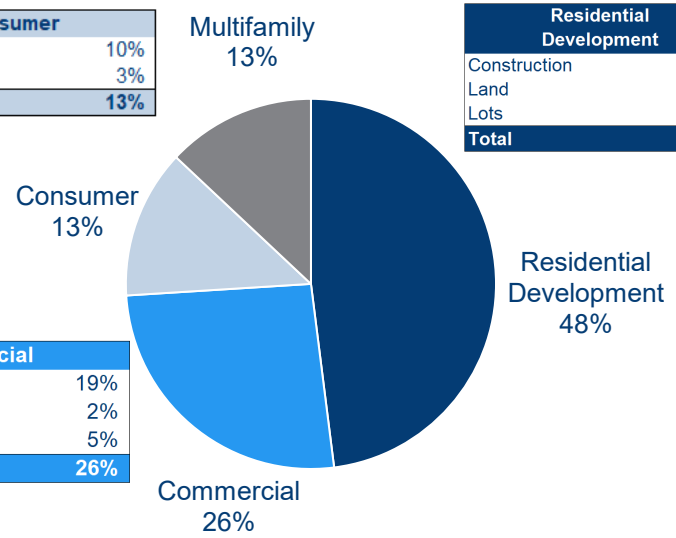


C&D exposure by type

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

Residential Development	
Construction	38%
Land	7%
Lots	3%
Total	**48%**

Commercial	
Land	19%
Retail	2%
Other	5%
Total	**26%**



Note: Data as of March 31, 2024 [1] C&I includes owner-occupied CRE. [2] Excludes owner-occupied CRE.

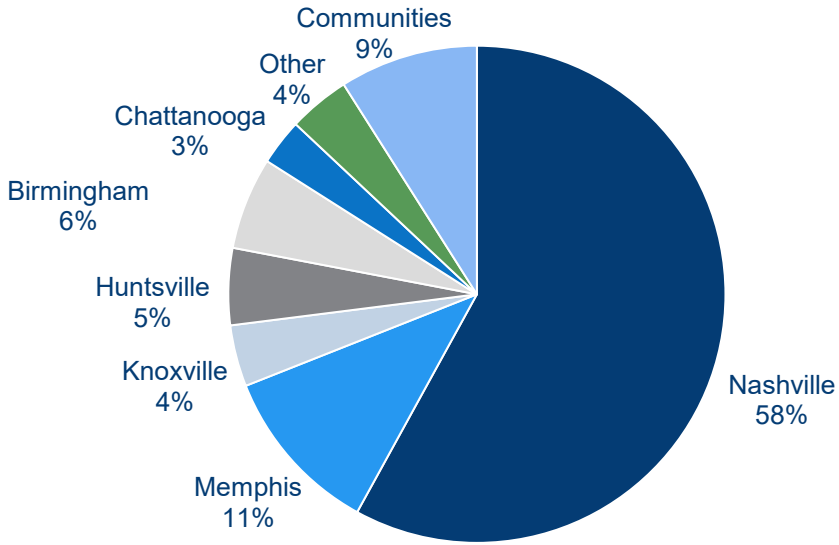
Office exposure (non-owner occupied CRE & C&D)

- Office loans represent only 4.0% of our total HFI loan portfolio as of the end of 1Q24
- 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 ($274.0 million outstanding, or 74% of total office portfolio) with limited concerns uncovered
- 5.0% of the total office portfolio matures through 2024
- 54% of the total office portfolio is fixed rate vs. 46% floating rate
- As of 1Q24, 97% of the portfolio is pass rated and current

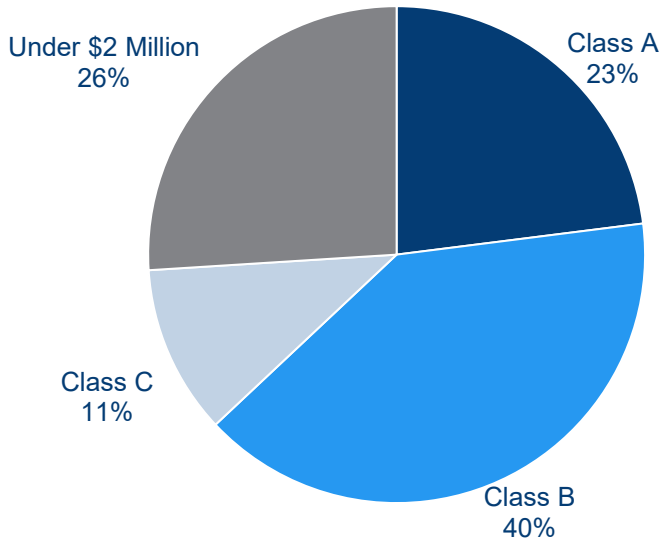
Credit detail by class

Class	Oustanding ($mm)	Average Balance ($mm)	Wtd. Avg. LTV	Wtd. Avg. Occupancy
Class A >$ 2 million	$ 84.9	$ 8.5	54.2%	92.2%
Class B > $ 2 million	147.2	6.1	62.3%	78.9%
Class C > $ 2 million	41.9	5.2	63.8%	71.0%
Total > $2 million	$ 274.0	$ 6.5	60.0%	81.8%
Total < $2 million	94.7	0.6	N/A	N/A
Total Office	**$ 368.7**	**$ 1.8**	**N/A**	**N/A**

Geographic exposure



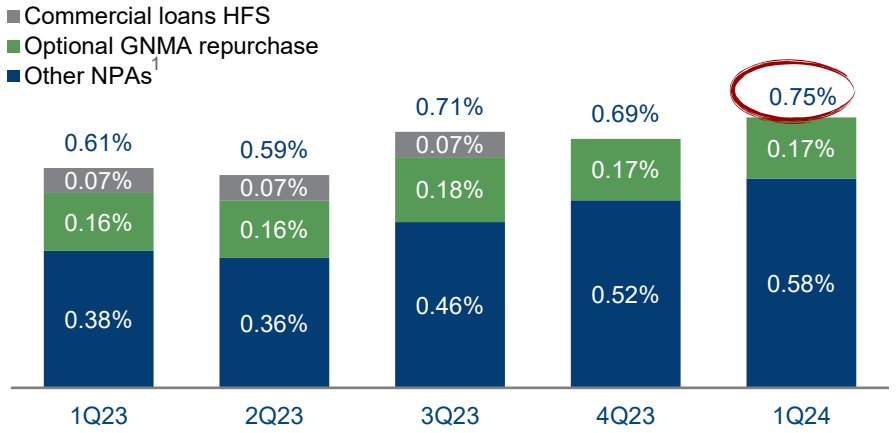
Exposure by class



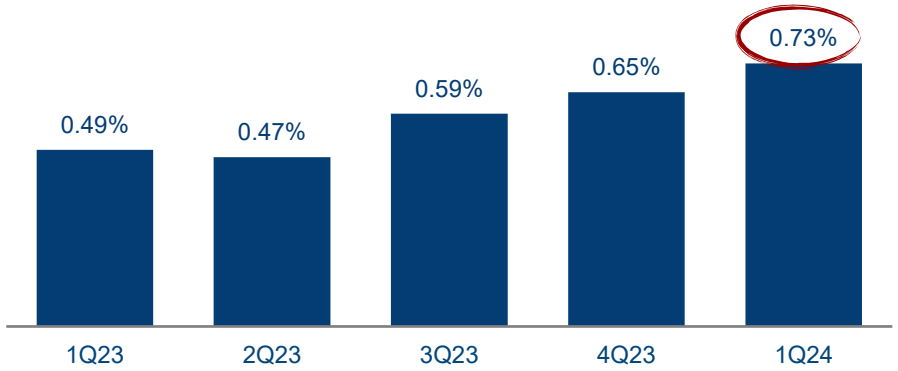
Note: Data as of March 31, 2024. Data excludes medical office buildings.

Asset quality remains solid

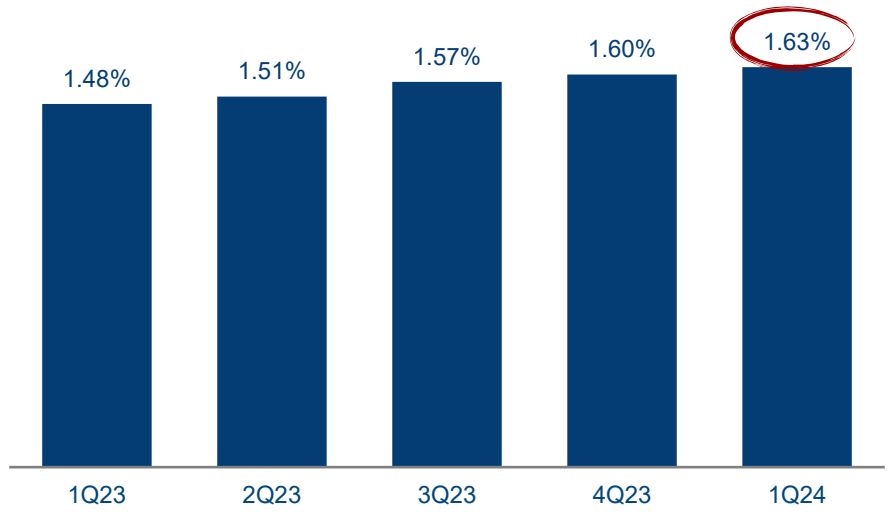
Nonperforming assets / assets



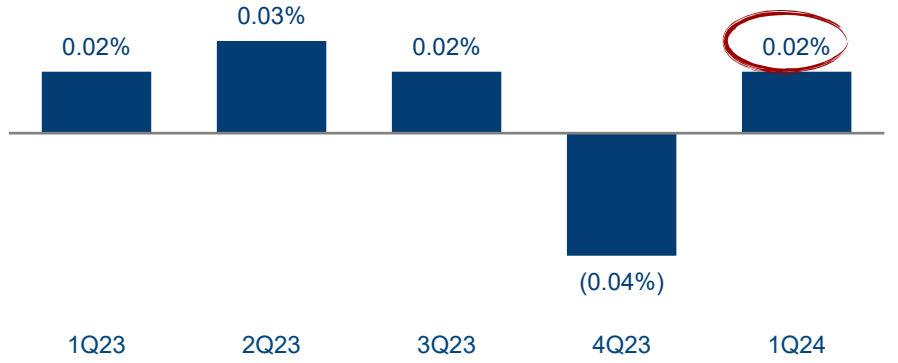
Nonperforming loans HFI / loans HFI



ACL on loans HFI / loans HFI



Annualized net charge-offs (recoveries) / average loans HFI



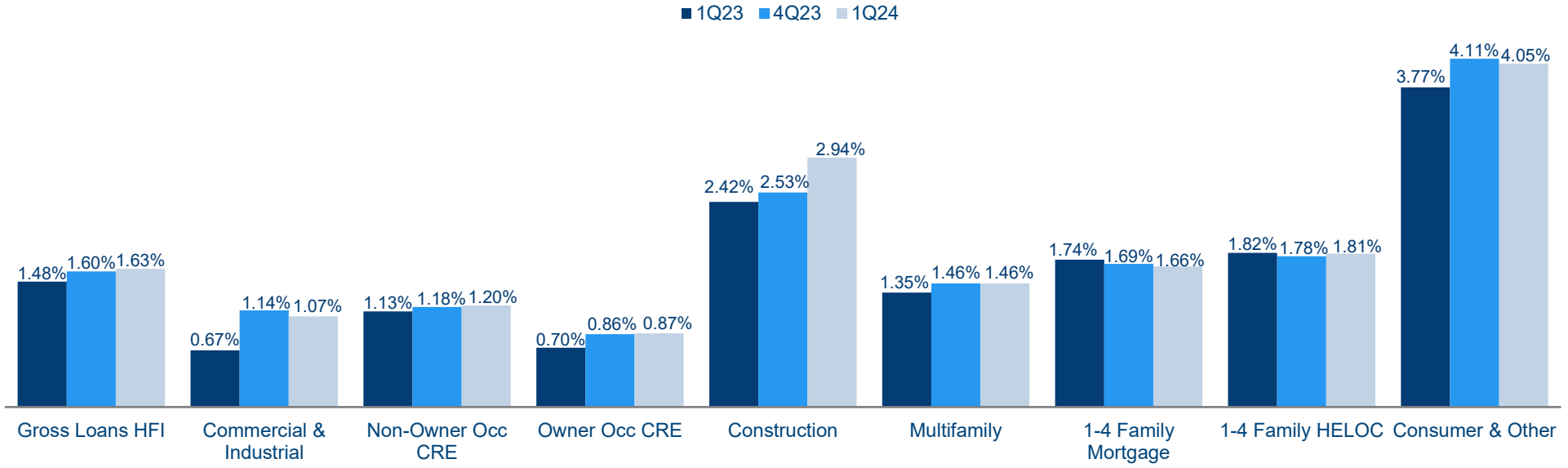
[1] Includes other real estate owned and repossessed assets–see page 11 of the First Quarter 2024 Financial Supplement.

Allowance for credit losses overview

- 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,			
	2Q24	3Q24	2024	2025	2026	2027
GDP(bcw$)	$22,846.6	$22,940.2	$22,893.3	$23,270.4	$23,732.1	$24,252.8
Annualized % Change	1.5%	1.6%	2.3%	1.6%	2.0%	2.2%
Total Employment (millions)	157.9	158.2	158.0	158.7	159.3	159.8
Unemployment Rate	3.9%	4.0%	3.9%	4.1%	4.0%	4.0%
CRE Price Index	330.2	325.3	324.7	345.6	373.6	397.9
NCREIF Property Index: Rate of Return	0.1%	0.8%	0.4%	2.0%	2.1%	2.1%

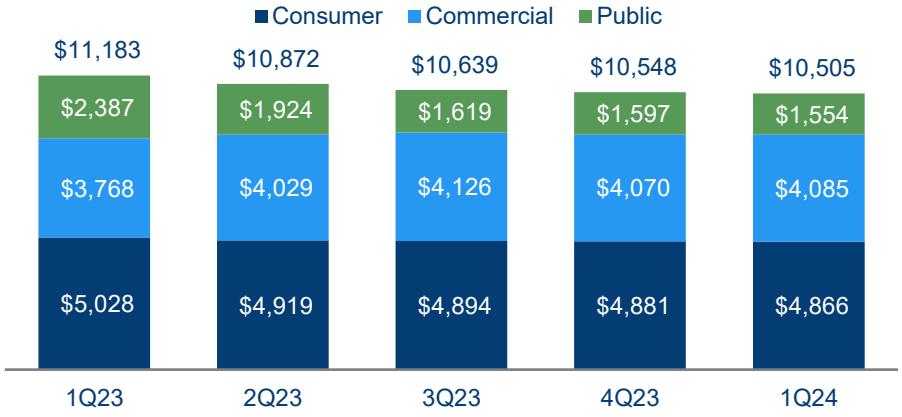
ACL on loans HFI / Loans HFI by category



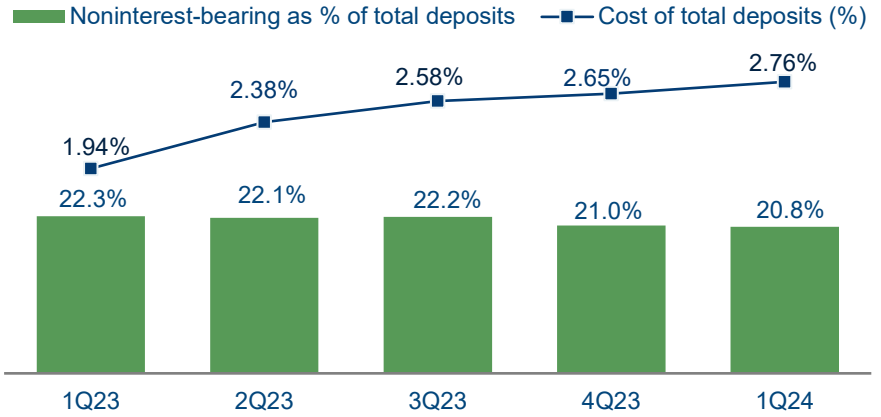
[1]Source: Moody's " March 2024 U.S. Macroeconomic Outlook Baseline and Alternative Scenarios".

Valuable deposit base

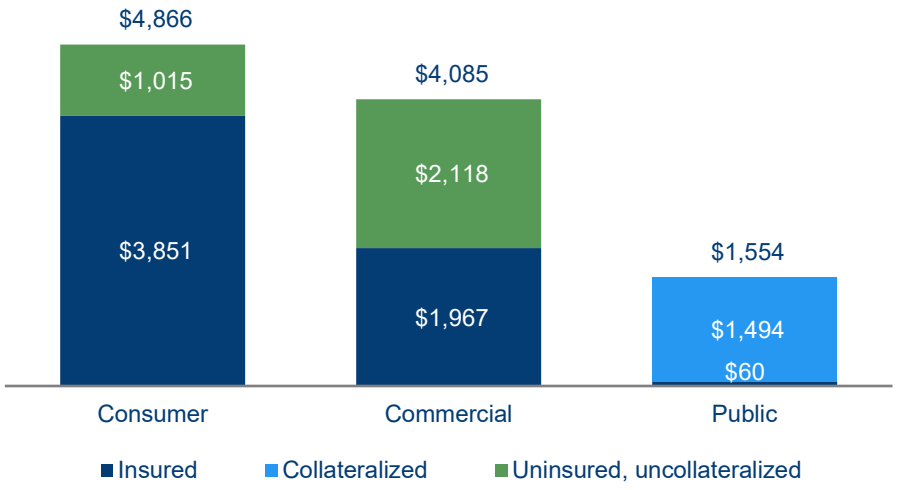
Deposits by customer segment ($mm)



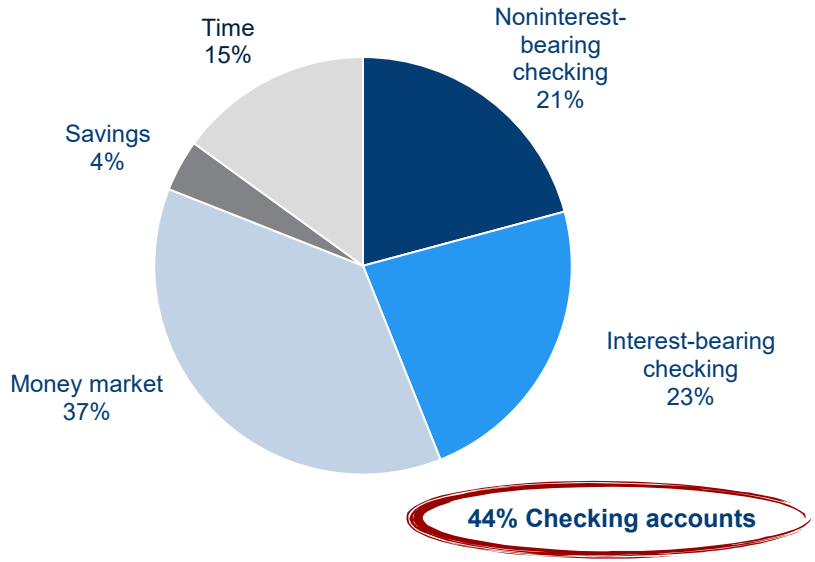
Cost of deposits



1Q24 Insured, collateralized or uninsured by segment ($mm)



1Q24 Deposit composition

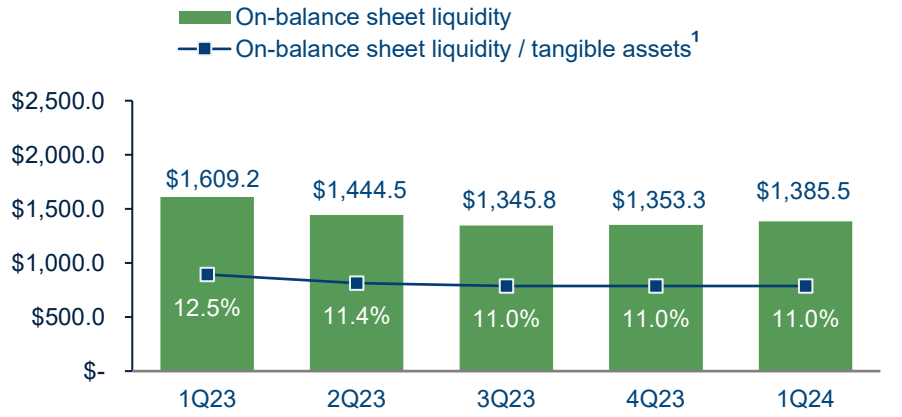


44% Checking accounts

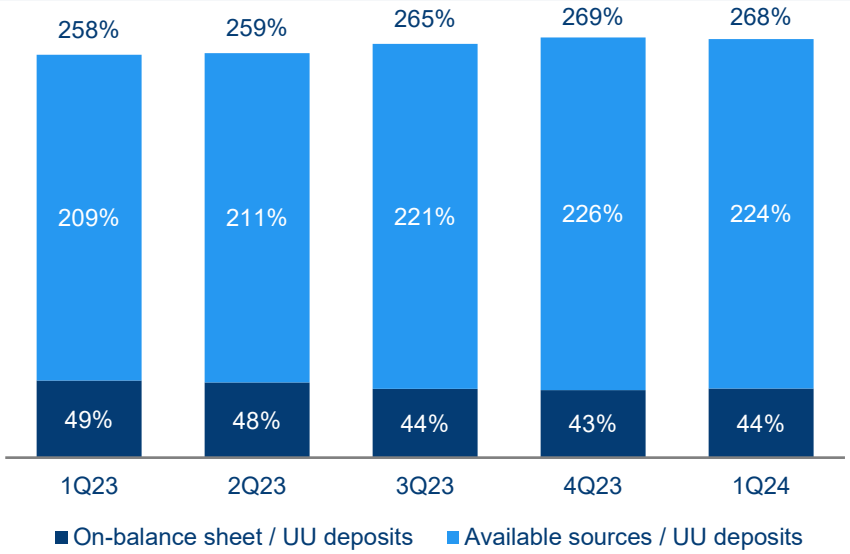
Strong liquidity position

- Well positioned for economic challenges created by the uncertain economic 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 44% of estimated uninsured and uncollateralized deposits
- 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



1Q24 Sources of liquidity ($mm)

Current on-balance sheet:	
Cash and equivalents	$870.8
Unpledged available-for-sale debt securities	514.7
Total on-balance sheet	**$1,385.5**
Available sources of liquidity:	
Unsecured borrowing capacity[2]	$3,392.3
FHLB remaining borrowing capacity[3]	1,237.8
Federal Reserve discount window	2,382.6
Total available sources	**$7,012.7**

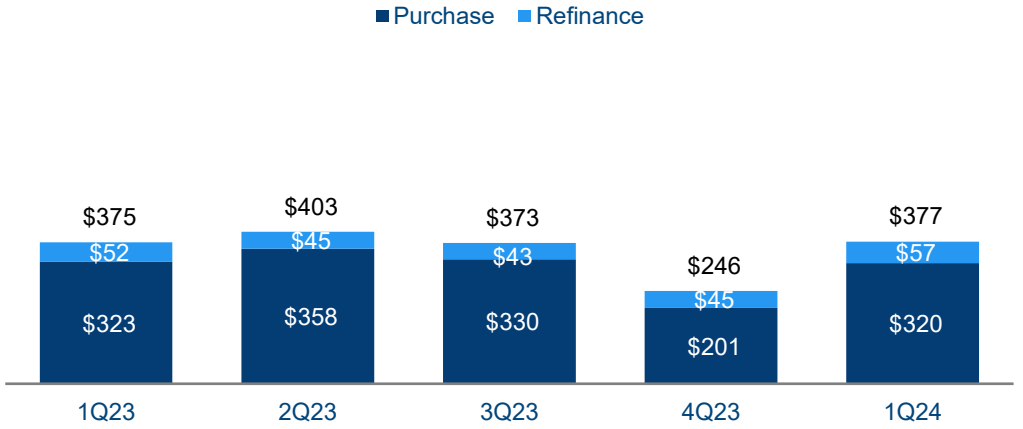
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein.
[2] Includes capacity from internal policy.
[3] FHLB borrowing capacity does not include loans held at REIT that could be pledged for additional capacity.

Mortgage performance in 1Q 2024

Highlights

- Mortgage segment pre-tax net contribution of $3.1 million in 1Q 2024
- Interest rate lock commitment volume increased 53.5% in 1Q 2024 compared to 4Q 2023
- Decay and interest rate volatility led to MSR fair value losses, net of hedging of $3.0 million in 1Q
- Mortgage volume and margins continue to be under pressure due to the interest rate environment, excess industry capacity and home affordability challenges

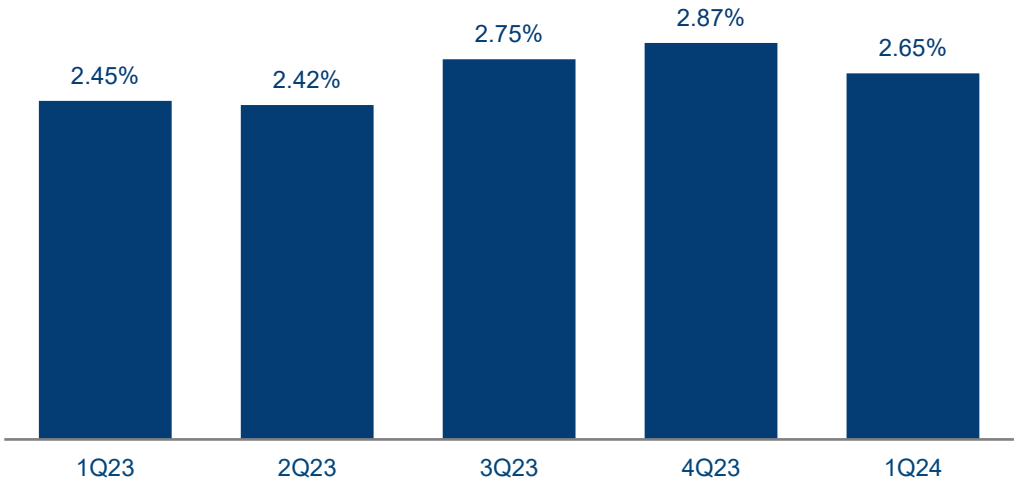
Interest rate lock commitment volume ($mm)



Mortgage banking income ($mm)

	1Q23	4Q23	1Q24
Gains and fees from originations and sale of loans HFS	$8.1	$7.4	$6.5
Fair value changes of loans HFS and derivatives	($0.4)	($1.7)	$1.8
Servicing revenue	$7.8	$7.5	$7.3
Fair value MSR changes	($3.4)	($4.9)	($3.0)
Total Income	**$12.1**	**$8.4**	**$12.6**

Mortgage gain on sale margin



FirstBank

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				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Income before income taxes	$ 34,250	$ 35,922	$ 23,150	$ 45,142	$ 46,078
Less (loss) gain from securities, net	(16,213)	183	(14,197)	(28)	69
Less gain (loss) on sales or write-downs of other real estate owned and other assets	565	(492)	115	533	(183)
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(3,009)	(7)	(8)	910
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	500	1,788	—	—	—
Adjusted pre-tax net income	50,398	45,085	42,048	46,070	45,210
Income tax expense, adjusted for items above	10,508	8,933	8,900	10,077	9,471
Adjusted net income	$ 39,890	$ 36,152	$ 33,148	$ 35,993	$ 35,739
Weighted average common shares outstanding - fully diluted	46,998,873	46,916,939	46,856,422	46,814,854	46,765,154
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 0.59	$ 0.63	$ 0.41	$ 0.75	$ 0.78
Adjusted diluted earnings per common share	$ 0.85	$ 0.77	$ 0.71	$ 0.77	$ 0.76

GAAP reconciliations and use of non-GAAP financial measures

Adjusted pre-tax pre-provision net revenue

(dollars in thousands)	Three Months Ended				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Income before income taxes	$ 34,250	$ 35,922	$ 23,150	$ 45,142	$ 46,078
Plus provisions for credit losses	782	305	2,821	(1,078)	491
Pre-tax pre-provision net revenue	35,032	36,227	25,971	44,064	46,569
Less (loss) gain from securities, net	(16,213)	183	(14,197)	(28)	69
Less gain (loss) on sales or write-downs of other real estate owned and other assets	565	(492)	115	533	(183)
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(3,009)	(7)	(8)	910
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	500	1,788	—	—	—
Adjusted pre-tax pre-provision net revenue	$ 51,180	$ 45,390	$ 44,869	$ 44,992	$ 45,701

GAAP reconciliations and use of non-GAAP financial measures

Adjusted tangible net income

(dollars in thousands)	Three Months Ended				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Income before income taxes	$ 34,250	$ 35,922	$ 23,150	$ 45,142	$ 46,078
Plus amortization of core deposit and other intangibles	789	840	889	940	990
Less (loss) gain from securities, net	(16,213)	183	(14,197)	(28)	69
Less gain (loss) on sales or write-downs of other real estate owned and other assets	565	(492)	115	533	(183)
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(3,009)	(7)	(8)	910
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	500	1,788	—	—	—
Less income tax expense, adjusted for items above	10,714	9,152	9,131	10,322	9,729
Adjusted tangible net income	$ 40,473	$ 36,773	$ 33,806	$ 36,688	$ 36,471

GAAP reconciliations and use of non-GAAP financial measures

Adjusted earnings and diluted earnings per share

(dollars in thousands, except for share data)	YTD 2024	Year Ended 2023	2022	2021	2020
Income before income taxes	$ 34,250	$ 150,292	$ 159,574	$ 243,051	$ 82,461
Less (loss) gain from securities, net	(16,213)	(13,973)	(376)	324	1,631
Less gain (loss) on sales or write-downs of other real estate owned and other assets	565	(27)	(265)	2,827	(1,581)
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(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	500	1,788	—	—	—
Plus mortgage restructuring, offering, and merger and conversion expense	—	—	12,458	605	34,879
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	50,398	178,413	177,788	231,460	186,321
Income tax expense, adjusted for items above	10,508	37,380	39,750	51,249	45,539
Adjusted net income	$ 39,890	$ 141,033	$ 138,038	$ 180,211	$ 140,782
Weighted average common shares outstanding - fully diluted	46,998,873	46,822,792	47,239,791	47,955,880	38,099,744
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 0.59	$ 2.57	$ 2.64	$ 3.97	$ 1.67
Adjusted diluted earnings per common share	$ 0.85	$ 3.01	$ 2.92	$ 3.76	$ 3.70

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 Mar 2024
Common stock, related surplus and retained earnings	$	1,622,235
Less goodwill and disallowed intangibles, net of deferred tax liabilities and deferred tax assets arising from net operating loss tax credit carryforwards		232,689
Common Equity Tier 1 capital	$	1,389,546
Plus accumulated other comprehensive loss on available-for-sale securities		(132,737)
Adjusted Common Equity Tier 1 capital	$	1,256,809
Total Risk-Based capital	$	1,657,513
Plus accumulated other comprehensive loss on available-for-sale securities		(132,737)
Adjusted Total Risk-Based capital	$	1,524,776
Total risk-weighted assets	$	11,065,289
Less risk-weighted impact of available-for-sale securities		265,164
Adjusted total risk-weighted assets	$	10,800,124
Common Equity Tier 1 ratio		12.6%
Adjusted Common Equity Tier 1 capital		11.6%
Total Risk-Based capital		15.0%
Adjusted Total Risk-Based capital		14.1%

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				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Total noninterest expense	$ 72,420	$ 80,200	$ 82,997	$ 81,292	$ 80,440
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	500	1,788	—	—	—
Core noninterest expense	$ 71,920	$ 74,355	$ 78,188	$ 79,867	$ 80,512
Net interest income	$ 99,490	$ 101,088	$ 100,926	$ 101,543	$ 103,660
Net interest income (tax-equivalent basis)	$ 100,199	$ 101,924	$ 101,762	$ 102,383	$ 104,493
Total noninterest income	7,962	15,339	8,042	23,813	23,349
Less (loss) gain from securities, net	(16,213)	183	(14,197)	(28)	69
Less gain (loss) on sales or write-downs of other real estate owned and other assets	565	(492)	115	533	(183)
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(3,009)	(7)	(8)	910
Core noninterest income	23,610	18,657	22,131	23,316	22,553
Total revenue	$ 107,452	$ 116,427	$ 108,968	$ 125,356	$ 127,009
Core revenue (tax-equivalent basis)	$ 123,809	$ 120,581	$ 123,893	$ 125,699	$ 127,046
Efficiency ratio	67.4%	68.9%	76.2%	64.8%	63.3%
Core efficiency ratio (tax-equivalent basis)	58.1%	61.7%	63.1%	63.5%	63.4%

GAAP reconciliations and use of non-GAAP financial measures

Banking segment core efficiency ratios (tax-equivalent basis)

(dollars in thousands)	Three Months Ended				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Banking segment noninterest expense	$ 60,344	$ 68,463	$ 68,712	$ 66,208	$ 66,752
Less early retirement, severance and other costs	—	2,214	4,809	1,001	—
Less loss on lease terminations	—	1,843	—	—	—
Less FDIC special assessment	$ 500	$ 1,788	$ —	$ —	$ —
Banking segment core noninterest expense	$ 59,844	$ 62,618	$ 63,903	$ 65,207	$ 66,752
Banking segment net interest income	97,094	98,426	98,194	98,634	101,287
Banking segment net interest income (tax-equivalent basis)	97,803	99,262	99,030	99,474	102,120
Banking segment noninterest income (loss)	(4,794)	6,889	(4,031)	11,480	11,493
Less (loss) gain from changes in fair value of commercial loans held for sale	—	(3,009)	(7)	(8)	910
Less gain (loss) on sales or write-downs of other real estate owned and other assets	509	(460)	119	558	249
Less (loss) gain from securities, net	(16,213)	183	(14,197)	(28)	69
Banking segment core noninterest income	10,910	10,175	10,054	10,958	10,265
Banking segment total revenue	$ 92,300	$ 105,315	$ 94,163	$ 110,114	$ 112,780
Banking segment total core revenue (tax-equivalent basis)	$ 108,713	$ 109,437	$ 109,084	$ 110,432	$ 112,385
Banking segment efficiency ratio	65.4%	65.0%	73.0%	60.1%	59.2%
Banking segment core efficiency ratio (tax-equivalent basis)	55.0%	57.2%	58.6%	59.0%	59.4%

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				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Mortgage segment noninterest expense	$ 12,076	$ 11,737	$ 14,285	$ 15,084	$ 13,688
Less severance costs	—	—	—	425	—
Less gain on lease terminations	—	—	—	(1)	(72)
Mortgage segment core noninterest expense	$ 12,076	$ 11,737	$ 14,285	$ 14,660	$ 13,760
Mortgage segment net interest income	2,396	2,662	2,732	2,909	2,373
Mortgage segment noninterest income	12,756	8,450	12,073	12,333	11,856
Less gain (loss) on sales or write-downs of other real estate owned and other assets	56	(32)	(4)	(25)	(432)
Mortgage segment core noninterest income	12,700	8,482	12,077	12,358	12,288
Mortgage segment total revenue	$ 15,152	$ 11,112	$ 14,805	$ 15,242	$ 14,229
Mortgage segment core total revenue	$ 15,096	$ 11,144	$ 14,809	$ 15,267	$ 14,661
Mortgage segment efficiency ratio	79.7%	105.6%	96.5%	99.0%	96.2%
Mortgage segment core efficiency ratio (tax-equivalent basis)	80.0%	105.3%	96.5%	96.0%	93.9%

GAAP reconciliations and use of non-GAAP financial measures

Tangible assets, common equity and related measures

(dollars in thousands, except share data)	As of Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Tangible assets					
Total assets	$ 12,548,320	$ 12,604,403	$ 12,489,631	$ 12,887,395	$ 13,101,147
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	7,920	8,709	9,549	10,438	11,378
Tangible assets	$ 12,297,839	$ 12,353,133	$ 12,237,521	$ 12,634,396	$ 12,847,208
Tangible common equity					
Total common shareholders' equity	$ 1,479,526	$ 1,454,794	$ 1,372,901	$ 1,386,951	$ 1,369,696
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	7,920	8,709	9,549	10,438	11,378
Tangible common equity	$ 1,229,045	$ 1,203,524	$ 1,120,791	$ 1,133,952	$ 1,115,757
Common shares outstanding	46,897,378	46,848,934	46,839,159	46,798,751	46,762,626
Book value per common share	$ 31.55	$ 31.05	$ 29.31	$ 29.64	$ 29.29
Tangible book value per common share	$ 26.21	$ 25.69	$ 23.93	$ 24.23	$ 23.86
Total common shareholders' equity to total assets	11.8%	11.5%	11.0%	10.8%	10.5%
Tangible common equity to tangible assets	9.99%	9.74%	9.16%	8.98%	8.68%
On-balance sheet liquidity:					
Cash and cash equivalents	$ 870,730	$ 810,932	$ 848,318	$ 1,160,354	$ 1,319,951
Unpledged securities	514,724	542,427	494,582	281,098	286,169
Equity securities, at fair value	—	—	2,934	3,031	3,059
Total on-balance sheet liquidity	$ 1,385,454	$ 1,353,359	$ 1,345,834	$ 1,444,483	$ 1,609,179
On-balance sheet liquidity as a percentage of total assets	11.0%	10.7%	10.8%	11.2%	12.3%
On-balance sheet liquidity as a percentage of total tangible assets	11.3%	11.0%	11.0%	11.4%	12.5%

GAAP reconciliations and use of non-GAAP financial measures

Tangible assets, common equity and related measures

(dollars in thousands, except share data)	YTD 2024	As of the Year Ended 2023	2022	2021	2020
Tangible assets					
Total assets	$ 12,548,320	$ 12,604,403	$ 12,847,756	$ 12,597,686	$ 11,207,330
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	7,920	8,709	12,368	16,953	22,426
Tangible assets	$ 12,297,839	$ 12,353,133	$ 12,592,827	$ 12,338,172	$ 10,942,343
Tangible common equity					
Total common shareholders' equity	$ 1,479,526	$ 1,454,794	$ 1,325,425	$ 1,432,602	$ 1,291,289
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	7,920	8,709	12,368	16,953	22,426
Tangible common equity	$ 1,229,045	$ 1,203,524	$ 1,070,496	$ 1,173,088	$ 1,026,302
Common shares outstanding	46,897,378	46,848,934	46,737,912	47,549,241	47,220,743
Book value per common share	$ 31.55	$ 31.05	$ 28.36	$ 30.13	$ 27.35
Tangible book value per common share	$ 26.21	$ 25.69	$ 22.90	$ 24.67	$ 21.73
Total common shareholders' equity to total assets	11.8%	11.5%	10.3%	11.4%	11.5%
Tangible common equity to tangible assets	9.99%	9.74%	8.50%	9.51%	9.38%

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				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Average common shareholders' equity	$1,460,736	$1,385,373	$1,393,253	$1,376,818	$1,343,227
Less average goodwill	242,561	242,561	242,561	242,561	242,561
Less average intangibles, net	8,299	9,138	10,011	10,913	11,862
Average tangible common equity	$1,209,876	$1,133,674	$1,140,681	$1,123,344	$1,088,804
Net income	$ 27,950	$ 29,369	$ 19,175	$ 35,299	$ 36,381
Return on average common equity	7.70%	8.41%	5.46%	10.3%	11.0%
Return on average tangible common equity	9.29%	10.3%	6.67%	12.6%	13.6%
Adjusted tangible net income	$ 40,473	$ 36,773	$ 33,806	$ 36,688	$ 36,471
Adjusted return on average tangible common equity	13.5%	12.9%	11.8%	13.1%	13.6%

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				
	Mar 2024	Dec 2023	Sep 2023	Jun 2023	Mar 2023
Net income	$ 27,950	$ 29,369	$ 19,175	$ 35,299	$ 36,381
Average assets	12,590,079	12,434,575	12,557,158	12,826,449	12,861,614
Average common equity	1,460,736	1,385,373	1,393,253	1,376,818	1,343,227
Return on average assets	0.89%	0.94%	0.61%	1.10%	1.15%
Return on average common equity	7.70%	8.41%	5.46%	10.3%	11.0%
Adjusted net income	$ 39,890	$ 36,152	$ 33,148	$ 35,993	$ 35,739
Adjusted return on average assets	1.27%	1.15%	1.05%	1.13%	1.13%
Adjusted return on average common equity	11.0%	10.35%	9.44%	10.5%	10.8%
Adjusted pre-tax pre-provision net revenue	$ 51,180	$ 45,390	$ 44,869	$ 44,992	$ 45,701
Adjusted pre-tax pre-provision return on average assets	1.63%	1.45%	1.42%	1.41%	1.44%