# SECOND QUARTER 2020

July 23, 2020

# FORWARD LOOKING STATEMENTS

Information in this presentation may contain "forward-looking statements" within the Private Securities Litigation Reform Act of 1995. These statements generally relate to our financial condition, results of operations, plans, objectives, future performance or business and usually can be identified by the use of forward-looking terminology such as "may," "will," "would," "should," "could," "expect," "anticipate," "estimate," "believe," "plan," "intend," "project," "goals," "outlook," or "continue," or the negative thereof or other variations thereof or comparable terminology. These statements represent our judgment concerning the future and are subject to business, economic and other risks and uncertainties, both known and unknown. These statements are based on current expectations, estimates and projections about our business, management's beliefs and assumptions made by management. These statements are not guarantees of our future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements. These risks, uncertainties and assumptions include, without limitation:

- deterioration in the financial condition of borrowers resulting in significant increases in our loan and lease losses and provisions for those losses and other adverse impacts to results of operations and financial condition;
- changes in SBA rules, regulations and loan products, including specifically the Section 7(a) program, changes in SBA standard operating procedures or changes to Live Oak Banking Company's status as an SBA Preferred Lender;
- changes in rules, regulations or procedures for other government loan programs, including those of the United States Department of Agriculture;
- changes in interest rates that affect the level and composition of deposits, loan demand and the values of loan collateral, securities, and interest sensitive assets and liabilities;
- the failure of assumptions underlying the establishment of reserves for possible loan and lease losses;
- changes in loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments;
- the potential impacts of the coronavirus COVID-19 pandemic on trade (including supply chains and export levels), travel, employee productivity and other economic activities that may have a destabilizing and negative effect on financial markets, economic activity and customer behavior;
- a reduction in or the termination of our ability to use the technology-based platform that is critical to the success of our business model or to develop a next-generation banking platform, including a failure in or a breach of our operational or security systems or those of its third party service providers;
- changes in financial market conditions, either internationally, nationally or locally in areas in which we conduct operations, including reductions in rates of business formation and growth, demand for our products and services, commercial and residential real estate development and prices, premiums paid in the secondary market for the sale of loans, and valuation of servicing rights;
- changes in accounting principles, policies, and guidelines applicable to bank holding companies and banking;
- fluctuations in markets for equity, fixed-income, commercial paper and other securities, which could affect availability, market liquidity levels, and pricing;
- the effects of competition from other commercial banks, non-bank lenders, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and mutual funds, and other financial institutions operating in our market area and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone and the Internet;
- our ability to attract and retain key personnel;
- changes in governmental monetary and fiscal policies as well as other legislative and regulatory changes, including with respect to SBA lending programs and investment tax credits;
- changes in political and economic conditions;
- the impact of heightened regulatory scrutiny of financial products and services, primarily led by the Consumer Financial Protection Bureau and various state agencies;
- our ability to comply with any requirements imposed on us by our regulators, and the potential negative consequences that may result;
- operational, compliance and other factors, including conditions in local areas in which we conduct business such as inclement weather or a reduction in the availability of services or products for which loan proceeds will be used, that could prevent or delay closing and funding loans before they can be sold in the secondary market;
- the effect of any mergers, acquisitions or other transactions, to which we may from time to time be a party, including management's ability to successfully integrate any businesses that we acquire;
- other risk factors listed from time to time in reports that we file with the SEC, including in our Annual Report on Form 10-K; and
- our success at managing the risks involved in the foregoing.

Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Moreover, these forward-looking statements speak only as of the date they are made and based only on information actually known to us at the time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Except as otherwise disclosed, forward-looking statements do not reflect: (i) the effect of any acquisitions, divestitures or similar transactions that have not been previously disclosed; (ii) any changes in laws, regulations or regulatory interpretations; or (iii) any change in current dividend or repurchase strategies, in each case after the date as of which such statements are made.

# Agenda

- Safety & Soundness and a snapshot of what our customers are saying
- Enough is Enough – our shareholders don’t understand our investments + a short victory lap for nCino
- Huntley to review performance in a very confusing quarter

# OUR FOCUS

### KEEPING OUR CUSTOMERS CLOSE

Continued outreach

Deferrals and 6 months of SBA 7(a) payments

Ongoing Credit Assessment

### PAYCHECK PROTECTION PROGRAM

Disbursed $1.74 billion

Processed > 10,000 loans

Approximately 214,000 jobs impacted

### ORIGINATION OPPORTUNITIES

Continue to provide capital to small business owners across the country

### TECHNOLOGY & PRODUCTS

Apiture Capital Raise

Deposit Launch

Finxact Live

LiveOak BANCSHARES

# CREDIT & FAIR VALUE LOAN METRICS

| Ratios[1] | 12/31/2019 | 3/31/2020 | 06/30/2020 |
|---|---|---|---|
| Past Due > 30 Days[2] | 0.44% | 0.54% | 0.00% |
| Watchlist Loans and Leases[3] | 6.28% | 6.45% | 6.46% |
| Classified Assets[4] | 1.85% | 1.88% | 1.66% |
| Non-Accruals[5] | 0.86% | 1.06% | 1.00% |
| Net Charge Off (Annualized) | 0.13% | 0.58% | 0.21% |
| ACL[6] & FV Mark[7] on HFI Unguaranteed Loans and Leases | $44.4 | $61.3 | $67.2 |

| *($ in millions)* | |
|---|---|
| Tier 1 Capital (a) | $498.3 |
| ACL and FV Mark on HFI Loans and Leases (b) | $67.2 |
| Total HFI Unguaranteed Loans and Leases[8] (c) | $2,173.7 |
| **Ratio** (a+b)/c | **26.0%** |
| **Ratio** b/c | **3.1%** |
| **Eligible for Sale Guaranteed Loans, excluding PPP** | **$1,115.8** |

1. All ratios use Total HFI Unguaranteed Loan and Leases (see footnote 8) as the denominator, except for net charge-offs
2. Past due loans and leases include only loans and leases on accrual status at amortized cost
3. Watchlist loans and leases include unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost) categorized as Risk Grade 5 and 6
4. Classified assets include Risk Grade 6 and worse unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost)
5. Uses unguaranteed balance of non-accrual loans and leases at amortized cost
6. Allowance for credit losses on HFI unguaranteed loans and leases carried at historical cost
7. Fair value mark on HFI unguaranteed loans measured at fair value
8. Represents total HFI unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost)

# KEEPING OUR CUSTOMERS CLOSE

Agriculture
Healthcare
Hotels
Veterinary
Self Storage
Funeral Homes & Cemeteries
Pharmacy
Wine & Craft Beverage
Investment Advisors
Senior Housing & Senior Care

**$1.52**
billion
Unguaranteed Exposure[1]

**$2.21**
billion
Total Unguaranteed Exposure[1]

**68.7%**
% of
Total Unguaranteed
Exposure[1]

Energy & Infrastructure
General Lending Solutions
Educational Services
Sponsor Finance
Government Contractors Entertainment
Centers
Insurance Agencies
Venture Banking
Fitness Centers
Conventional Financing
Automotive Care
Quick Service Restaurants
Professional Services
Commercial RE Financing
General Franchises
Service Contractors
Auto Dealerships
Restoration
Other

1. Total unguaranteed exposure of loans and leases carried at amortized cost

# CREDIT

## COVID-19: Higher at-risk verticals

| Industry | Exposure[1] | % of Portfolio[2] |
|---|---|---|
| Hotels | $179 million | 8.1% |
| Wine & Craft Beverage | $102 million | 4.6% |
| Educational Services | $80 million | 3.6% |
| Entertainment Centers | $57 million | 2.6% |
| Fitness Centers | $23 million | 1.0% |
| Quick Service Restaurants | $12 million | 0.6% |

- Portfolio Impact - Monthly Payments & PPP Loans
  - ~60%[3] of loans are receiving 6 months of P&I payments by the SBA
  - ~9%[3] of loans have payment deferrals in place
  - ~75%[4] of existing borrowers received a PPP loan

1. Represents total outstanding balance of unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost)
2. Respective industry exposure as a percent of total outstanding balance of unguaranteed loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost)
3. Estimation as a percent of total loans and leases at amortized cost (inclusive of loans and leases at fair value and historical cost) excluding PPP loans
4. Estimation as a percent of total number of borrower relationships as of March 31, 2020

# PORTFOLIO DIVERSIFICATION[1]

**$5.70 billion**

Portfolio Balance[2]

**Growth through Diversification**

**61.2%**

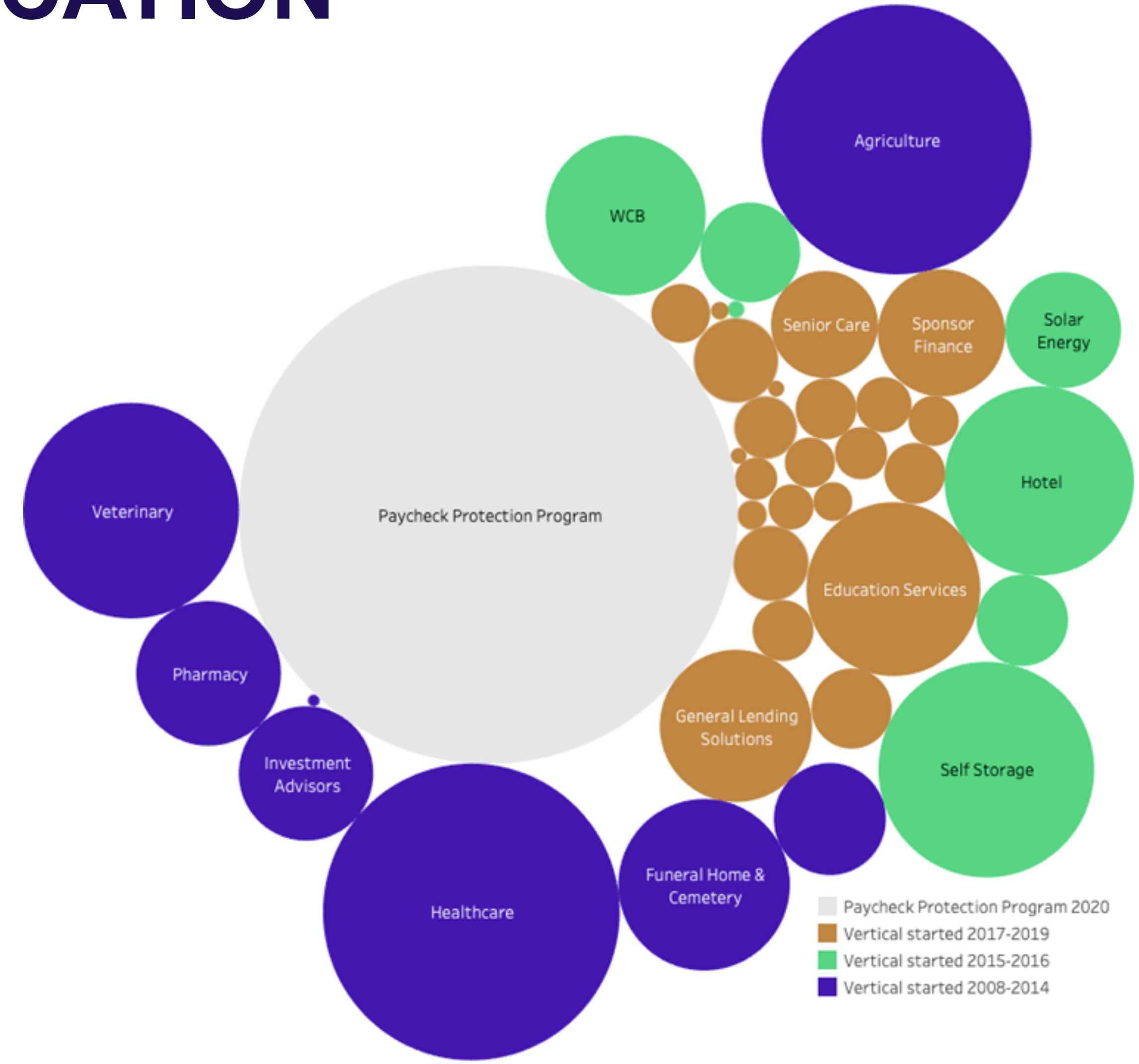
Guaranteed Portfolio Percentage[3]

**$3.48 billion[2]**

**$4.81 billion**

SBA Guaranteed[2] & Unguaranteed[4]

**SBA 504** - $158M[5]
**Leases -** $12M
**USDA** - $190M[6]
**OTHER** - $526M[5]




1. Total Loans and Leases at amortized cost (inclusive of loans at fair value and historical cost)
2. Includes PPP loans at June 30, 2020
3. The ratio of total guaranteed loans (including PPP loans) divided by portfolio balance
4. Includes $112 million unguaranteed pari passu balances
5. Comprised of first lien unguaranteed loans with average LTV of 50%
6. Comprised of $78 million guaranteed and $112 unguaranteed balances

# TECHNOLOGY INVESTMENTS

ncino

2011 Inception by Live Oak
**IPO: July 14, 2020**

~ $7 billion
Market Cap

APITURE

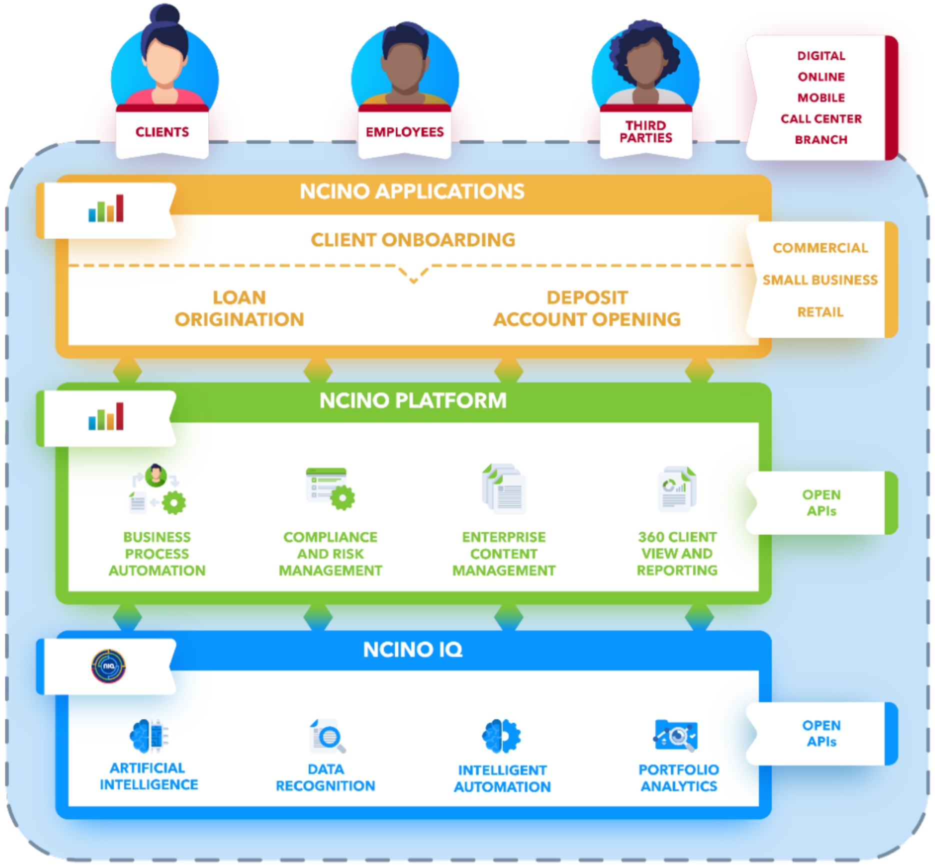
2017 Joint Venture
Formed by Live Oak

July 2020 - **$20 million** investment by
T. Rowe Price & Pinnacle Bank

| | Finxact | payrailz | DefenseStorm | savana | Greenlight |
|---|---|---|---|---|---|
| **Live Oak Carrying Value** | **$2.5 million** | **$0 million** | **$2.1 million** | **$1.5 million** | **$8.7 million** |
| **Implied Value of Shares Owned by Live Oak** | **$28.9 million** | **$13.9 million** | **$3.5 million** | **$1.4 million** | **$8.7 million** |

# NCINO BANK OPERATING SYSTEM

ncino BANK OPERATING SYSTEM



# NCINO

| *(in thousands of dollars)* | Fiscal Year Ended January 31, 2018 | 2019 | 2020 |
|---|---|---|---|
| Subscription Revenues | 38,048 | 64,458 | 103,265 |
| Professional Services Revenues | 20,094 | 27,076 | 34,915 |
| Total Revenues | 58,142 | 91,534 | 138,180 |
| | | | |
| Cost of Subscription Revenues | 12,581 | 19,995 | 31,062 |
| Cost of Professional Services Revenues | 17,890 | 26,456 | 33,008 |
| Total Cost of Revenues | 30,471 | 46,451 | 64,070 |
| | | | |
| Total Operating Expenses | 46,446 | 68,299 | 102,280 |
| Other (Income) Losses | (236) | (1,104) | (1,021) |
| **Loss before income tax expense** | **18,539** | **22,112** | **27,149** |

Source: nCino SEC Filing

# PUBLIC SAAS COMPS ANALYSIS

| Comp Group | Description | Multiples (TEV/Rev) |
|---|---|---|
| High Growth SaaS | Public SaaS companies with >30% revenue growth | • CY 21E Median: 15.7x<br>• CY 22E Median: 12.3x |
| High Efficiency Comps | Public SaaS companies in which revenue growth + FCF margin >40% | • CY 21E Median: 17.6x<br>• CY 22E Median: 14.8x |
| Efficient Comps | Public SaaS companies in which revenue growth + FCF margin 20% – 40% | • CY 21E Median: 9.6x<br>• CY 22E Median: 8.7x |
| Vertical SaaS | Vertical specific software companies in financial services and other industries | • CY 21E Median: 10.4x<br>• CY 22E Median: 9.4x |
| Recent IPO | Companies that have IPO'd in the last 12 months including names in which stock price has normalized | • CY 21E Median: 16.3x<br>• CY 22E Median: 12.5x |

Source: Capital IQ

# NON-GAAP EARNINGS

| | Q4 2019 | Q1 2020 | Q2 2020 |
|---|---|---|---|
| | | $ in thousands | |
| **Income (loss) before taxes[1]** | **$ 8,917** | **$ (15,380)** | **$ 5,251** |
| Add: | | | |
| Provision for loan and lease credit losses[1] | 4,809 | 11,792 | 9,958 |
| Fair value adjustments | | | |
| Loan servicing asset revaluation[1] | 4,135 | 4,692 | 1,571 |
| Exchange-traded interest rate futures contracts (gain) loss[2] | (1,187) | 3,209 | (127) |
| Net (gain) loss on loans accounted for under the fair value option[1] | (1,432) | 10,638 | 1,089 |
| Other losses (gains) on valuation adjustments[3] | 227 | 176 | (271) |
| Total fair value adjustments | 1,743 | 18,715 | 2,262 |
| FinTech activities[4] | 1,761 | 2,370 | 2,303 |
| **Non-GAAP net income before taxes** | **$ 17,230** | **$ 17,497** | **$ 19,774** |

1. As reported
2. Included as a component of the net gains on sales of loans, as reported
3. Includes valuation gains and losses related to equity security investments, equity warrant assets, and foreclosed assets
4. See Appendix

# PERFORMANCE

# Q2 2020 HIGHLIGHTS

**84%** ↑
Increase versus Q2 2019
Total Loans and Leases HFS and HFI
**$5.63 billion**

**92%** ↑
Increase versus Q2 2019
Total Assets
**$8.21 billion**

**42%** ↑
Increase versus Q2 2019
Managed Portfolio
**$8.70 billion**

**2%** ↑
Increase versus Q1 2020
Net Interest Income &
Loan Servicing Revenue
**$47.6 million**

**3%** ↓
Decrease versus Q1 2020
Noninterest Expense
**$48.1 million**

**54%**
Held portion of guaranteed loans that became eligible for sale in Q2 2020[1]
**$184.5 million**

1. Percentage held of $339.5 million of guaranteed loans that became eligible for sale in the current quarter

# PPP ACTIVITY IMPACTS

| ($ in thousands) | Q1 | Q2 | Q1 vs. Q2 Change | Q1 vs. Q2 % | Q2 adjusted for PPP Activities | Q1 vs. Q2 Change | Q1 vs. Q2 % |
|---|---|---|---|---|---|---|---|
| Total Assets | $ 5,274 | $ 8,209 | $ 2,935 | 55.7% | $ 5,584 [1] | $ 310 | 5.9% |
| Total Loans & Leases | 3,814 | 5,627 | 1,813 | 47.5% | 3,939 [2] | 125 | 3.3% |
| Total Loan & Lease Origination | 501 | 2,175 | 1,674 | NM | 430 | (71) | -14.1% |
| | | | | | | | |
| NIM | 3.55% | 2.56% | -99 bps | | 3.07% [3] | -48 bps | |
| Liquidity Ratio | 21.5% | 36.4% | +14.9% | | 21.5% [4] | 0.0% | |
| Tier 1 Leverage Ratio | 9.94% | 7.96% | -198 bps | | 9.67% [3] | -27 bps | |

1. See Appendix for total assets, as adjusted to exclude PPP activities.
2. Total loans and leases, as reported less $1.69 billion PPP net loans
3. Estimated negative impact of PPP loans & excess liquidity on Q2 2020 net interest margin
4. Adjustment for PPP to the liquidity ratio assumes Q2 2020 liquidity is unchanged from March 31, 2020

# PPP IMPACT

- Origination Fees Received[1] - $60.4 million
- PPP Net Origination Fees & Costs[1]
  - $5.4 million net fees amortized into income
  - $51.7 million net fees on balance sheet
- PPP Interest Rate of 1% - $3.3 million[1]

| Loan Tier | Loan Count | PPP Originations[1] |
|---|---|---|
| < $350 thousand | 9,843 | $764 million |
| $350 thousand - $2.0 million | 920 | $670 million |
| > $2.0 million | 84 | $311 million |
| Total | 10,847 | $1,745 million |

**$62.0 million**
**Reported Interest Income and Fees on Loans Q2 2020**

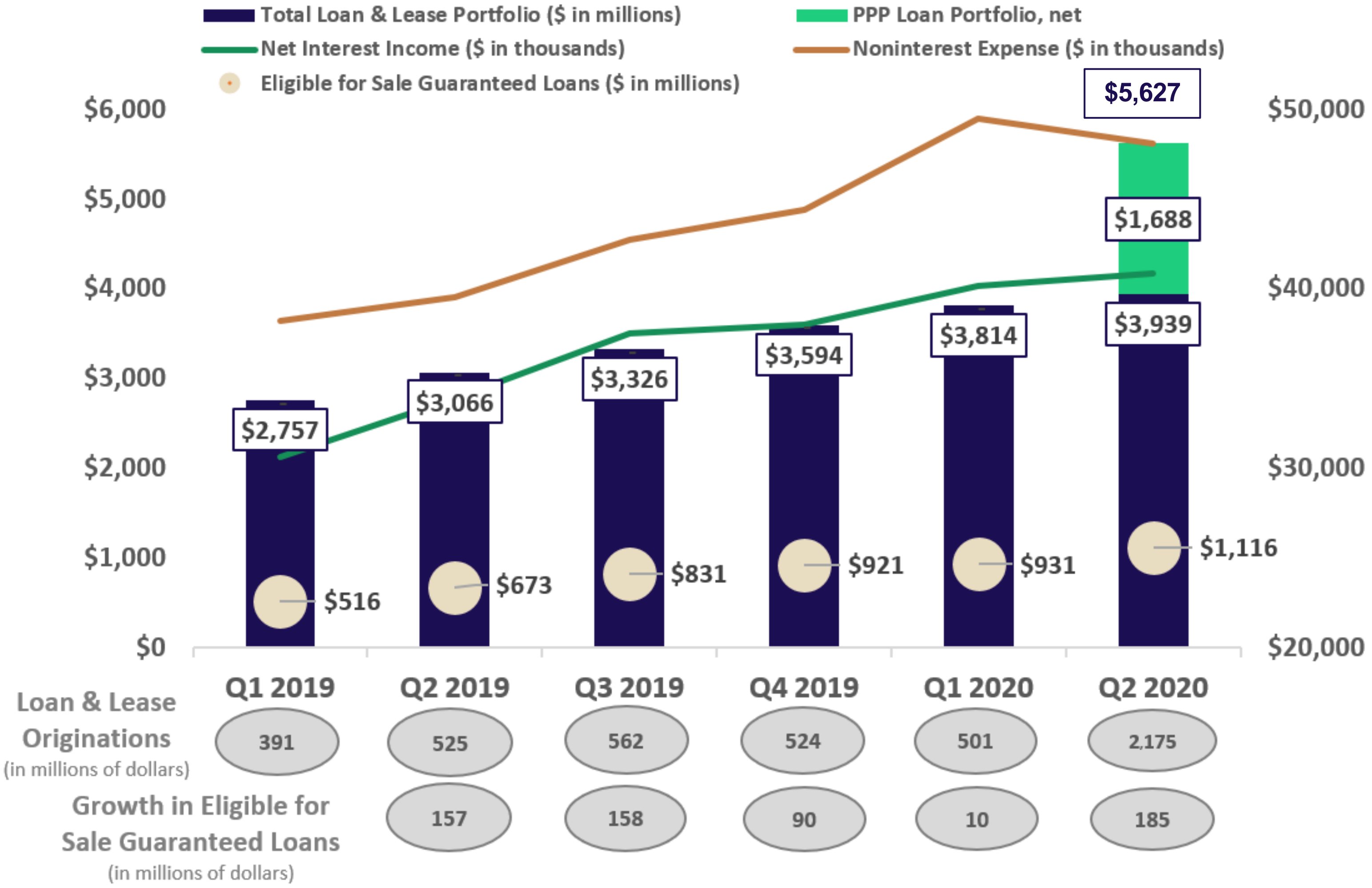
**Less $5.4 million**
**Amortization of Net Deferred Fees on PPP Loans**

**Less $3.3 million**
**Interest Income on PPP Loans**

**$53.3 million**
**Interest Income & Amortization of Net Deferred Fees on Loans (excluding PPP)**

1. As of and for the quarter ended June 30, 2020

# FRANCHISE FUNDAMENTALS




**20.5%**
**Net Interest Income**
Q2 2020 vs. Q2 2019

**1.7x**
**Guaranteed Loans Eligible for Sale**
Q2 2020 vs. Q2 2019

**$430**
**million**
**Loan & Lease Originations**
Q2 2020 Excluding PPP

# LOAN & LEASE ORIGINATIONS

For the three months ending June 30, 2020

**$2.18 billion**
**Loan & Lease Originations**

**PPP Originations**
**$1.74 billion**

**$430.1 million**
**Traditional Platforms**

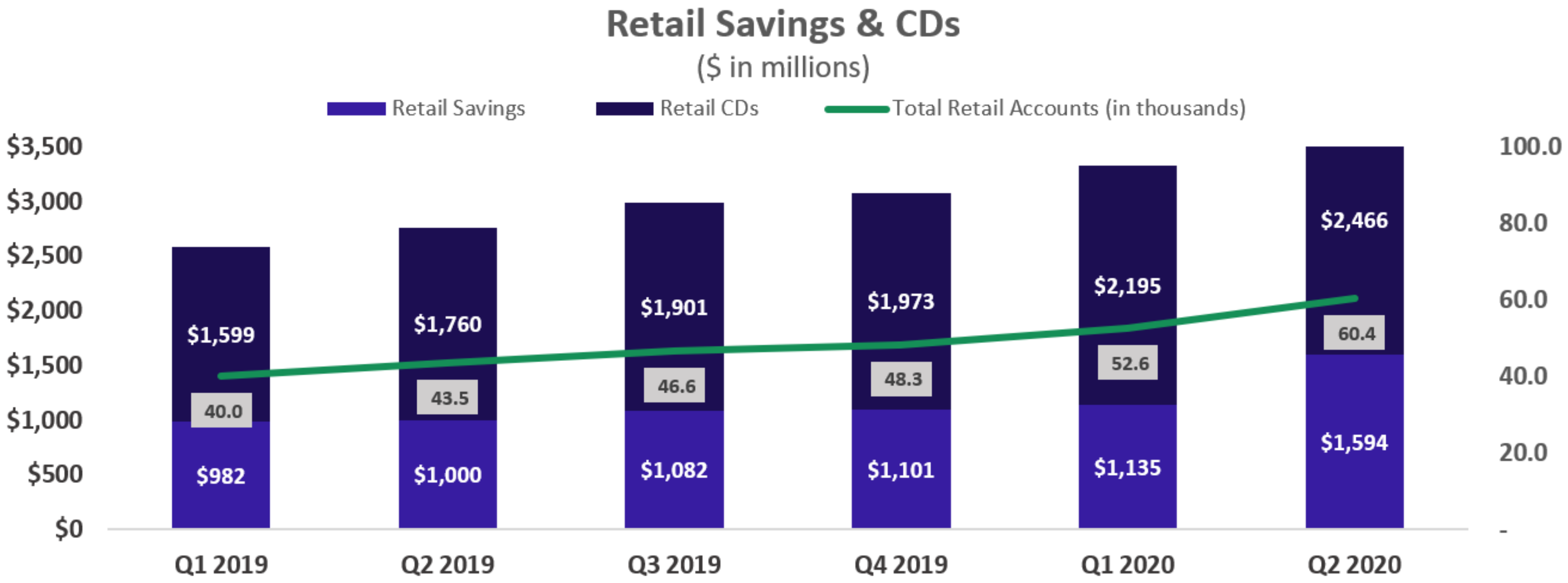
**Non-SBA**
**$251.4 million**

**$178.7 million**
**SBA 7(a)**

**USDA**
**$65.8 million**

**$185.6 million**
**Conventional**

# HIGHLY EFFICIENT DEPOSIT PLATFORM




| Cost of Funds | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 |
|---|---|---|---|---|---|---|
| Retail Savings | 2.11% | 2.12% | 2.01% | 1.76% | 1.66% | 1.12% |
| Retail CDs | 2.57% | 2.67% | 2.67% | 2.60% | 2.36% | 2.13% |

**$4.06 billion Retail Deposits**
As of June 30, 2020

**$363.5 million CD Maturities**
Q2 2020

**97.4% Savings Retention[1]**
1H 2020

**62.9% CD Retention[2]**
Q2 2020

**1.00% Savings**
Offered Rate
July 22, 2020

**0.70% 1-Year CD**
Offered Rate
July 22, 2020

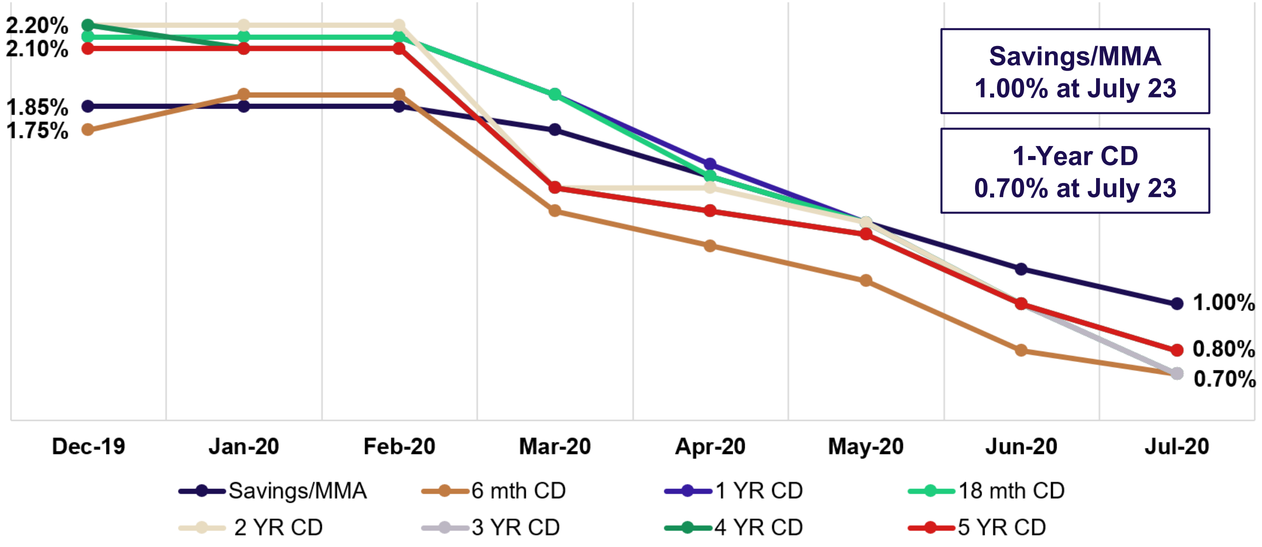
1. Savings balance retention compared to accounts active at December 31, 2019
2. Retention of balances matured in Q2 2020

# DEPOSIT RATES & MATURITIES

**Since 12/31/2019**

- Consumer Savings rate reduced by 85bps to **1.00%**[1]
- 12-month CD (comprising 62% of the Retail CD portfolio balance[2]) rate offering reduced by 145bps to **0.70%**

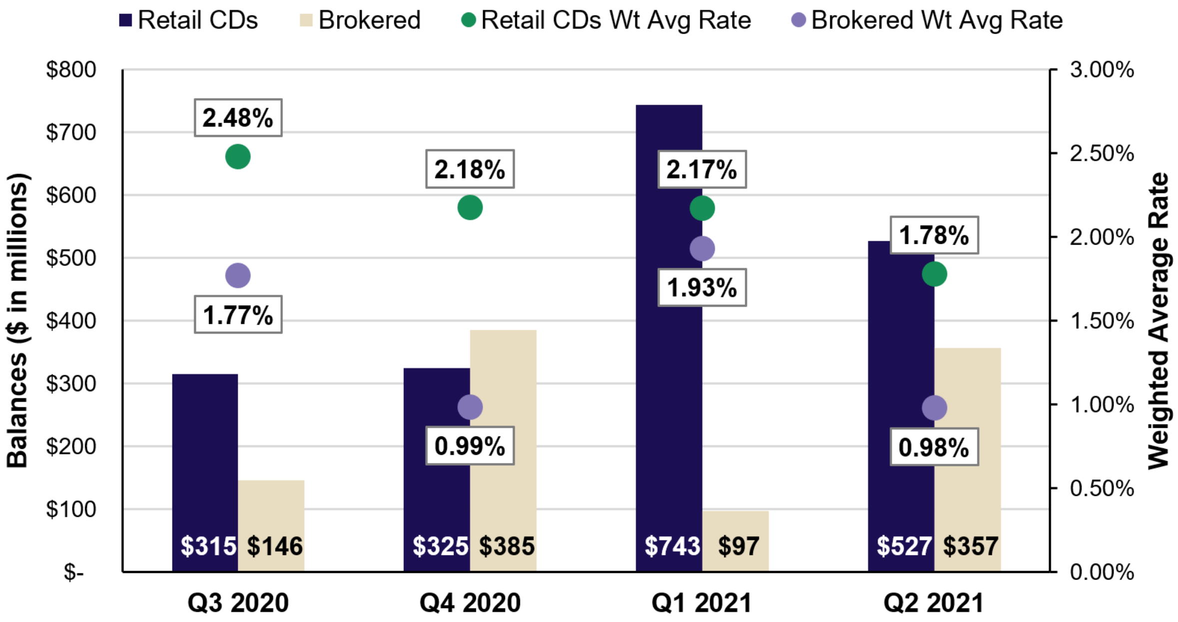
**Retail Deposit Offering APYs since 12/31/2019**




**Deposit Maturities within 12 months ($ in millions)**

- Retail CD Portfolio: $1,910 average maturing rate of 2.12%
- Brokered Portfolio: $985 average maturing rate of 1.19%[3]

**Retail & Brokered Maturities - Q3 2020 to Q2 2021**




1. As of July 17, 2020
2. As of June 30, 2020
3. Includes $500MM of Promontory ICS One-Way Buy. $250MM matures October 2020 and $250MM matures April 2021

# CAPITAL & LIQUIDITY

*As of June 30, 2020*

**$2.14** billion
Cash & Investments

**$1.75** billion
Government Guaranteed Loans (excl. PPP)[1]

**$1.12** billion
Eligible for Sale Government Guaranteed Loans

**60.0%**
Cash, Investments, Government Guaranteed Loans (excl. PPP)[2] to Total Assets (excl. PPP)[2]

**12.9%**
CET1 Capital Ratio

**36.4%**
Liquidity Ratio[3]

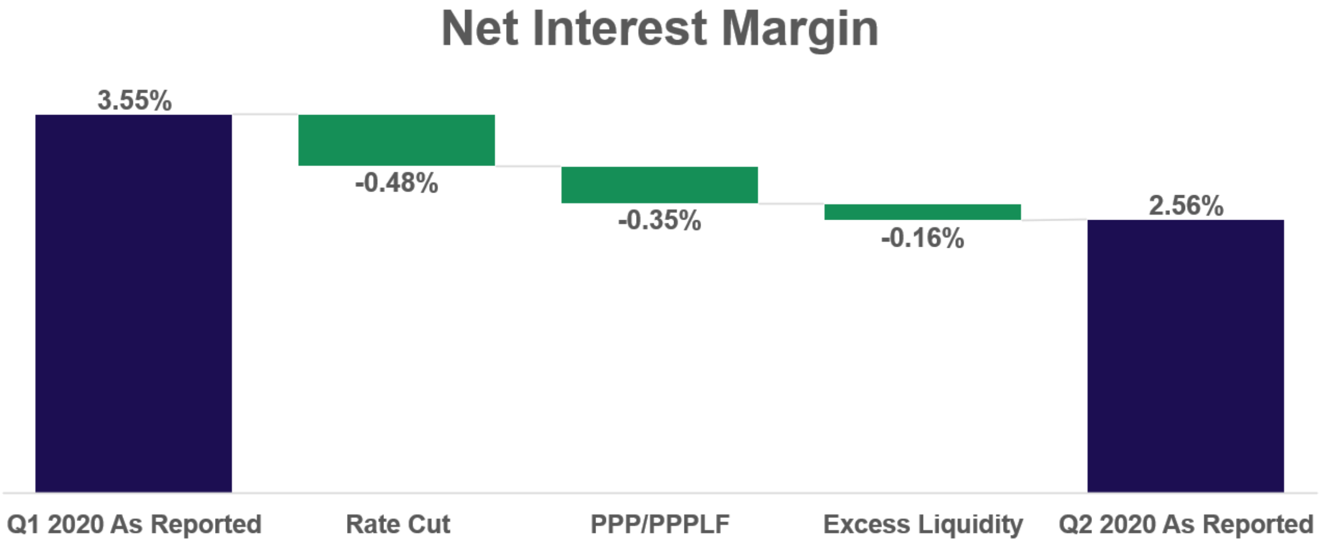
1. At amortized costs, excludes $1.74 billion PPP loans at June 30, 2020. Government guaranteed loans including PPP loans totaled $3.48 billion at June 30, 2020.
2. Excludes $1.74 billion PPP loans at June 30, 2020. The ratio of cash, investments, and government guaranteed loans including PPP loans to total assets including PPP loans is 68.5%.
3. Liquidity ratio is defined as Net Cash and Short-Term Marketable Assets Divided by Net Deposits and Short-Term Liabilities.

# PPP IMPACT

**51**

**basis points**

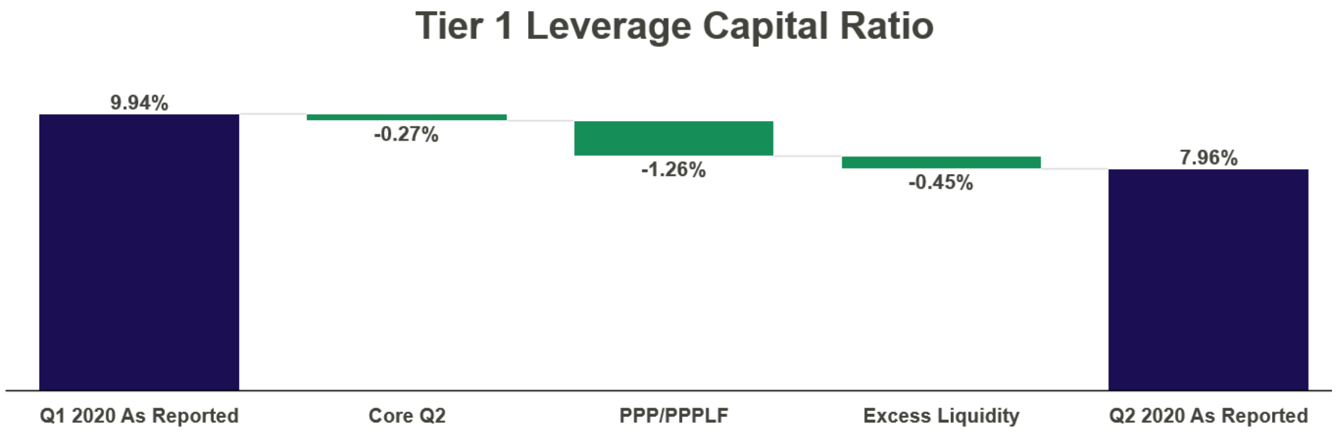
**Estimated Negative Impact of PPP Loans & Excess Liquidity on Q2 2020 Net Interest Margin**




**171**

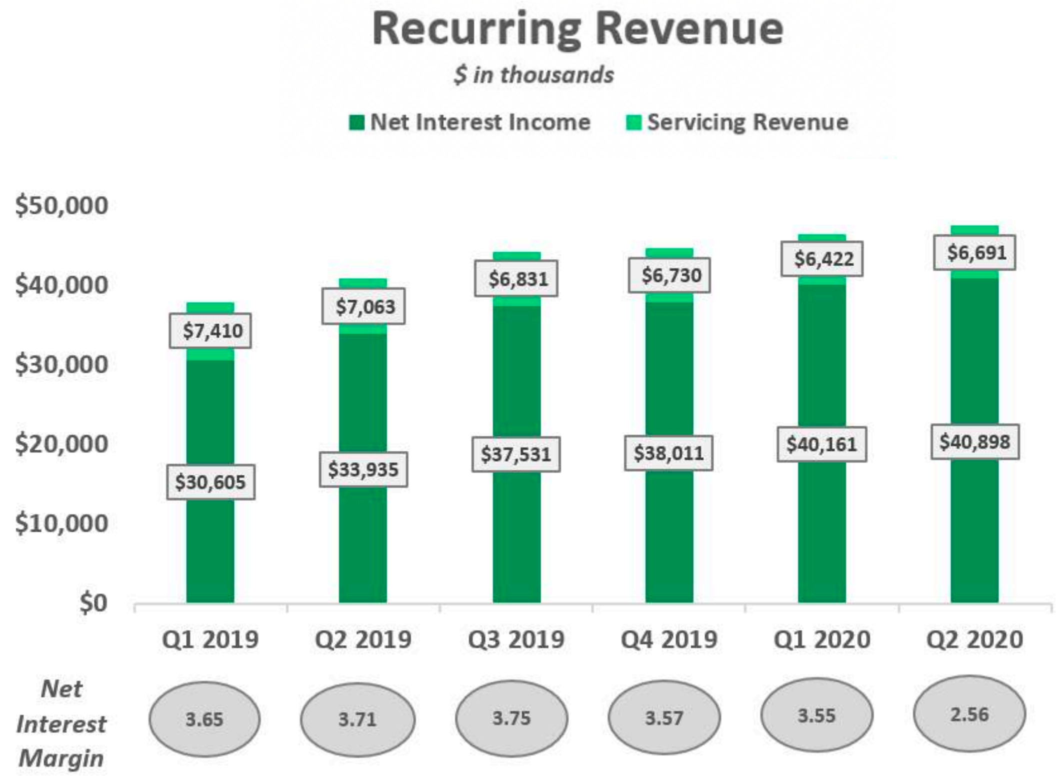
**basis points**

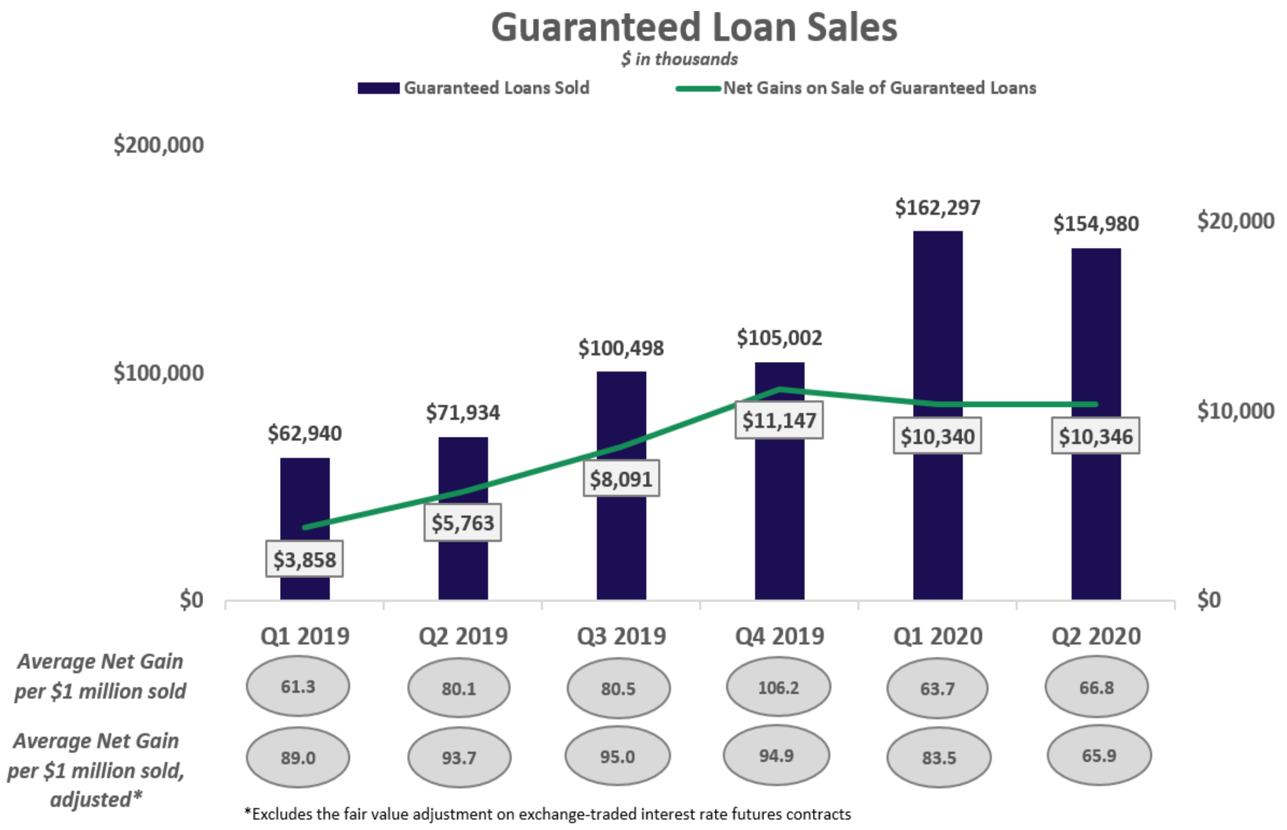
**Estimated Negative Impact of PPP Loans & Excess Liquidity on Q2 2020 Tier 1 Leverage Capital Ratio**



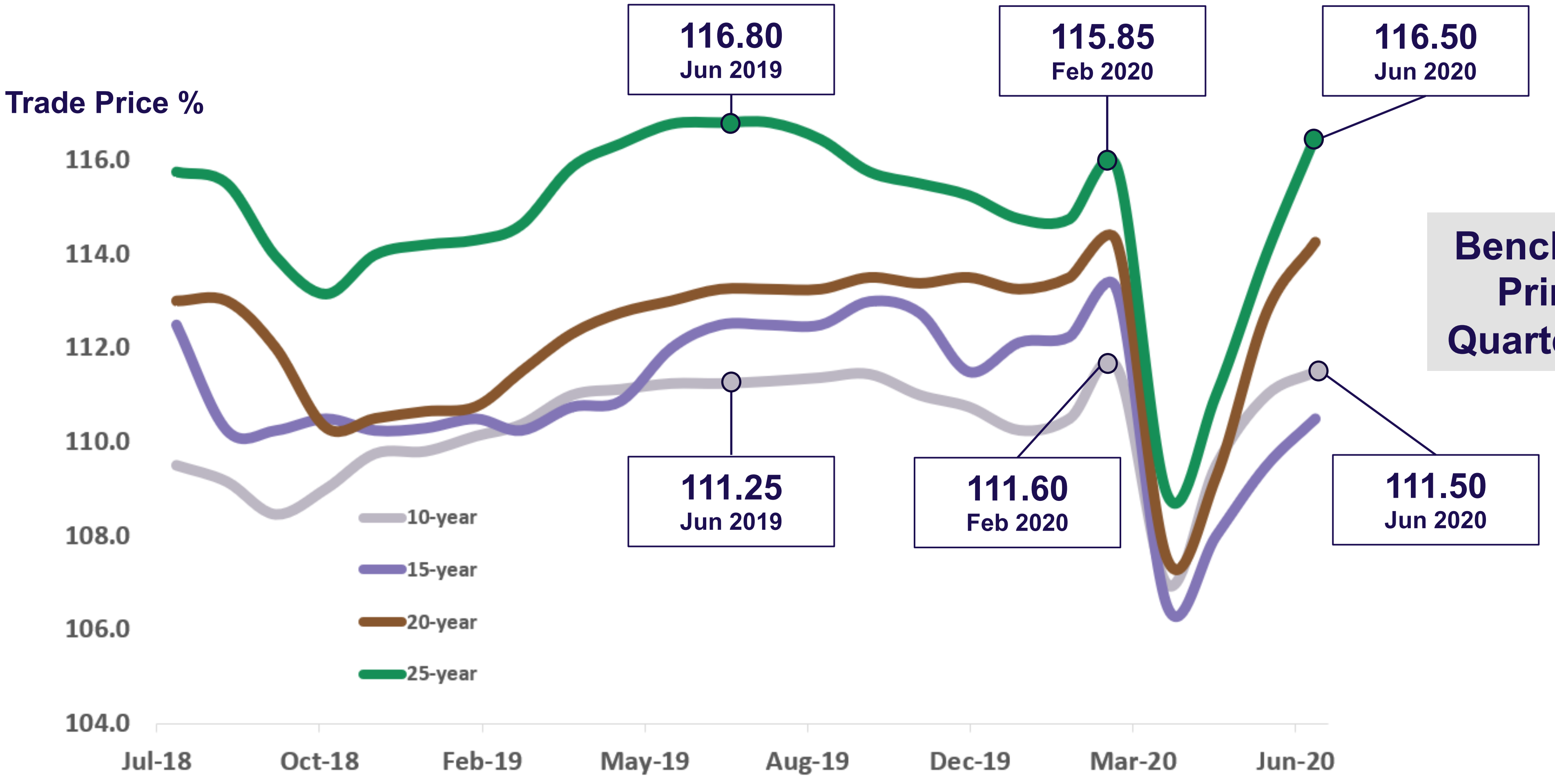

1. Excludes net PPP loan balances at June 30, 2020.
2. Outstanding balance of sold and serviced loans plus loans and leases held for investment and held for sale
3. See Appendix for reconciliation of total assets, as adjusted to exclude PPP activities

# RECURRING REVENUE GROWTH



# SECONDARY MARKET RECOVERY




**Benchmark Trades**
**Prime + 2.75%**
**Quarterly Adjusting**

Source: Government Loan Solutions

# HIGH PERFORMING BANK METRICS

| Metric | Live Oak | | | Q1 2020 | Trend |
|---|---|---|---|---|---|
| **Asset Size** ($ in billion) | $8.21 | $ 7.0 | $ 8.0 | $5.27B | + |
| **NIM** | 2.56% | 3.50% | 3.75% | 3.55% | - |
| **Noninterest Income** to Total Income | 35.4% | 30% | 25% | 12.5% | + |
| **Efficiency Ratio**[1] | 76.9% | 60% | | 107.6% | + |
| **ROA** | 0.22% | 1.25% | 1.75% | -0.61% | + |
| **ROE** | 2.68% | 15% | 20% | -5.64% | + |
| **Tier 1 Leverage** | 7.96% | 8.5% | 10% | 9.94% | - |

1. See Appendix for calculation of efficiency ratio

# OUR FOCUS

**SAFETY & WELL-BEING**
OF OUR EMPLOYEES

**HELP OUR CUSTOMERS**
NAVIGATE THE CRISIS

**CONTINUE TO INVEST**
**IN OUR COMMUNITIES**
LOCAL & IN-VERTICAL

**KEEPING OUR CUSTOMERS CLOSE**

**PAYCHECK PROTECTION PROGRAM**

**ORIGINATION OPPORTUNITIES**

**TECHNOLOGY & PRODUCTS**

LiveOak®
BANCSHARES

# APPENDIX

**FinTech Activities Impact on Consolidated Financials**
*($ in thousands)*

| | Banking Activities | Apiture | Live Oak Ventures | Canapi Advisors | FinTech Activities | Consolidated, as reported |
|---|---|---|---|---|---|---|
| **Actuals for the quarter ended June 30, 2020** | | | | | | |
| Net interest income | $ 40,898 | $ - | $ - | $ - | $ - | $ 40,898 |
| Provision for credit losses | 9,958 | - | - | - | - | 9,958 |
| Noninterest income (loss) | 23,346 | (1,276) | (865) | 1,206 | (935) | 22,411 |
| Noninterest expense | 46,732 | - | 54 | 1,314 | 1,368 | 48,100 |
| **Income (loss) before income tax expense** | **$ 7,554** | **$ (1,276)** | **$ (919)** | **$ (108)** | **$ (2,303)** | **$ 5,251** |

| | Banking Activities | Apiture | Live Oak Ventures | Canapi Advisors | FinTech Activities | Consolidated, as reported |
|---|---|---|---|---|---|---|
| **Actuals for the quarter ended March 31, 2020** | | | | | | |
| Net interest income | $ 40,161 | $ - | $ - | $ - | $ - | $ 40,161 |
| Provision for credit losses | 11,792 | - | - | - | - | 11,792 |
| Noninterest income (loss) | 6,622 | (1,352) | (1,172) | 1,644 | (880) | 5,742 |
| Noninterest expense | 48,001 | - | 59 | 1,431 | 1,490 | 49,491 |
| **Income (loss) before income tax expense** | **$ (13,010)** | **$ (1,352)** | **$ (1,231)** | **$ 213** | **$ (2,370)** | **$ (15,380)** |

| | Banking Activities | Apiture | Live Oak Ventures | Canapi Advisors | FinTech Activities | Consolidated, as reported |
|---|---|---|---|---|---|---|
| **Actuals for the quarter ended December 31, 2019** | | | | | | |
| Net interest income | $ 38,011 | $ - | $ - | $ - | $ - | $ 38,011 |
| Provision for credit losses | 4,809 | - | - | - | - | 4,809 |
| Noninterest income (loss) | 20,327 | (712) | (1,045) | 1,555 | (202) | 20,125 |
| Noninterest expense | 42,851 | - | 87 | 1,472 | 1,559 | 44,410 |
| **Income (loss) before income tax expense** | **$ 10,678** | **$ (712)** | **$ (1,132)** | **$ 83** | **$ (1,761)** | **$ 8,917** |

# APPENDIX

| *($ in thousands)* | |
|---|---|
| **Total Assets, as reported for the quarter ended June 30, 2020** | **$ 8,209,154** |
| PPP-related activities | |
| Cash and cash receivable for origination fees | 61,492 |
| Loans, net of unearned | 1,688,104 |
| Allowance for credit losses | (1,565) |
| Accrued interest receivable | 3,289 |
| Estimated excess balance sheet liquidity arising from PPP | 874,195 |
| Total adjustments for PPP activities | 2,625,514 |
| **Total Assets, as adjusted to exclude PPP activities** | **5,583,640** |

# APPENDIX

| ($ in thousands) | As of and for the three months ended | | | | |
|---|---|---|---|---|---|
| | 2Q 2020 | 1Q 2020 | 4Q 2019 | 3Q 2019 | 2Q 2019 |
| Efficiency ratio: | | | | | |
| Noninterest expense (d) | $ 48,100 | $ 49,491 | $ 44,410 | $ 42,737 | $ 39,576 |
| Net interest income | 40,898 | 40,161 | 38,011 | 37,531 | 33,935 |
| Noninterest income | 22,411 | 5,742 | 20,125 | 15,428 | 14,650 |
| Less: gain on sale of securities | 734 | (79) | 528 | 87 | — |
| Adjusted operating revenue (e) | $ 62,575 | $ 45,982 | $ 57,608 | $ 52,872 | $ 48,585 |
| Efficiency ratio (d/e) | 76.87% | 107.63% | 77.09% | 80.83% | 81.46% |