



**Acquisition of FNB Financial Corp. (Scottsville, Kentucky)**

September 17, 2019

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## **IMPORTANT INFORMATION FOR SHAREHOLDERS AND INVESTORS**

This communication shall not constitute an offer to sell, the solicitation of an offer to sell, or the solicitation of an offer to buy any securities or the solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed transaction, FB Financial Corporation (“FB Financial”) will file a registration statement on Form S-4 with the Securities and Exchange Commission (the “SEC”), which will contain the proxy statement of FNB Financial Corp. (“FNB”) and a prospectus of FB Financial. Investors and shareholders are encouraged to read the registration statement, including the proxy statement/prospectus that will be part of the registration statement, because it will contain important information about the proposed transaction, FNB, and FB Financial. After the registration statement is filed with the SEC, the proxy statement/prospectus and other relevant documents will be mailed to FNB shareholders and will be available for free on the SEC’s website ([www.sec.gov](http://www.sec.gov)). The proxy statement/prospectus will also be made available for free by contacting FB Financial Corporation Investor Relations at (615) 564-1212 or [investors@firstbankonline.com](mailto:investors@firstbankonline.com). No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## **PARTICIPANTS IN THE SOLICITATION**

FB Financial, FNB, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from FNB shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of FB Financial may be found in the definitive proxy statement for FB Financial’s 2019 annual meeting of shareholders, filed with the SEC by FB Financial on April 16, 2019, and other documents subsequently filed by FB Financial with the SEC. Information about the directors and executive officers of FNB, including additional information regarding the interests of such participants, will also be included in the proxy statement/prospectus regarding the proposed transaction when it becomes available. Free copies of these documents may be obtained as described in the paragraph above.

## Forward - Looking Statements

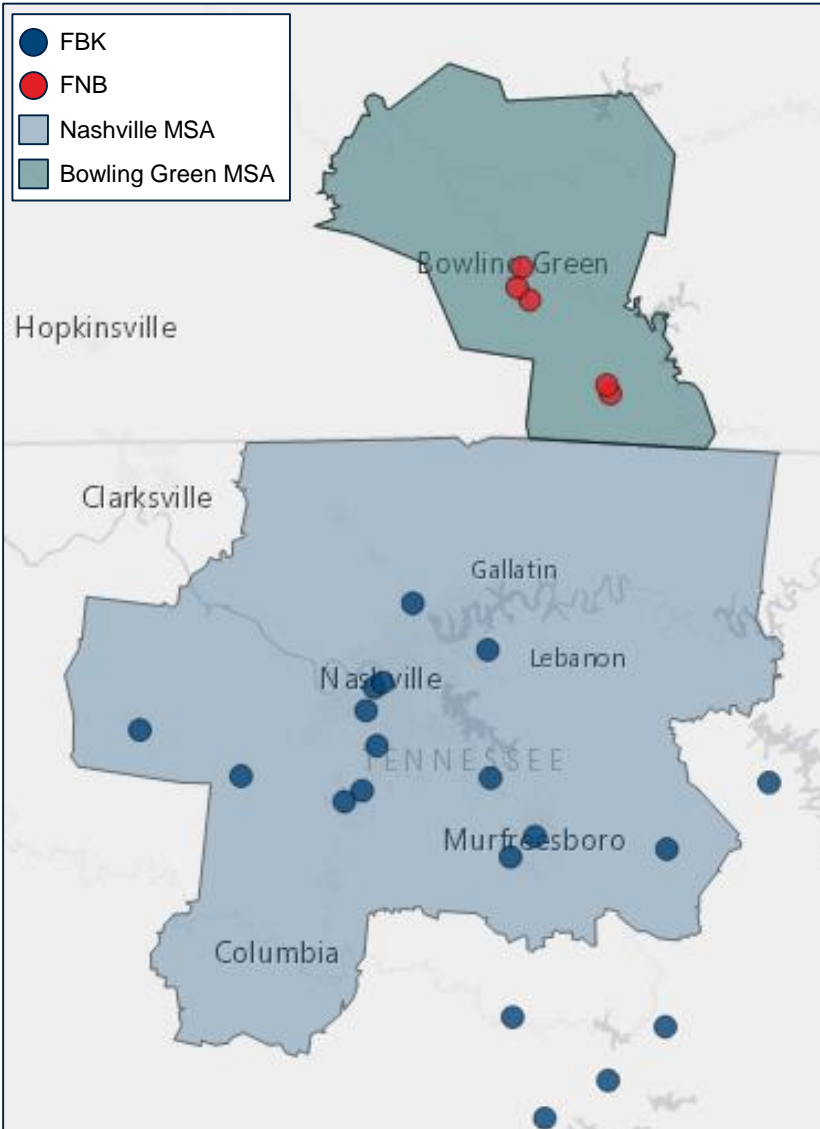
Certain statements contained in this presentation may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, statements relating to the timing, benefits, costs, and synergies of the proposed merger with FNB (which we refer to as the “FNB merger”), and FB Financial’s future plans, results, strategies, and expectations. 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,” “projection,” and other variations of such words and phrases and similar expressions. These forward-looking statements are not historical facts, and are based upon current expectations, estimates, and projections, many of which, by their nature, are inherently uncertain and beyond FB Financial’s control. The inclusion of these forward-looking statements should not be regarded as a representation by the FB Financial or any other person that such expectations, estimates, and projections will be achieved. Accordingly, FB Financial 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 and that are beyond FB Financial’s control. Although FB Financial believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this presentation, 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) the risk that the cost savings and any revenue synergies from the proposed FNB merger or another acquisition may not be realized or take longer than anticipated to be realized, (2) disruption from the proposed FNB merger with customer, supplier, or employee relationships, (3) the occurrence of any event, change, or other circumstances that could give rise to the termination of the merger agreement with FNB, (4) the failure to obtain necessary regulatory approvals for the FNB merger, (5) the failure to obtain the approval of FNB’s shareholders for the merger, (6) the possibility that the costs, fees, expenses, and charges related to the FNB merger may be greater than anticipated, including as a result of unexpected or unknown factors, events, or liabilities, (7) the failure of the conditions to the FNB merger to be satisfied, (8) the risks related to the integration of acquired businesses (including the proposed FNB merger, FB Financial’s recent acquisition of branches from Atlantic Capital Bank, and any future acquisitions), including the risk that the integration of the acquired operations with those of FB Financial will be materially delayed or will be more costly or difficult than expected, (9) the risks associated with FB Financial’s pursuit of future acquisitions, (10) the risk of expansion into new geographic or product markets, (11) reputational risk and the reaction of the parties’ customers to the FNB merger, (12) FB Financial’s ability to successfully execute its various business strategies, including its ability to execute on potential acquisition opportunities, (13) the risk of potential litigation or regulatory action related to the FNB merger, and (14) general competitive, economic, political, and market conditions.

Many of these factors are beyond FB Financial’s ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if FB Financial’s 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 FB Financial does not undertake any 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 FB Financial to predict their occurrence or how they will affect FB Financial.

FB Financial qualifies all of its forward-looking statements by these cautionary statements.

# FNB Financial Corp.

## Pro Forma Footprint



## FNB Highlights

- Parent company of Farmers National Bank of Scottsville, which was founded in 1923
- All 5 branches in the Bowling Green MSA, with 3 branches in Bowling Green and 2 branches in Scottsville
- The Bowling Green MSA is the fastest growing MSA in Kentucky, is contiguous to the Nashville MSA, and provides a natural expansion opportunity
- Quality deposit base with 28% noninterest bearing deposits & granular loan portfolio

## Farmers National Bank of Scottsville Selected Financials<sup>(1)</sup>

6/30/19 Total Assets	\$	252,538
6/30/19 Loans HFI		178,393
6/30/19 ALLL		1,895
6/30/19 Deposits		203,943
6/30/19 Consolidated Equity <sup>(2)</sup>		40,325
1H19 ROAA		1.18%
1H19 Efficiency Ratio (FTE)		66.9%
2Q 2019 Net Interest Margin		4.02%
2Q 2019 Yield on Loans		5.71%
2Q 2019 Cost of Deposits		0.90%
6/30/19 NPAs / Assets		0.33%
6/30/19 Reserves / NPLs		226.1%
6/30/19 Reserves / Loans		1.06%
6/30/19 TCE / TA		15.9%
6/30/19 Total RBC Ratio		21.1%

Source: S&P Global Market Intelligence

(1) Financials are bank-level

(2) Consolidated FNB Financial Corp. equity.

## Strong Presence in Bowling Green MSA

### Bowling Green, KY MSA

Rank	Institution	Deposits	Market Share	Branches
1	BB&T Corp. (NC)	\$ 514.7	15.8%	5
2	U.S. Bancorp (MN)	456.2	14.0%	9
3	First Breckinridge Bcshs Inc. (KY)	357.8	11.0%	5
4	German American Bancorp Inc. (IN)	275.8	8.5%	6
5	Independence Bancshares Inc. (KY)	230.3	7.1%	3
6	South Central Bcshs of KY Inc. (KY)	229.4	7.0%	6
<b>7</b>	<b>FNB Financial Corp. (KY)</b>	<b>203.9</b>	<b>6.3%</b>	<b>5</b>
8	Edmonson Bancshares Inc (KY)	174.3	5.4%	3
9	Morgantown Deposit Bncp Inc (KY)	168.8	5.2%	5
10	PNC Financial Services Group (PA)	156.9	4.8%	3

### Allen County, KY (Scottsville, KY)

Rank	Institution	Deposits	Market Share	Branches
<b>1</b>	<b>FNB Financial Corp. (KY)</b>	<b>\$ 119.4</b>	<b>54.5%</b>	<b>2</b>
2	U.S. Bancorp (MN)	38.0	17.3%	2
3	Edmonton Bancshares Inc. (KY)	33.2	15.2%	2
4	South Central Bcshs of KY Inc. (KY)	28.5	13.0%	1

### Warren County, KY (Bowling Green, KY)

Rank	Institution	Deposits	Market Share	Branches
1	BB&T Corp. (NC)	\$ 514.7	19.1%	5
2	U.S. Bancorp (MN)	418.2	15.6%	7
3	First Breckinridge Bcshs Inc. (KY)	357.8	13.3%	5
4	German American Bancorp Inc. (IN)	275.8	10.3%	6
5	Independence Bancshares Inc. (KY)	230.3	8.6%	3
6	South Central Bcshs of KY Inc. (KY)	200.9	7.5%	5
7	PNC Financial Services Group (PA)	156.9	5.8%	3
8	Franklin Bancorp Inc. (KY)	136.5	5.1%	3
<b>9</b>	<b>FNB Financial Corp. (KY)</b>	<b>84.5</b>	<b>3.1%</b>	<b>3</b>
10	JPMorgan Chase & Co. (NY)	56.3	2.1%	1

Source: S&P Global Market Intelligence  
Deposit data as of June 30, 2019; pro forma for announced transactions

# Transaction Summary

<b>Strategic Rationale</b>	<ul style="list-style-type: none"><li>■ Expand into attractive Bowling Green MSA ranked 7<sup>th</sup> in deposit market share</li><li>■ Dominant market share in Scottsville, KY with 54.5% of deposits</li><li>■ Strong financial performer with net interest margin &gt; 4.00% and ROAA &gt; 1.15%</li><li>■ Longstanding deposit relationships of a community bank founded in the 1920's with a footprint in a high growth MSA</li><li>■ Retain key management and local advisory board; similar culture</li><li>■ Low execution risk; operate on same core processing system (Jack Henry)</li></ul>
<b>Transaction Summary</b>	<ul style="list-style-type: none"><li>■ Transaction consideration of 954,827 shares of FBK common stock and \$15.0 million of cash, or \$51.9 million based on FBK closing price of \$38.67 on September 16, 2019</li><li>■ Price / Tangible Book Value: 1.29x</li><li>■ Price / LTM Net Income: 16.4x</li><li>■ Core Deposit Premium: 6.9%</li><li>■ Transaction is subject to customary regulatory approvals and FNB shareholder approval; closing is expected Q1 '20</li></ul>
<b>Financial Impact</b>	<ul style="list-style-type: none"><li>■ Immediate marginal EPS accretion (excluding one time charges and CECL related provision)</li><li>■ Neutral to TBVPS at close of the transaction (including CECL impact and one time charges)</li><li>■ ~20% IRR</li><li>■ Estimated neutral to regulatory capital ratios</li></ul>

Source: S&P Global Market Intelligence

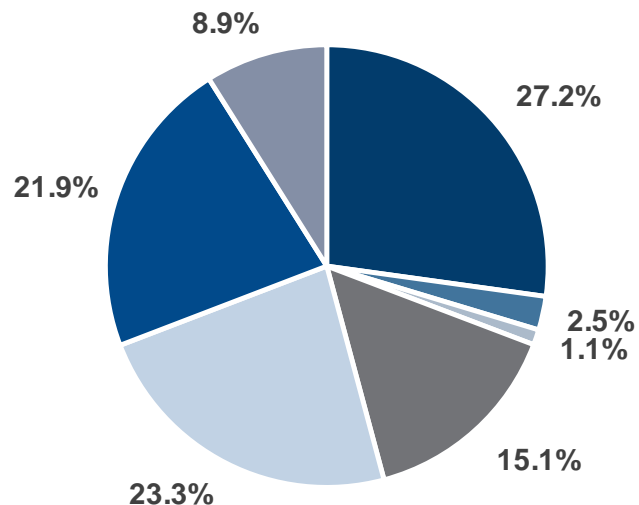
## Assumptions and Estimated Pro Forma Financial Metrics

<b>Preliminary Loan Mark (Accretable)</b>	<b>Credit Non-PCD: ~\$1.3 million (0.75%)<sup>(1)</sup> Rate Non-PCD: ~\$1.0 million (0.57%)<sup>(2)</sup> Total Accretable Mark: ~\$2.3 million (1.3%)<sup>(3)</sup></b>	<b>Expected Closing</b>	<b>Q1 '20</b>
<b>Preliminary CECL Impact (Allowance)</b>	<b>ALLL on PCD: ~\$0.6 million (0.35%)<sup>(4)</sup> ALLL on Non-PCD: ~\$1.3 million (0.75%)<sup>(5)</sup></b>	<b>2020E / 2021E EPS Accretion</b>	<b>Immediate marginal accretion, excluding deal charges and CECL related provision expense</b>
<b>Estimated Core Deposit Intangible</b>	<b>2.25% of regulatory core deposits ~\$4.3 million Amortized 10 Years SLN</b>	<b>IRR</b>	<b>~20%</b>
<b>Noninterest Expense</b>	<b>Cost savings of ~20.0% 65% expected to be achieved in 2020; 100% achieved thereafter 1H '19 Ann. Nonint. Exp.: \$7.7 million</b>	<b>TBVPs Impact and Earnback</b>	<b>Estimated neutral at close; 0 year earnback</b>
<b>Deal Charges</b>	<b>\$4.5 million of pre-tax deal charges (excludes CECL related provision expense)</b>	<b>TCE / TA</b>	<b>Estimated neutral at close</b>
<b>Other Terms</b>	<b>No material additional marks assumed; Minimum TCE + ALLL of \$42.0 million</b>	<b>Total RBC Ratio</b>	<b>Estimated neutral at close</b>

- (1) Credit mark on non-purchase credit deteriorated loans; accretable over the life of the loans.  
(2) Interest rate mark on non-purchase credit deteriorated loans; accretable over the life of the loans.  
(3) Sum of credit mark on non-PCD loans and rate mark on non-PCD loans.  
(4) Effective credit mark on purchase credit deteriorated loans; recorded as allowance, not accretable.  
(5) Allowance established through provision expense at close; not accretable.

# Loan & Deposit Composition

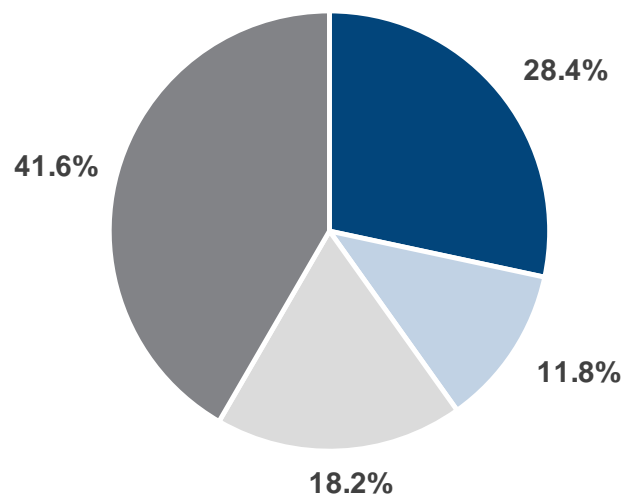
## Loan Composition



1 - 4 Family	\$ 48,514	27.2%
1-4 Family HELOC	4,398	2.5%
Multi-Family	1,995	1.1%
C&D	26,855	15.1%
CRE <sup>(1)</sup>	41,636	23.3%
C&I <sup>(2)</sup>	39,050	21.9%
Consumer & Other	15,945	8.9%
<b>Total</b>	<b>\$ 178,393</b>	<b>100.0%</b>

Yield on Total Loans	5.71%
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## Deposit Composition



Noninterest Bearing	\$ 57,837	28.4%
Int. Bearing Transaction	24,048	11.8%
MMDAs & Savings	37,142	18.2%
Time	84,916	41.6%
<b>Total</b>	<b>\$ 203,943</b>	<b>100.0%</b>

Cost of Int. Bearing Deposits	1.25%
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Cost of Total Deposits	0.90%
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Source: S&P Global Market Intelligence. Data as of and for the 3 months ending June 30, 2019.

(1) Excludes owner-occupied CRE.

(2) Includes owner-occupied CRE.



# Farmers National Bank of Scottsville Financial Highlights

	As of and For the FYE,						YTD
	2014	2015	2016	2017	2018	6/30/19	
<b>Balance Sheet</b>							
Total Assets	\$ 245,941	\$ 250,670	\$ 245,890	\$ 249,146	\$ 251,425	\$ 252,538	
Gross Loans HFI	147,996	158,663	154,507	171,906	178,818	178,393	
Total Deposits	198,960	201,609	200,183	201,778	202,128	203,943	
Tangible Common Equity	38,093	39,615	36,138	37,145	38,883	40,244	
Loans HFI / Deposits	74.4%	78.7%	77.2%	85.2%	88.5%	87.5%	
Full Time Employees	71	68	68	67	67	65	
<b>Capital</b>							
TCE / TA	15.5%	15.8%	14.7%	14.9%	15.5%	15.9%	
Leverage Ratio	15.2%	15.3%	14.7%	14.8%	15.6%	15.9%	
Tier I RBC Ratio	22.8%	21.0%	20.1%	19.1%	19.5%	20.1%	
Total RBC Ratio	23.8%	22.0%	21.1%	20.1%	20.5%	21.1%	
<b>Asset Quality</b>							
Nonperforming Loans	\$ 1,431	\$ 1,420	\$ 1,041	\$ 1,018	\$ 897	\$ 838	
Nonperforming Assets	1,974	1,954	1,041	1,076	897	838	
NPLs / Loans	0.97%	0.89%	0.67%	0.59%	0.50%	0.47%	
NPAs / Assets	0.80%	0.78%	0.42%	0.43%	0.36%	0.33%	
Reserves / NPLs	121.2%	124.3%	173.0%	184.1%	211.6%	226.1%	
Reserves / Loans HFI	1.17%	1.11%	1.17%	1.09%	1.06%	1.06%	
NCOs / Average Loans	0.00%	0.01%	0.02%	0.01%	0.01%	0.03%	
<b>Income Statement</b>							
Net Interest Income	\$ 8,069	\$ 8,341	\$ 8,568	\$ 8,829	\$ 9,470	\$ 4,835	
Provision	-	43	60	93	36	24	
Noninterest Income	1,865	2,116	1,964	1,852	1,562	792	
Gain on Sale of Securities	(49)	14	4	(2)	2	-	
Noninterest Expense	7,372	7,222	7,298	7,323	7,167	3,846	
Pre-Tax Income	2,513	3,206	3,178	3,263	3,831	1,757	
Net Income	\$ 2,083	\$ 2,551	\$ 2,527	\$ 2,051	\$ 3,230	\$ 1,481	
<b>Profitability Ratios</b>							
Net Interest Margin	3.53%	3.55%	3.71%	3.82%	4.04%	4.08%	
Yield on Total Loans and Leases	5.33%	5.07%	5.16%	5.19%	5.53%	5.71%	
Cost of Interest Bearing Deposits	0.90%	0.81%	0.71%	0.75%	1.01%	1.21%	
Efficiency Ratio (FTE)	69.5%	64.8%	65.1%	64.9%	63.4%	66.9%	
Nonint. Income / Avg. Assets	0.76%	0.84%	0.79%	0.75%	0.63%	0.63%	
Nonint. Expense / Avg. Assets	3.01%	2.87%	2.94%	2.96%	2.89%	3.07%	
ROAA	0.85%	1.01%	1.02%	0.83%	1.30%	1.18%	
Effective Tax Rate	17.1%	20.4%	20.5%	37.1%	15.7%	15.7%	

Source: S&P Global Market Intelligence