



# Q1 2020 Conference Call

## Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the U.S. federal securities laws. Forward-looking statements include, without limitation, statements concerning plans, estimates, calculations, forecasts and projections with respect to the anticipated future performance of the Company. These statements are often, but not always, made through the use of words or phrases such as “may”, “might”, “should”, “could”, “predict”, “potential”, “believe”, “expect”, “continue”, “will”, “anticipate”, “seek”, “estimate”, “intend”, “plan”, “projection”, “would”, “annualized”, “target” and “outlook”, or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. Forward-looking statements involve estimates and known and unknown risks, and reflect various assumptions and involve elements of subjective judgement and analysis, which may or may not prove to be correct, and which are subject to uncertainties and contingencies outside the control of Byline and its respective affiliates, directors, employees and other representatives, which could cause actual results to differ materially from those presented in this communication.

The COVID-19 pandemic is adversely affecting us, our employees, customers, counterparties and third-party service providers, and the ultimate extent of the impacts on our business, financial position, results of operations, liquidity, and prospects is uncertain. Continued deterioration in general business and economic conditions, including further increases in unemployment rates, or turbulence in U.S. or global financial markets could adversely affect our revenues and the values of our assets and liabilities, reduce the availability of funding, lead to a tightening of credit, and further increase stock price volatility. In addition, changes to statutes, regulations, or regulatory policies or practices as a result of, or in response to COVID-19, could affect us in substantial and unpredictable ways.

No representations, warranties or guarantees are or will be made by Byline as to the reliability, accuracy or completeness of any forward-looking statements contained in this communication or that such forward-looking statements are or will remain based on reasonable assumptions. You should not place undue reliance on any forward-looking statements contained in this communication.

Certain risks and important factors that could affect Byline’s future results are identified in its Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission, including among other things under the heading “Risk Factors” in such Annual Report on Form 10-K. Any forward-looking statement speaks only as of the date on which it is made, and Byline undertakes no obligation to update any forward-looking statement, whether to reflect events or circumstances after the date on which the statement is made, to reflect new information or the occurrence of unanticipated events, or otherwise unless required under the federal securities laws.

## First Quarter 2020 Summary

### Earnings

- Net income of \$3.0 million, or \$0.07 per diluted share; adjusted net income<sup>1</sup> of \$3.5 million, or \$0.09 per adjusted<sup>1</sup> diluted share
  - Increase in provision of \$0.26 per diluted share
  - Decrease in gain on sale of loans of \$0.10 per diluted share
  - Unfavorable fair value adjustment of servicing asset of \$0.08 per diluted share

### Revenue

- Total revenue of \$62.0 million, a decrease of 9.4% from 4Q19 and unchanged from 1Q19
- Net interest income decreased 2.0% from 4Q19 primarily due to a decline in accretion income
- Non-interest income was lower than 4Q19 principally due to lower net gain on sales of loans
- Recorded \$3.1 million fair value charge to servicing asset resulting from market slowdown caused by COVID-19

### Balance Sheet

- Total assets increased by \$212.9 million, or 3.9% from 4Q19 and \$724.8 million, or 14.5% from 1Q19
- Total deposits increased by 8.8% annualized to \$4.2 billion over 4Q19
- Total loans and leases increased by 7.9% annualized to \$3.9 billion over 4Q19
- Increased liquidity reduced loan to deposit ratio to 91.38%

### Key Operating Trends

- Solid growth in non-interest bearing and other core deposits
- Deposit costs decreased 13 bps to 75 bps from 4Q19 due to drop in deposit rates and improved deposit mix
- Net interest margin remained stable quarter over quarter at 3.88%, excluding impact of accretion income
- Non-interest expense to average assets declined to 3.15% from 3.19% in 4Q19

### Capital Management

- Repurchased 118,486 shares of common stock during 1Q20
- Continued cash dividend of \$0.03 per share
- Strong capital ratios will enable continued support of clients and communities throughout COVID-19 crisis

(1) Represents a non-GAAP financial measure. See “Non-GAAP Reconciliation” in the appendix.

## Impact and Response to COVID-19

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### Colleagues

- Initiated COVID-19 incident response action teams at the end of February
- Enabled and trained over 640 colleagues (100% non-retail) to support work from home environment
- Provided an additional 160 hours of paid time-off implemented for issues related to COVID-19 illness, caring for ill family member or childcare and school closures
- Health benefits expanded to cover COVID-19 and promotion of Employee Assistance Programs (EAP)

### Business Customers

- Prudently extending credit to businesses for working capital and general corporate purposes
- Deferral process in place to proactively address customer requests and process timely
- Established customer strategy to process PPP loans efficiently through existing SBA process
- Evaluating different lending programs (i.e. Main Street Lending Program)

### Retail Customers

- Drive-Thru only locations for 25 branches, 16 Full Service and 19 Temporarily Closed
- Established customer relief programs such as deferrals, early CD withdrawals, and waiving or refunding of certain fees
- Leveraging digital capabilities through online and mobile banking
- Redeploying retail employees to support increased call center volume and PPP program outreach

### Communities

- Chairman, Roberto Herencia, to serve on City of Chicago COVID-19 Economic Recovery Task Force
- Byline signed the Chicago Housing Solidarity Pledge organized by the City of Chicago
- Actively supporting our communities and complying with federal, state, and local orders to contain the spread of the virus

## Providing COVID-19 Relief and Support for our Customers

### Paycheck Protection Program (PPP)

- Began receiving PPP applications on April 3
- Fully fund PPP loans by drawing from the Federal Reserve PPP Lending Facility
- Estimated processing fees of 3.3%

**Over 3,500**  
*Applications Processed*

**Over \$700 million**  
*Loans Registered with the SBA*

**\$201,000**  
*Average Loan Balance*

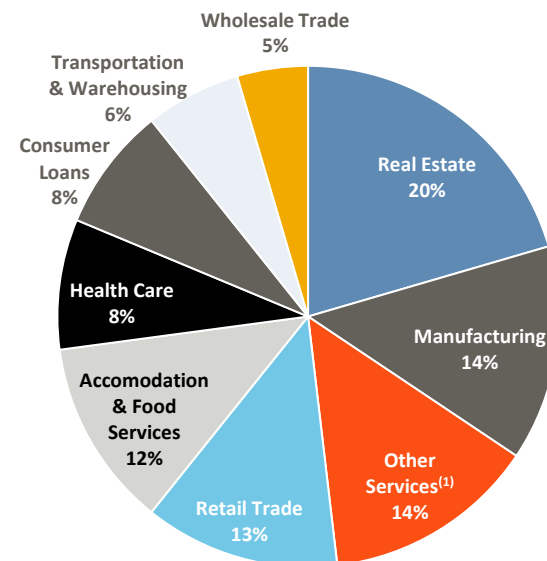
### Loan Modifications to Borrowers

- Loan Deferrals
  - \$311.4 million - commercial banking
  - \$17.8 million – consumer loans
  - \$39.1 million - leasing
  - \$27.4 million - government guaranteed lending

**Over 1,400**  
*Deferrals Approved*

**~\$396 million**  
*Deferrals Approved*

### Deferrals by Industry



Note: Data as of April 29, 2020.

(1) Represents sectors with less than 5% of the total portfolio.



# Positioned to Manage Through the COVID-19 Environment

## Strong Liquidity Profile with Excess Capital Position

### Liquidity Position

- Loan growth funded through core deposits
- Access to \$2.0 billion of liquidity available from FHLB Chicago, Fed Funds lines, unencumbered securities and the Discount Window
- Loan / Deposit ratio of 91.38%
- Cash and cash equivalents of \$119.6 million

*(\$ in millions)*

Unused FHLB Borrowings \$546

Available Unsecured Lines \$130

Available FRB Discount Window \$373

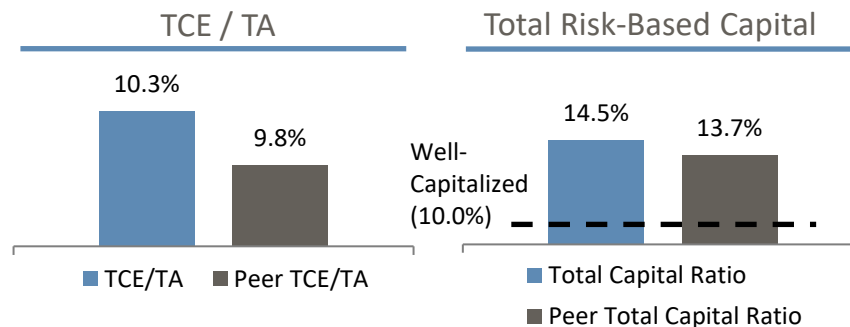
Unpledged Securities \$951

**Total Funding Availability \$2,000**

### Strong Capital Base

- \$762.7 million total stockholders equity
- Modest capital deployment
  - Repurchased \$1.7 million of common shares in Q1 and paused in March
  - Common dividend declared of \$0.03 for the quarter ended March 31, 2020
- Tangible book value per share increased 9.2% from 1Q19 to \$14.95

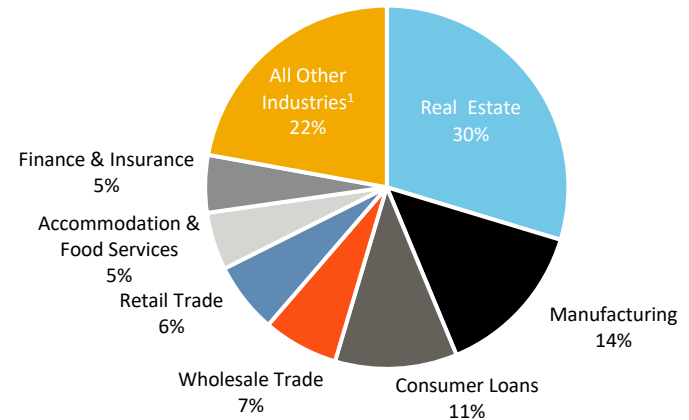
### Q1 2020 Capital vs. Peers



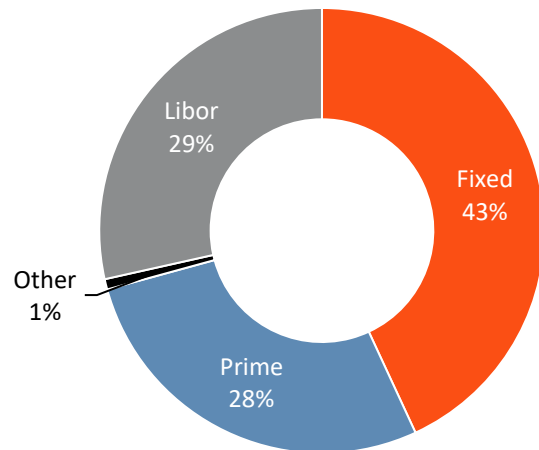
## Loan Portfolio Overview

- Implemented credit focused risk management approach to manage \$3.7 billion loan portfolio on a real-time basis
- Refreshed and analyzed capital stress test and pandemic scenarios
- Implemented deferral programs for borrowers impacted by COVID-19
- Actively maintaining communication with clients
- Board and management experience from natural disasters and other recessionary crisis

### CRE & Commercial Loans by Industry Type

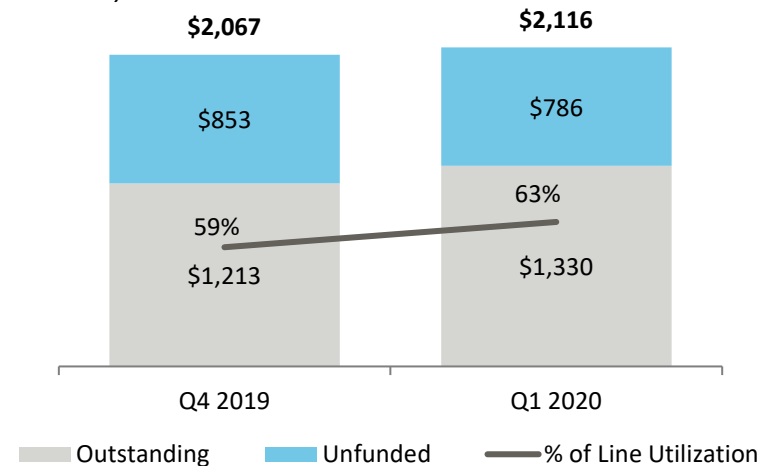


### Loans by Rate Type



### Commercial LOC Exposure

(\$ in millions)

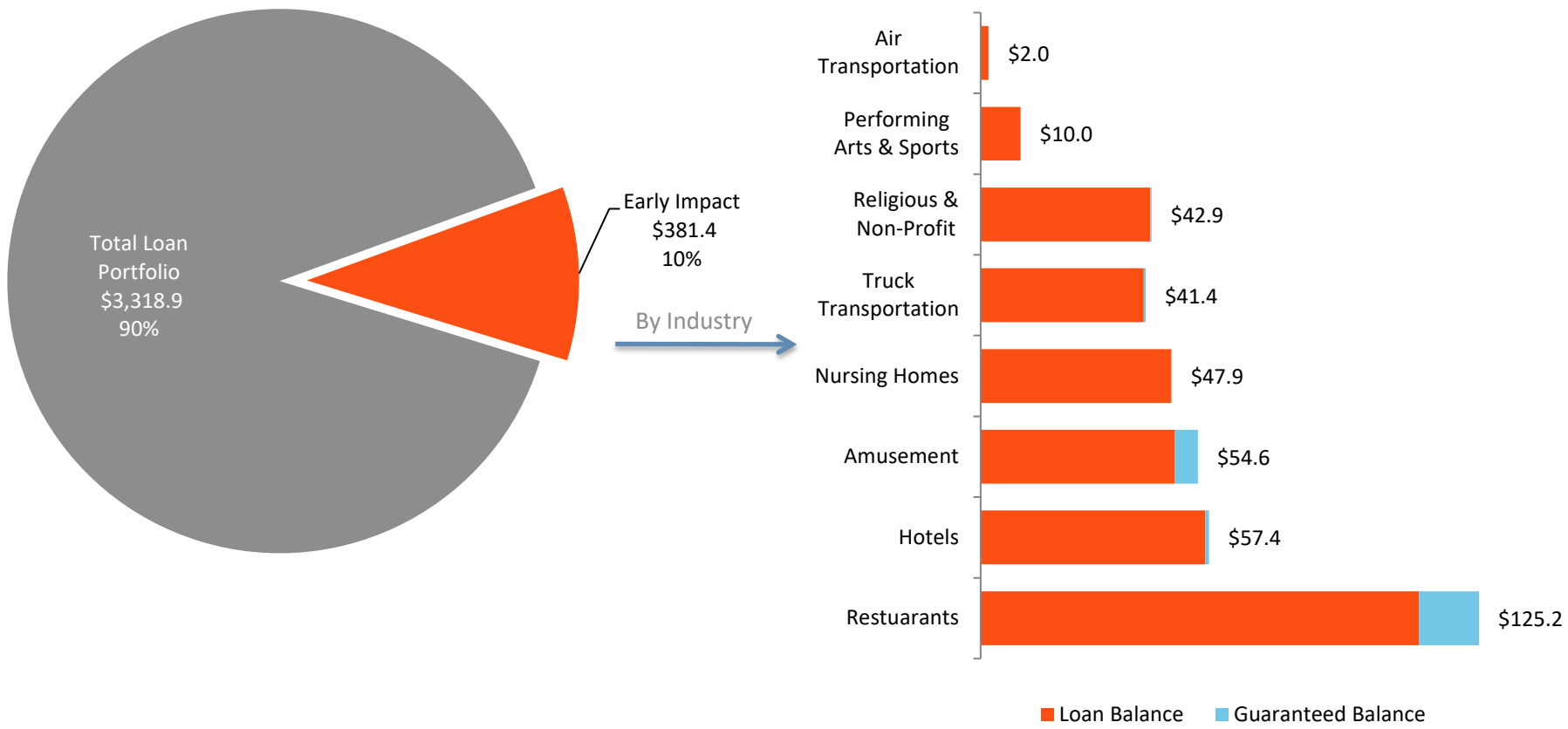


(1) Represents sectors with less than 5% of the total portfolio.



## Early Impact Industries Sensitive to COVID-19 *(\$ in millions)*

- Total loan portfolio stood at \$3.7 billion as of March 31, 2020; Aggregate exposure to early impact industries ~ 10.3% of portfolio
- Restaurants represent the largest exposures at \$125.2 million or 3.4% of total loans
- Hotel Concentration is small and includes two large properties (~ \$21mm total) with strong credit profiles and sponsorship

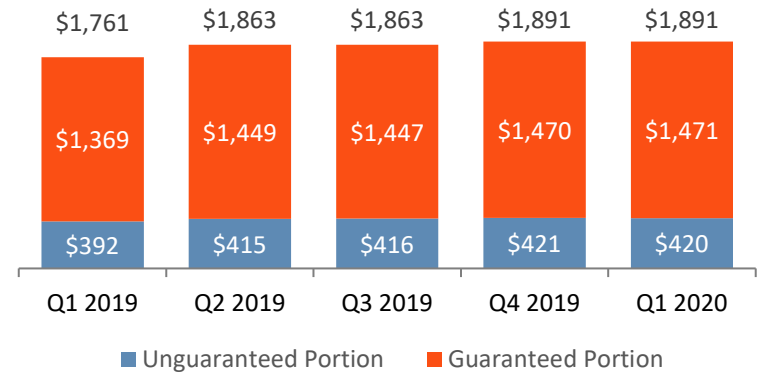


Note: Data as of March 31, 2020.

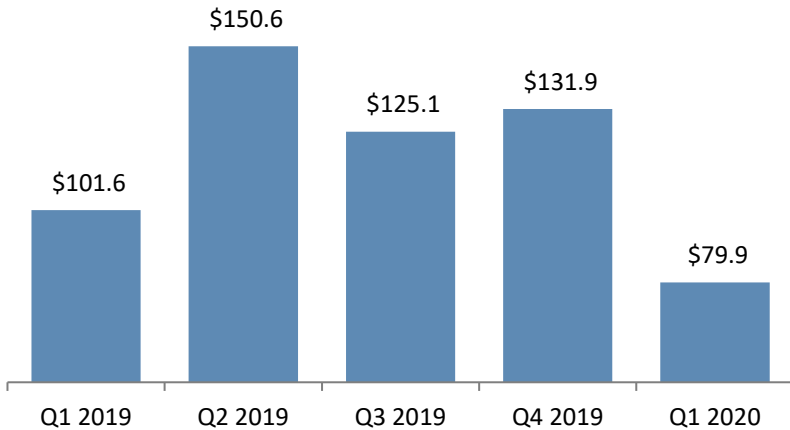
## We are a Top Government-Guaranteed Lender *(\$ in millions)*

- Top 5 SBA lender nationally; #1 lender in Illinois and Wisconsin
- Leveraged SBA platform to originate approximately 3,500 PPP loans<sup>(2)</sup>
- As part of coronavirus debt relief efforts, the SBA will pay 6 months of principal and interest for
  - All current 7(a) and 504 loans in regular servicing status
  - New 7(a) and 504 loans disbursed prior to September 27

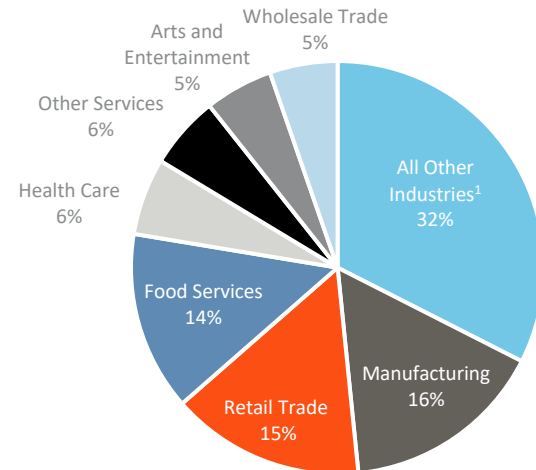
### Managed SBA 7A and USDA Loans



### Total SBC Closed Loan Commitments



### Sector Concentration

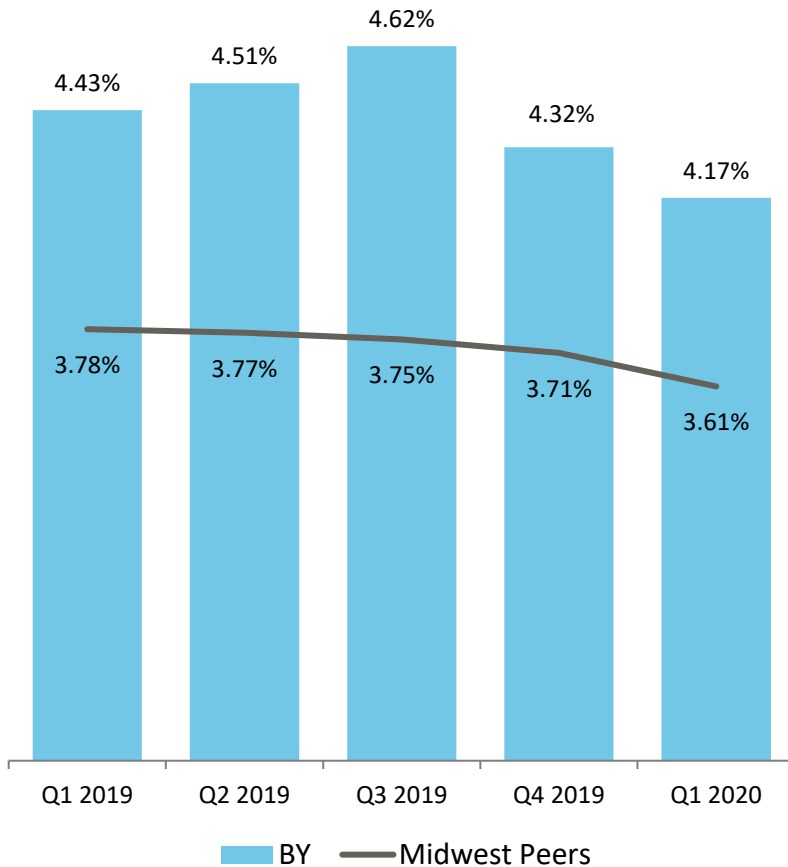


(1) Represents sectors with less than 5% of the total portfolio.

(2) Data as of April 29, 2020.

## Net Interest Margin Overview

### NIM Provides Ample Cushion vs. Peers

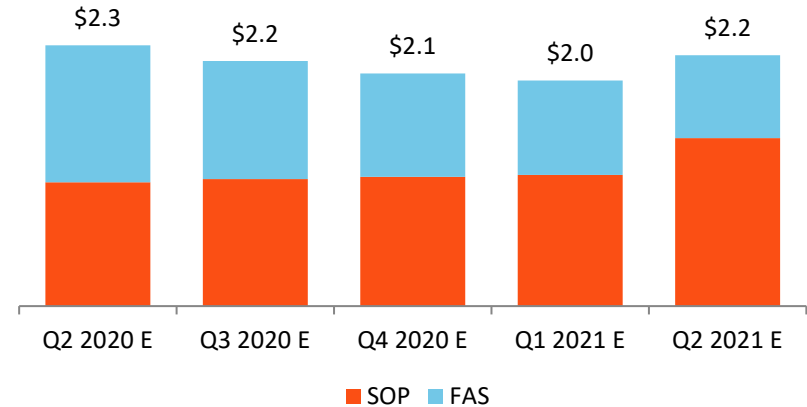


### Multiple Levers to Offset NIM Compression

- Average cost of deposits down to 62 bps for the month of March compared to 75 bps for the quarter
- \$810.2 million CDs maturing in 2020 at an average rate of 1.66%
- PPP loans to add estimated loan fee income of 3.3% deferred over the life of the loan

### Projected Accretion<sup>(1)</sup>

(\$ in millions)



(1) Projections are updated quarterly, assumes no prepayments and are subject to change.

Note: Peers defined as public banks with \$2 - \$7bn in assets headquartered in the Midwest. 84% of peers have reported results for Q1 2020. See Appendix for detail.

## Areas of Focus

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- Actively protect the safety and financial health of our employees, customers and communities
- During the crisis and beyond, work diligently with customers to understand its impact on their business and help them manage it in a constructive fashion
- Operate our business with the utmost focus on safety and soundness
- Support prudent balance sheet growth while maintaining a keen focus on capital and liquidity
- Maintain focus on disciplined expense management

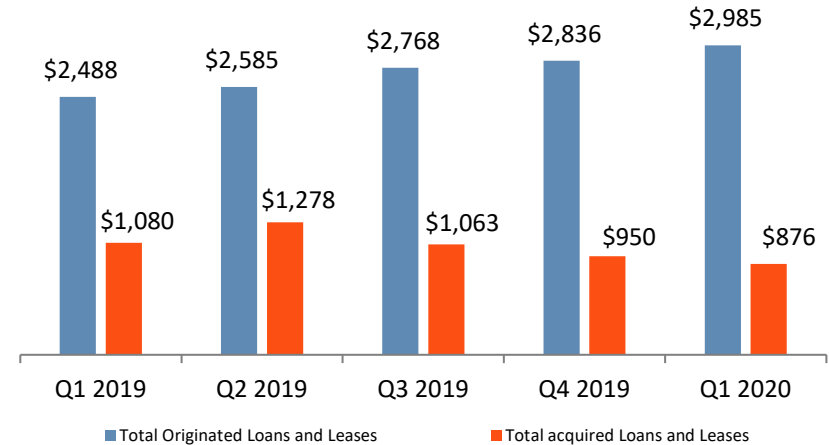


# First Quarter 2020 Financial Review

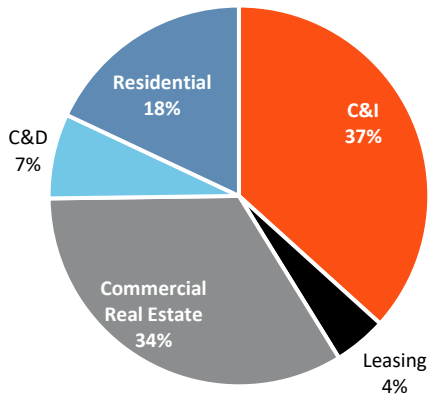
## Loan and Lease Trends *(\$ in millions)*

- Total loans and leases were \$3.9 billion at 1Q20, an increase of \$74.6 million from the prior quarter, and 8.2% from 1Q19
  - Originated portfolio increased by \$149.0 million or 21.1% annualized
  - Growth primarily driven by commercial lending
  - Acquired portfolio decreased by \$74.4 million
- Payoff activity decreased by \$107.3 million versus 4Q19
  - \$82.7 million in 1Q20 compared to \$190.0 million in 4Q19

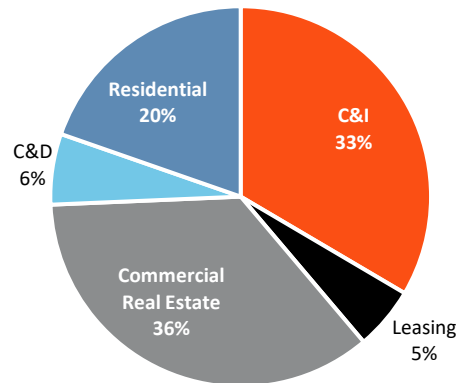
### Originated and Acquired Loan & Lease Portfolio



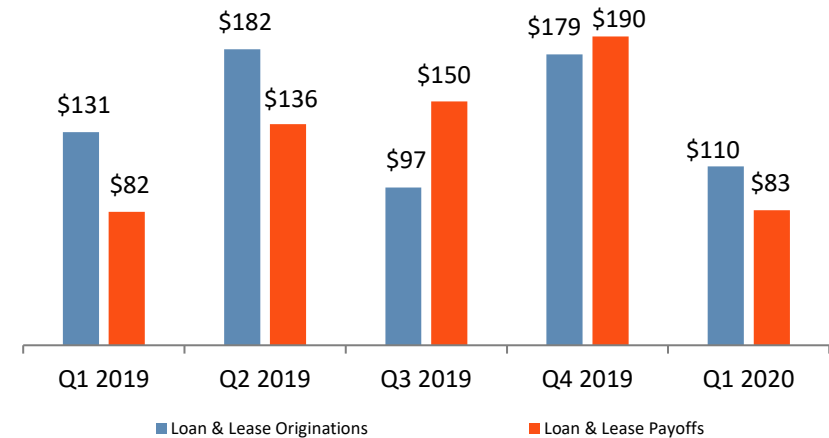
### March 31, 2020



### March 31, 2019



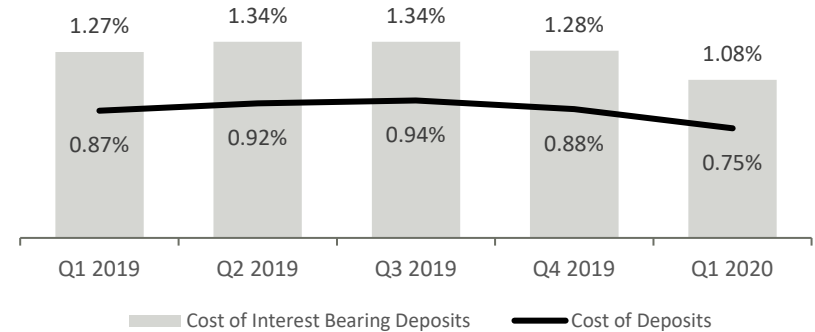
### Loan & Lease Originations and Payoffs



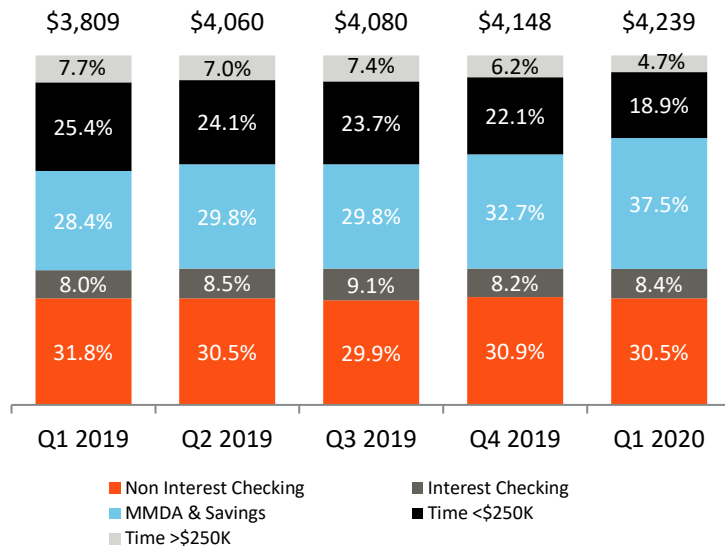
## Deposit Trends *(\$ in millions)*

- Total deposits increased \$91.3 million to \$4.2 billion
  - Growth entirely attributable to increases in lower-cost deposit categories
- Non interest bearing stood at 30.5% and core at 86.0% of total deposits
- Money market demand deposits increased \$222.9 million
- Total deposit costs decreased 13 basis points from prior quarter
- Interest bearing deposit costs decreased 20 basis points from prior quarter

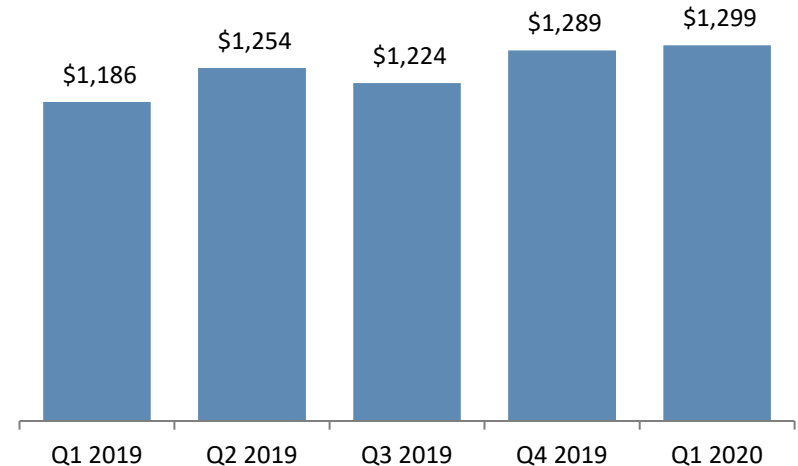
### Cost of Interest Bearing Deposits



### Deposit Composition

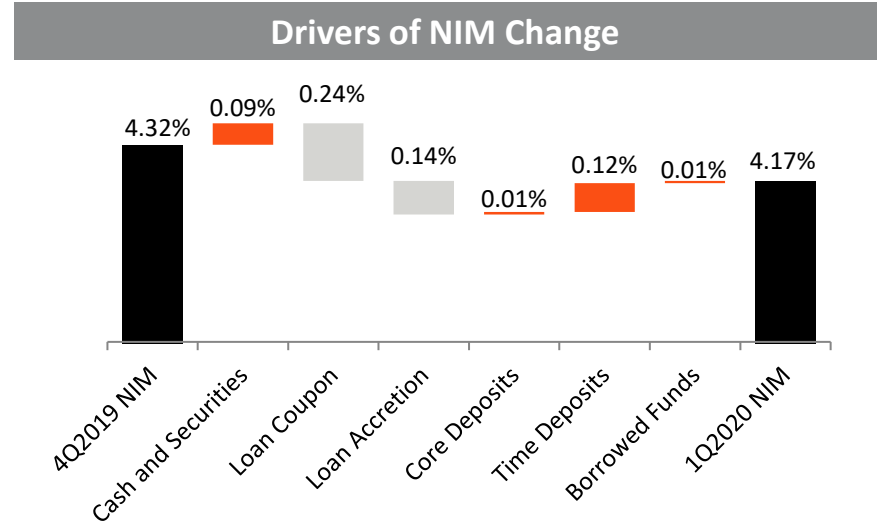


### Average Non-Interest Bearing Deposits

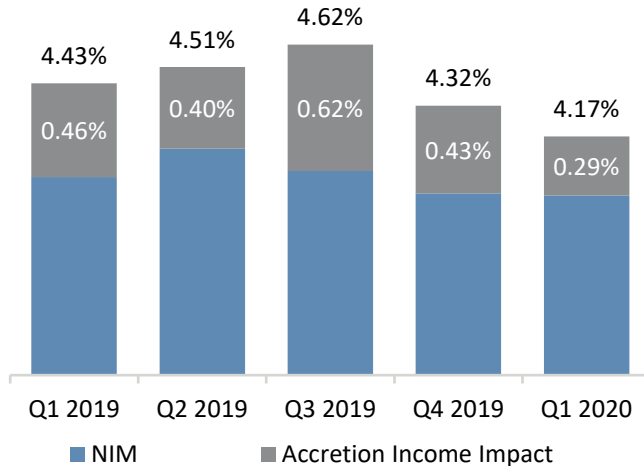


## Net Interest Income and Net Interest Margin Trends *(\$ in millions)*

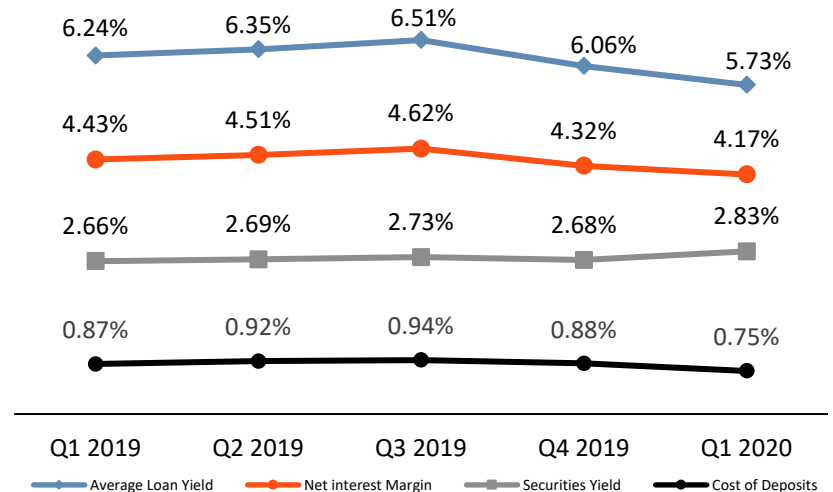
- Net Interest Income decreased \$1.1 million to \$52.8 million, primarily due to lower accretion income, partially offset by a decline in interest expense
- Net interest margin decreased 15 basis points to 4.17% from 4Q19
- Excluding accretion income, net interest margin declined 1 basis point from 4Q19
  - Lower cost of deposits largely offset decline in average loan yield



### Net Interest Margin



### NIM, Yields, and Costs





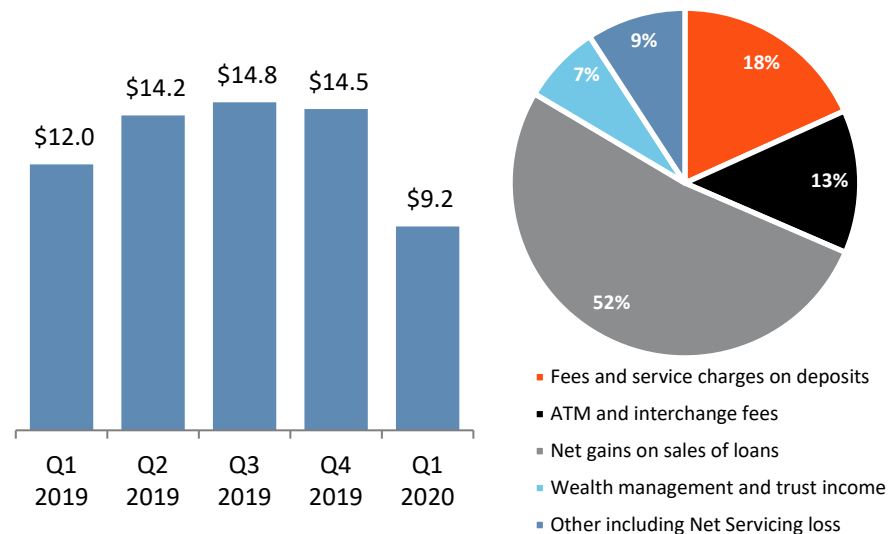
## Non-Interest Income Trends *(\$ in millions)*

- Non-interest income decreased \$5.3 million from 4Q19
  - Lower net gains on sales of loans
  - Unfavorable change in fair value of servicing asset due to market slowdown resulting from COVID-19
  - Lower swap-related income

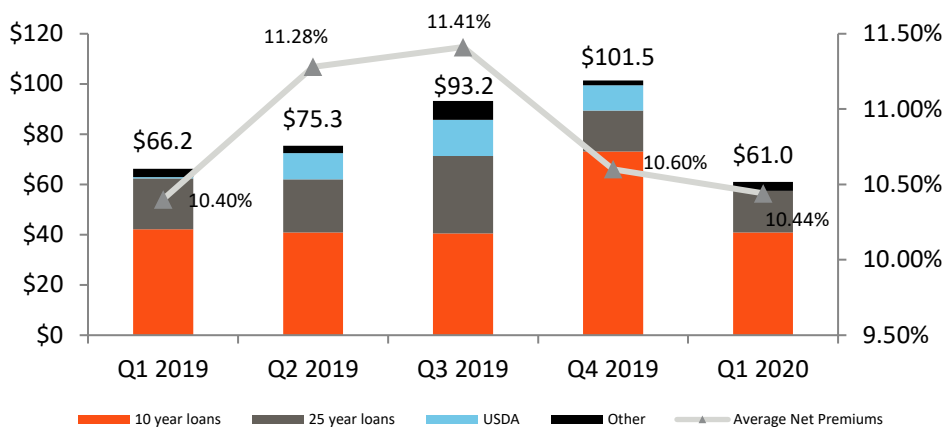
### Small Business Capital

- \$61.0 million of loan sales in 1Q20, compared to \$101.5 million in 4Q19
- Decreased average premiums

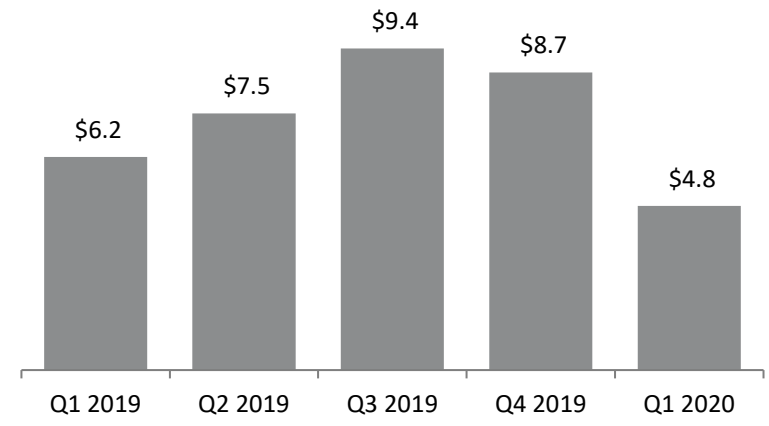
### Total Non-Interest Income



### Volume Sold and Average Net Premiums



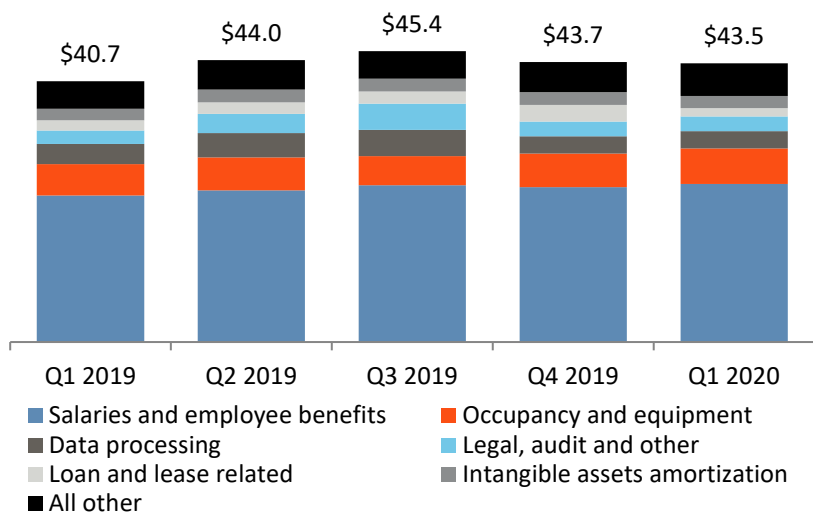
### Net Gains on Sales of Loans



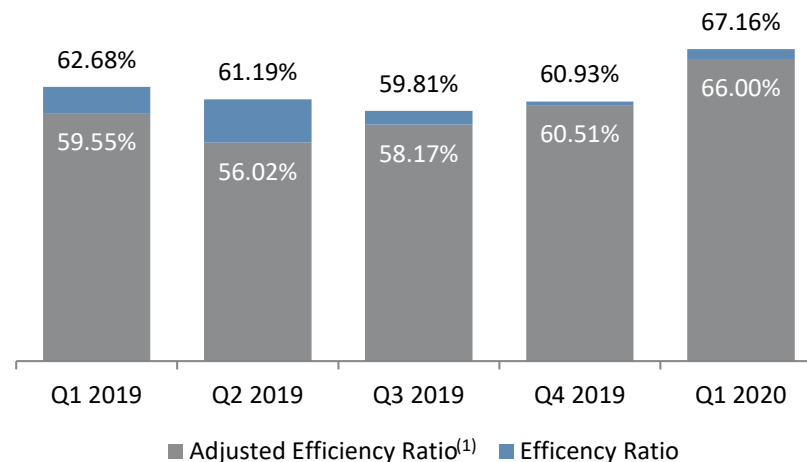
## Non-Interest Expense Trends *(\$ in millions)*

- Non-interest expenses, excluding significant adjustment items<sup>(1)</sup>, was \$42.8 million, down from \$43.4 million in 4Q19
  - Higher salaries and employee benefits due to higher payroll taxes and increased employer costs related to benefits, partially offset by a decrease in commissions
  - Decreased loan and lease related expenses due to lower loan expenses on government guaranteed loans and lower collection expense
- Adjusted efficiency ratio<sup>(1)</sup> of 66.00%, compared with 60.51% in prior quarter, as a result of decreased revenue during the first quarter of 2020
- Non-interest expense to average assets of 3.15%, compared with 3.19% in prior quarter

**Non-Interest Expense**



**Efficiency Ratio**

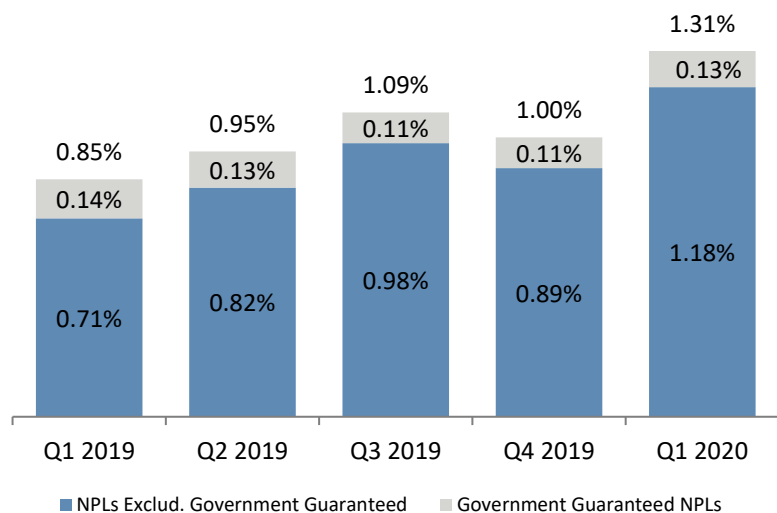


(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

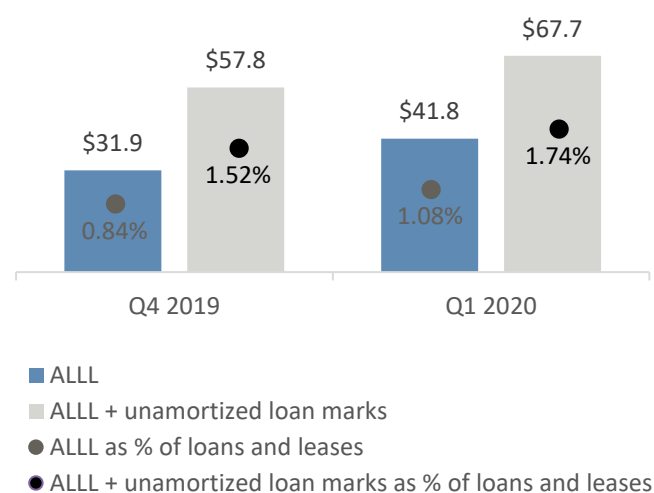
## Asset Quality Trends *(\$ in millions)*

- Non-performing assets to total assets increased to 1.05% in 1Q20 from 0.87% in 4Q19
  - NPLs/ Total Loans & Leases increased by 31 bps to 1.31% in 1Q20 from 1.00% in 4Q19
  - NPLs/ Total Loans & Leases (excluding government guaranteed) increased to 1.18% in 1Q20 from 0.89% in 4Q19
  - Other real estate owned decreased by \$0.6 million during the quarter
  - NCOs/ average loans and leases increased to 48 bps in 1Q20 from 42 bps in 4Q19
- ALLL/Loans and Leases increased to 1.08% in 1Q20 compared to 0.84% in 4Q19
- Acquisition accounting adjustments on acquired loans decreased to \$25.9 million versus \$28.5 million in the prior quarter

### NPLs / Total Loans & Leases



### Loss Absorbency





# Appendix

## Five Quarter Financial Summary *(\$ in millions, except per share data)*

	For the Three Months Ended,				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Income Statement</b>					
Net interest income	\$52.8	\$53.9	\$57.8	\$54.4	\$50.1
Provision	14.5	4.4	5.9	6.4	4.0
Non-interest income	9.2	14.5	14.8	14.2	12.0
Non-interest expense	43.5	43.7	45.4	44.0	40.7
Pretax income	4.0	20.3	21.3	18.3	17.4
Pre-tax pre-provision net income <sup>(1)</sup>	18.5	24.7	27.2	24.7	21.4
Income taxes	1.1	4.5	5.9	5.1	4.8
<b>Net income</b>	<b>3.0</b>	<b>15.9</b>	<b>15.3</b>	<b>13.2</b>	<b>12.6</b>
Dividends on preferred shares	0.2	0.2	0.2	0.2	0.2
<b>Net income (loss) available attributable to common shareholders</b>	<b>\$2.8</b>	<b>\$15.7</b>	<b>\$15.1</b>	<b>\$13.0</b>	<b>\$12.4</b>
<b>Diluted earnings (loss) per common share<sup>(1)</sup></b>	<b>\$0.07</b>	<b>\$0.41</b>	<b>\$0.39</b>	<b>\$0.34</b>	<b>\$0.34</b>
<b>Balance Sheet</b>					
Total loans and leases	\$3,860.3	\$3,785.7	\$3,831.1	\$3,863.1	\$3,567.6
Total deposits	4,238.8	4,147.6	4,080.3	4,060.2	3,808.5
Tangible common equity <sup>(1)</sup>	573.9	559.4	545.9	525.7	498.5
<b>Balance Sheet Metrics</b>					
Loans and leases / deposits	91.38%	91.56%	94.07%	95.60%	93.69%
Tangible common equity / tangible assets <sup>(1)</sup>	10.33	10.47	10.38	10.09	10.28
<b>Key Performance Ratios</b>					
Net interest margin	4.17%	4.32%	4.62%	4.51%	4.43%
Efficiency ratio	67.16	60.93	59.81	61.19	62.68
Adjusted efficiency ratio <sup>(1)</sup>	66.00	60.51	58.17	56.02	59.55
Non-interest expense to average assets	3.15	3.19	3.32	3.34	3.32
Non-interest income to total revenues <sup>(1)</sup>	14.79	21.21	20.38	20.67	19.31
Return on average assets	0.21	1.16	1.12	1.00	1.03
Adjusted return on average assets <sup>(1)</sup>	0.25	1.17	1.18	1.21	1.14
Pre-tax pre-provision return on average assets <sup>(1)</sup>	1.33	1.81	1.98	1.88	1.75
Dividend payout ratio on common stock	42.86	7.32	N/A	N/A	N/A
Tangible book value per share <sup>(1)</sup>	\$14.95	\$14.62	\$14.30	\$13.79	\$13.70

(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

## Non-GAAP Reconciliation

(dollars in thousands, per share data)	As of or For the Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Net income (loss) and earnings per share excluding significant items</b>					
Reported Net Income (Loss)	\$ 2,966	\$ 15,852	\$ 15,342	\$ 13,211	\$ 12,597
Significant items:					
Impairment charges on assets held for sale	715	111	67	—	392
Merger-related expense	—	127	1,043	3,152	18
Core system conversion expense	—	48	77	394	1,530
Tax benefit on significant items	(199)	(79)	(368)	(842)	(540)
<b>Adjusted Net Income</b>	<b>\$ 3,482</b>	<b>\$ 16,059</b>	<b>\$ 16,160</b>	<b>\$ 15,915</b>	<b>\$ 13,997</b>
<b>Reported Diluted Earnings (Loss) per Share</b>	<b>\$ 0.07</b>	<b>\$ 0.41</b>	<b>\$ 0.39</b>	<b>\$ 0.34</b>	<b>\$ 0.34</b>
Significant items:					
Impairment charges on assets held for sale	0.02	—	—	—	0.01
Merger-related expense	—	0.01	0.03	0.08	—
Core system conversion expense	—	—	—	0.01	0.04
Tax benefit on significant items	—	—	(0.01)	(0.02)	(0.01)
<b>Adjusted Diluted Earnings per Share</b>	<b>\$ 0.09</b>	<b>\$ 0.42</b>	<b>\$ 0.41</b>	<b>\$ 0.41</b>	<b>\$ 0.38</b>

## Non-GAAP Reconciliation *(continued)*

(dollars in thousands, except per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Adjusted non-interest expense:</b>					
Non-interest expense	\$ 43,527	\$ 43,694	\$ 45,448	\$ 43,954	\$ 40,679
Less: Significant items					
Impairment charges on assets held for sale	715	111	67	—	392
Merger-related expense	—	127	1,043	3,152	18
Core system conversion expense	—	48	77	394	1,530
Adjusted non-interest expense	\$ 42,812	\$ 43,408	\$ 44,261	\$ 40,408	\$ 38,739
<b>Adjusted non-interest expense excluding amortization of intangible assets:</b>					
Adjusted non-interest expense	\$ 42,812	\$ 43,408	\$ 44,261	\$ 40,408	\$ 38,739
Less: Amortization of intangible assets	1,893	2,002	2,003	1,959	1,773
Adjusted non-interest expense excluding amortization of intangible assets	\$ 40,919	\$ 41,406	\$ 42,258	\$ 38,449	\$ 36,966
<b>Pre-tax pre-provision net income:</b>					
Pre-tax income	\$ 4,016	\$ 20,349	\$ 21,265	\$ 18,286	\$ 17,395
Add: Provision for loan and lease losses	14,455	4,387	5,931	6,391	3,999
Pre-tax pre-provision net income	\$ 18,471	\$ 24,736	\$ 27,196	\$ 24,677	\$ 21,394
<b>Adjusted pre-tax pre-provision net income:</b>					
Pre-tax pre-provision net income	\$ 18,471	\$ 24,736	\$ 27,196	\$ 24,677	\$ 21,394
Impairment charges on assets held for sale	715	111	67	—	392
Merger-related expense	—	127	1,043	3,152	18
Core system conversion expense	—	48	77	394	1,530
Adjusted pre-tax pre-provision net income	\$ 19,186	\$ 25,022	\$ 28,383	\$ 28,223	\$ 23,334
<b>Total revenues:</b>					
Net interest income	\$ 52,825	\$ 53,914	\$ 57,838	\$ 54,448	\$ 50,085
Add: Non-interest income	9,173	14,516	14,806	14,183	11,988
Total revenues	\$ 61,998	\$ 68,430	\$ 72,644	\$ 68,631	\$ 62,073
<b>Tangible common stockholders' equity:</b>					
Total stockholders' equity	\$ 762,667	\$ 750,115	\$ 735,866	\$ 717,675	\$ 668,749
Less: Preferred stock	10,438	10,438	10,438	10,438	10,438
Less: Goodwill	148,353	148,353	145,638	145,638	128,177
Less: Core deposit intangibles and other intangibles	30,009	31,902	33,905	35,908	31,646
Tangible common stockholders' equity	\$ 573,867	\$ 559,422	\$ 545,885	\$ 525,691	\$ 498,488

## Non-GAAP Reconciliation *(continued)*

(dollars in thousands, except per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Tangible assets:</b>					
Total assets	\$ 5,734,754	\$ 5,521,809	\$ 5,438,278	\$ 5,391,236	\$ 5,009,925
Less: Goodwill	148,353	148,353	145,638	145,638	128,177
Less: Core deposit intangibles and other intangibles	30,009	31,902	33,905	35,908	31,646
<b>Tangible assets</b>	<b>\$ 5,556,392</b>	<b>\$ 5,341,554</b>	<b>\$ 5,258,735</b>	<b>\$ 5,209,690</b>	<b>\$ 4,850,102</b>
<b>Average tangible common stockholders' equity:</b>					
Average total stockholders' equity	\$ 765,427	\$ 745,745	\$ 729,781	\$ 696,928	\$ 659,156
Less: Average preferred stock	10,438	10,438	10,438	10,438	10,438
Less: Average goodwill	148,353	146,202	145,638	140,073	128,177
Less: Average core deposit intangibles and other intangibles	31,063	32,990	35,102	35,163	32,747
<b>Average tangible common stockholders' equity</b>	<b>\$ 575,573</b>	<b>\$ 556,115</b>	<b>\$ 538,603</b>	<b>\$ 511,254</b>	<b>\$ 487,794</b>
<b>Average tangible assets:</b>					
Average total assets	\$ 5,565,952	\$ 5,427,046	\$ 5,435,762	\$ 5,274,820	\$ 4,963,706
Less: Average goodwill	148,353	146,202	145,638	140,073	128,177
Less: Average core deposit intangibles and other intangibles	31,063	32,990	35,102	35,163	32,747
<b>Average tangible assets</b>	<b>\$ 5,386,536</b>	<b>\$ 5,247,854</b>	<b>\$ 5,255,022</b>	<b>\$ 5,099,584</b>	<b>\$ 4,802,782</b>
<b>Tangible net income available to common stockholders:</b>					
Net income available to common stockholders	\$ 2,770	\$ 15,656	\$ 15,146	\$ 13,016	\$ 12,401
Add: After-tax intangible asset amortization	1,366	1,445	1,445	1,413	1,279
<b>Tangible net income available to common stockholders</b>	<b>\$ 4,136</b>	<b>\$ 17,101</b>	<b>\$ 16,591</b>	<b>\$ 14,429</b>	<b>\$ 13,680</b>
<b>Adjusted Tangible net income available to common stockholders:</b>					
Tangible net income available to common stockholders	\$ 4,136	\$ 17,101	\$ 16,591	\$ 14,429	\$ 13,680
Impairment charges on assets held for sale	715	111	67	—	392
Merger-related expense	—	127	1,043	3,152	18
Core system conversion expense	—	48	77	394	1,530
Tax benefit on significant items	(199)	(79)	(369)	(842)	(540)
<b>Adjusted tangible net income available to common stockholders</b>	<b>\$ 4,652</b>	<b>\$ 17,308</b>	<b>\$ 17,409</b>	<b>\$ 17,133</b>	<b>\$ 15,080</b>



## Non-GAAP Reconciliation *(continued)*

(dollars in thousands, except share and per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Pre-tax pre-provision return on average assets:</b>					
Pre-tax pre-provision net income	\$ 18,471	\$ 24,736	\$ 27,196	\$ 24,677	\$ 21,394
Average total assets	5,565,952	5,427,046	5,435,762	5,274,820	4,963,706
Pre-tax pre-provision return on average assets	1.33%	1.81%	1.98%	1.88%	1.75%
<b>Adjusted pre-tax pre-provision return on average assets:</b>					
Adjusted pre-tax pre-provision net income	\$ 19,186	\$ 25,022	\$ 28,382	\$ 28,223	\$ 23,334
Average total assets	5,565,952	5,427,046	5,435,762	5,274,820	4,963,706
Adjusted pre-tax pre-provision return on average assets	1.39%	1.83%	2.07%	2.15%	1.91%
<b>Non-interest income to total revenues:</b>					
Non-interest income	\$ 9,173	\$ 14,516	\$ 14,806	\$ 14,183	\$ 11,988
Total revenues	61,998	68,430	72,644	68,631	62,073
Non-interest income to total revenues	14.79%	21.21%	20.38%	20.67%	19.31%
<b>Adjusted non-interest expense to average assets:</b>					
Adjusted non-interest expense	\$ 42,812	\$ 43,408	\$ 44,261	\$ 40,408	\$ 38,739
Average total assets	5,565,952	5,427,046	5,435,762	5,274,820	4,963,706
Adjusted non-interest expense to average assets	3.09%	3.17%	3.23%	3.07%	3.17%
<b>Adjusted efficiency ratio:</b>					
Adjusted non-interest expense excluding amortization of intangible assets	\$ 40,919	\$ 41,406	\$ 42,258	\$ 38,449	\$ 36,966
Total revenues	61,998	68,430	72,644	68,631	62,073
Adjusted efficiency ratio	66.00%	60.51%	58.17%	56.02%	59.55%

## Non-GAAP Reconciliation *(continued)*

(dollars in thousands, except share and per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Adjusted return on average assets:</b>					
Adjusted net income	\$ 3,482	\$ 16,059	\$ 16,160	\$ 15,915	\$ 13,997
Average total assets	5,565,952	5,427,046	5,435,762	5,274,820	4,963,706
Adjusted return on average assets	0.25%	1.17%	1.18%	1.21%	1.14%
<b>Adjusted return on average stockholders' equity:</b>					
Adjusted net income	\$ 3,482	\$ 16,059	\$ 16,160	\$ 15,915	\$ 13,997
Average stockholders' equity	765,427	745,745	729,781	696,928	659,156
Adjusted return on average stockholders' equity	1.83%	8.54%	8.78%	9.16%	8.61%
<b>Tangible common equity to tangible assets:</b>					
Tangible common equity	\$ 573,867	\$ 559,422	\$ 545,885	\$ 525,691	\$ 498,488
Tangible assets	5,556,392	5,341,554	5,258,735	5,209,690	4,850,102
Tangible common equity to tangible assets	10.33%	10.47%	10.38%	10.09%	10.28%
<b>Return on average tangible common stockholders' equity:</b>					
Tangible net income available to common stockholders	\$ 4,136	\$ 17,101	\$ 16,591	\$ 14,429	\$ 13,680
Average tangible common stockholders' equity	575,573	556,115	538,603	511,254	487,794
Return on average tangible common stockholders' equity:	2.89%	12.20%	12.22%	11.32%	11.37%
<b>Adjusted return on average tangible common stockholders' equity:</b>					
Adjusted tangible net income available to common stockholders	\$ 4,652	\$ 17,308	\$ 17,409	\$ 17,133	\$ 15,080
Average tangible common stockholders' equity	575,573	556,115	538,603	511,254	487,794
Adjusted return on average tangible common stockholders' equity	3.25%	12.35%	12.82%	13.44%	12.54%
<b>Tangible book value per share:</b>					
Tangible common equity	\$ 573,867	\$ 559,422	\$ 545,885	\$ 525,691	\$ 498,488
Common shares outstanding	38,383,021	38,256,500	38,169,126	38,115,219	36,398,144
Tangible book value per share	\$ 14.95	\$ 14.62	\$ 14.30	\$ 13.79	\$ 13.70

## Early Impact Industries: Loan Pool by Industry *(\$ in thousands)*

	Commercial Real Estate	Residential Real Estate	Construction	Commercial and Industrial	Intallment and Other	Total
Restaurants	\$ 66,816	\$ 636	\$ 692	\$ 57,012	\$ -	\$ 125,156
Hotels	43,918	50	12,443	951	-	57,363
Amusement	25,581	-	-	28,995	-	54,576
Nursing Homes	12,827	-	30,313	4,747	-	47,887
Truck Transportation	19,812	-	1,448	20,165	-	41,424
Religious & Non-Profit	34,478	1,204	1,149	6,073	-	42,905
Performing Arts & Sports	4,928	-	-	5,107	-	10,035
Air Transportation	-	-	-	2,032	-	2,032
<b>Total Early Impact</b>	<b>208,360</b>	<b>1,891</b>	<b>46,045</b>	<b>125,081</b>	<b>-</b>	<b>381,377</b>
<b>Remaining Loans</b>	<b>1,092,173</b>	<b>692,106</b>	<b>231,740</b>	<b>1,297,193</b>	<b>5,721</b>	<b>3,318,933</b>
<b>Total Loans</b>	<b>\$ 1,300,533</b>	<b>\$ 693,997</b>	<b>\$ 277,785</b>	<b>\$ 1,422,275</b>	<b>\$ 5,721</b>	<b>\$ 3,700,311</b>

## Midwest Public Peers with Assets between \$2 - \$7 billion

(\$ in millions)

	Total Assets		Total Assets
1st Source (SRCE)	\$6,735	Stock Yards Bancorp (SYBT)	\$3,785
First Defiance Financial (FDEF)	6,337 <sup>(1)</sup>	Nicolet Bankshares (NCBS)	3,733
Midland States (MSBI)	6,208	Mercantile Bank (MBWM)	3,657
Republic Bancorp (RBCA.A)	5,722	Independent Bank (IBCP)	3,565
Horizon Bancorp (HBNC)	5,247	HBT Financial (HBT)	3,245
Great Southern Bancorp (GSBC)	5,073	Sterling Bancorp (SBT)	3,240
CrossFirst Bankshares (CFB)	5,067	Old Second Bancorp (OSBC)	2,657
Lakeland Financial (LKFN)	4,947	Civista Bancshares (CIVB)	2,576
QCR Holdings (QCRH)	4,909	West Bancorporation (WTBA)	2,520
MidWestOne Financial (MOFG)	4,654	Farmers National Banc (FMNB)	2,449
Peoples Bancorp (PEBO)	4,469	Alerus Financial (ALRS)	2,357
German American Bancorp (GABC)	4,398	Southern Missouri Bancorp (SMBC)	2,312
Community Trust Bancorp (CTBI)	4,353	Bridgewater Bancshares (BWB)	2,269
First Financial Corporation (THFF)	4,023	Bank First Corporation (BFC)	2,200
Equity Bancshares (EQBK)	3,950	First Business Financial Services (FBIZ)	2,196
First Mid Bancshares (FMBH)	3,839	Macatawa Bank Corporation (MCBC)	2,031

Note: Midwest Public Peers trade on NYSE and NASDAQ.

(1) Pro forma for the acquisition of United Community Financial (UCFC) closed on 1/31/2020.



Byline Bancorp, Inc.™