INVESTOR PRESENTATION

4th Quarter 2022

1st Source® Corporation

NASDAQ: SRCE | www.1stsource.com

DISCLOSURES

Forward-Looking Statements

Except for historical information, the matters discussed may include "forward-looking statements." Those statements are subject to material risks and uncertainties. 1st Source cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. The audience is advised that various important factors could cause 1st Source's actual results or circumstances for future periods to differ materially from those anticipated or projected in such forward-looking statements. Please refer to our press releases, Form 10-Qs, and 10-Ks concerning factors that could cause actual results to differ materially from any forward-looking statements of which we undertake no obligation to publicly update or revise.

Non-GAAP Financial Measures

The accounting and reporting policies of 1st Source conform to generally accepted accounting principles ("GAAP") in the United States and prevailing practices in the banking industry. However, certain non-GAAP performance measures are used by management to evaluate and measure the Company's performance. Although these non-GAAP financial measures are frequently used by investors to evaluate a financial institution, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP. These include taxable-equivalent net interest income (including its individual components), net interest margin (including its individual components), the efficiency ratio, tangible common equity-to-tangible assets ratio, pre-tax pre-provision income and tangible book value per common share. Management believes that these measures provide users of the Company's financial information a more meaningful view of the performance of the interest-earning assets and interest-bearing liabilities and of the Company's operating efficiency. Other financial holding companies may define or calculate these measures differently. See the slides titled "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of certain non-GAAP financial measures used by the Company with their most closely related GAAP measures.

CORPORATE OVERVIEW

$8.3 billion Community Bank with International Reach headquartered in South Bend, Indiana







Community Banking

- Locations throughout northern Indiana and southwestern Michigan
- Business and personal banking, payment services, lending, mortgage, and leasing
- Investment management, wealth advisory, estate planning, and retirement planning services
- Business and consumer insurance sales

Renewable Energy Financing

- National footprint
- Construction loans, permanent loans and tax equity investments
- Community solar, commercial and industrial, small utility scale, university and municipal projects

Specialty Finance

- National and international footprint
- Construction machinery
- Corporate and personal aircraft
- Auto rental and leasing, shuttle buses, motor coaches, funeral cars, and step vans
- Truck rental and leasing

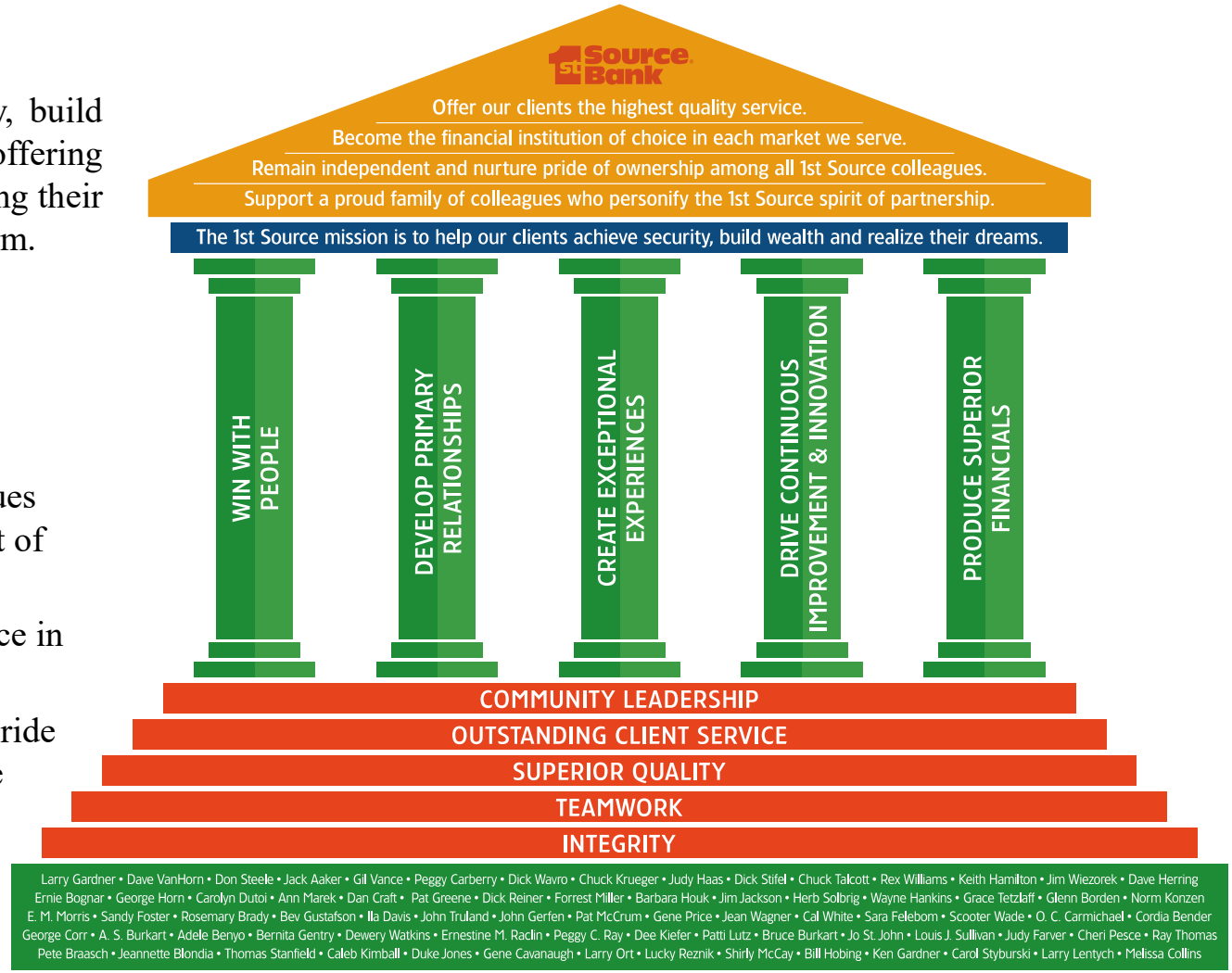
MISSION & VISION

Mission

To help our clients achieve security, build wealth and realize their dreams by offering straight talk, sound advice and keeping their best interests in mind for the long-term.

Vision

- Offer our clients the highest quality service
- Support a proud family of colleagues who personify the 1st Source spirit of partnership
- Be the financial institution of choice in each market we serve
- Remain independent and nurture pride of ownership among all 1st Source colleagues
- Achieve long-term, superior financial results



MARKET AREA


Checking


Savings


Loans


Mortgages


Business


Insurance





Specialty Finance

Loans & Leases
$3.17 billion


Auto & Light Truck


Medium & Heavy Duty Truck


Construction


Aircraft

Community Bank

Loans & Leases
$2.88 billion

BUSINESS MIX

Loans & Leases





COMMUNITY BANKING

48%

SPECIALTY FINANCE

52%

COMMUNITY BANKING

79 Banking Centers

97 Twenty-four-hour ATMs

9 Trust & Wealth Advisory locations with approximately $4.8 billion of assets under management

10 1st Source Insurance offices



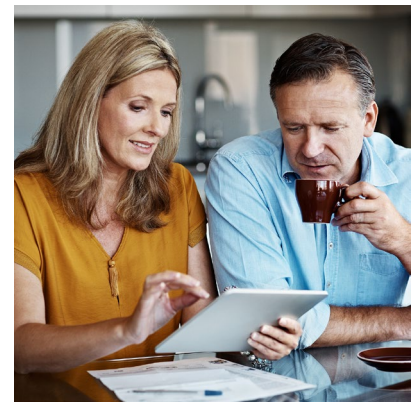
In person



Over the phone



Online



Mobile

RENEWABLE ENERGY FINANCING



Our Renewable Energy Financing Division provides sponsors and developers with one-stop-shop financing by providing construction loans, permanent loans, and tax equity investments to community solar, commercial & industrial, small utility scale, university, and municipal solar projects. Loans and investments are made across the contiguous United States with a focus in the Northeast and Midwest.

Financed solar projects positively impact communities across our growing portfolio through energy cost savings and renewable energy generation.

Environmental Impact

The estimated aggregate power capacity of financed projects avoids 277,714 metric tons of carbon greenhouse emissions annually.*

- Over $381 million in loans and leases outstanding as of December 31, 2022
- Over $109 million invested to date in tax equity partnership investments as of December 31, 2022

Equivalent Emissions Avoided Annually*

31,249,427 gallons of gasoline consumed	27,280,320 gallons of diesel consumed	307,264,949 Pounds of coal burned	3,676 tanker trucks' worth of gasoline
34,982 homes' energy use for one year	54,036 homes' electricity use for one year	1,533 railcars' worth of coal burned	642,966 barrels of oil consumed

* Source: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator as of January 16, 2023

SPECIALTY FINANCE GROUP



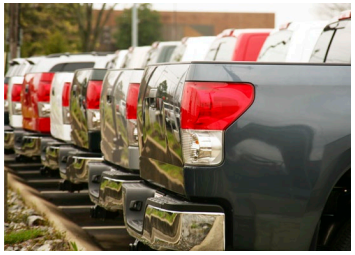
Aircraft Division

Aircraft division provides financing primarily for new and pre-owned general aviation aircraft (including helicopters) for private and corporate users, some for aircraft distributors and dealers, air charter operators, air cargo carriers, and other aircraft operators. See Appendix for NAICS industry detail.



Construction Equipment Division

Construction equipment division provides financing for infrastructure projects (i.e., asphalt and concrete plants, bulldozers, excavators, cranes, and loaders, etc.)



Auto and Light Truck Division

Auto/light truck division provides financing for automobile rental and leasing companies, light truck rental and leasing companies, and special purpose vehicle users: buses, funeral cars and step vans.



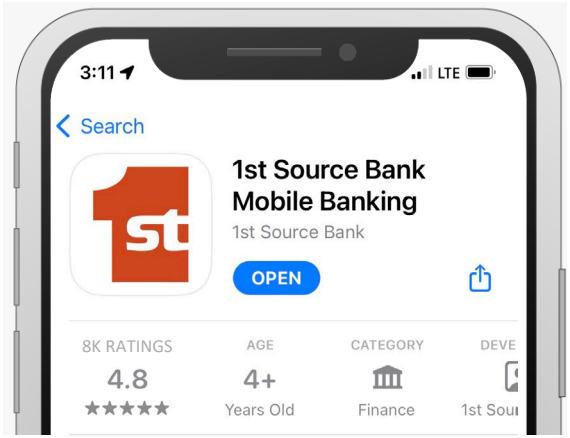
Medium and Heavy Duty Truck Division

The medium and heavy duty truck division finances highway tractors and trailers and delivery trucks for the commercial trucking industry and trash and recycling equipment for municipalities and private businesses as well as equipment for landfills.

HIGHLY RATED, FEATURE-RICH MOBILE APP

4.8 ★★★★★

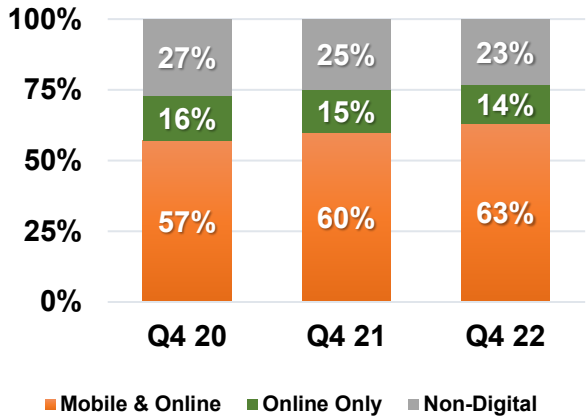
8K RATINGS



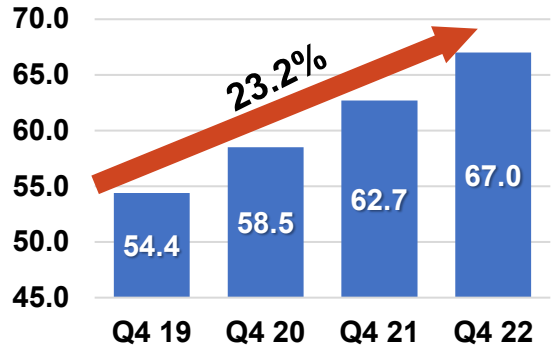
- Budget & Account Aggregation
- Debit Card Control
- Zelle (P2P)
- Credit Score Mgmt.[5]
- Digital Wallet[6]

Other Services:
Balance & Transfers, Pay Bills / eBills, Mobile Deposit, A2A Transfers

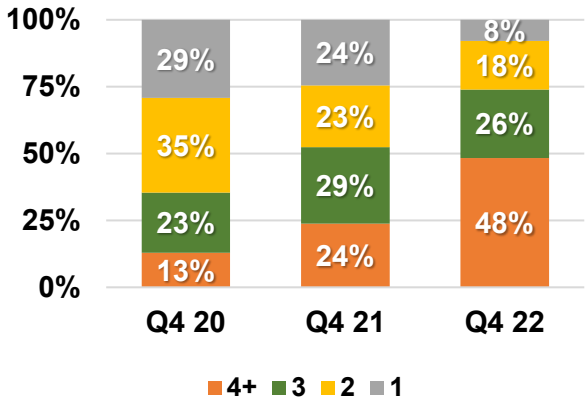
Digital Adoption[1]



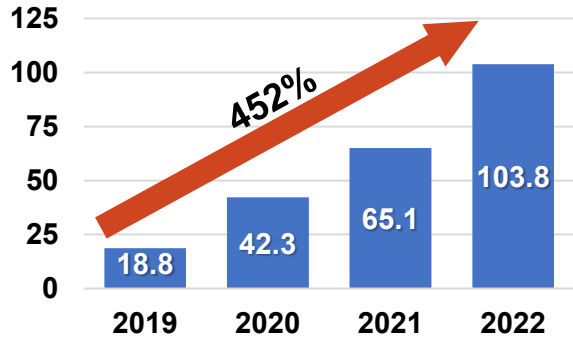
Mobile Users (000s)[2]



Service Usage[3]



Zelle Transactions (000s)[4]



1 "Digital Adoption" is based on the primary deposit account holders' usage of our online/mobile banking platforms
2 "Mobile Users" is based on activity within the Mobile App within the last 90 days
3 "Service Usage" are the number of distinct services (presented on the left) used by a digital user
4 Switched P2P service providers from PopMoney to Zelle in July 2019
5 Launched service in May 2022
6 1st Source Debit Cards can be loaded into Apple Pay, Samsung Pay & Google Wallet Apps

AN EXPERIENCED AND PROVEN TEAM



Executive Team

6 executives with an average **34** years each of banking experience and **25** years with 1st Source

Business Banking Officers

39 business banking officers with an average **18** years each of lending experience and with 1st Source from **1** to **33** years

Specialty Finance Group Officers

27 specialty finance officers with an average **24** years each of lending experience and with 1st Source from **1** to **32** years

PERFORMANCE CLIENT

Indiana SBA Community Lender Award

2013-2022

#1 Deposit share in our 16 contiguous county market

#1 SBA Lender in our Indiana footprint

#1 SBA Lender Headquartered in State of Indiana

#1 Lender of Community Development Loans (Total Dollars) in State of Indiana by Banks Headquartered in Indiana. 2021 CRA data by FFIEC.

#2 Lender of Community Development Loans (# of Loans) in State of Indiana by Banks Headquartered in Indiana. 2021 CRA data by FFIEC.

#22 On Monitor Magazine's 2021 Top 50 Bank Finance/Leasing Companies in the U.S.

#37 On Monitor Magazine's 2022 Top 100 Largest Equipment Finance/Leasing Companies in the U.S.



PERFORMANCE PEOPLE

Forbes' 150 Best Employers for Veterans

2021

Forbes' 500 Best Midsize Employers

2021-2022

Forbes' 500 Best Employers for Diversity

2022

Indianapolis Business Journal's 250 Most Influential Business Leaders

Christopher J. Murphy III
CEO and Chairman of the Board

Tracy D. Graham
Board Member

Isaac P. Torres
Board Member



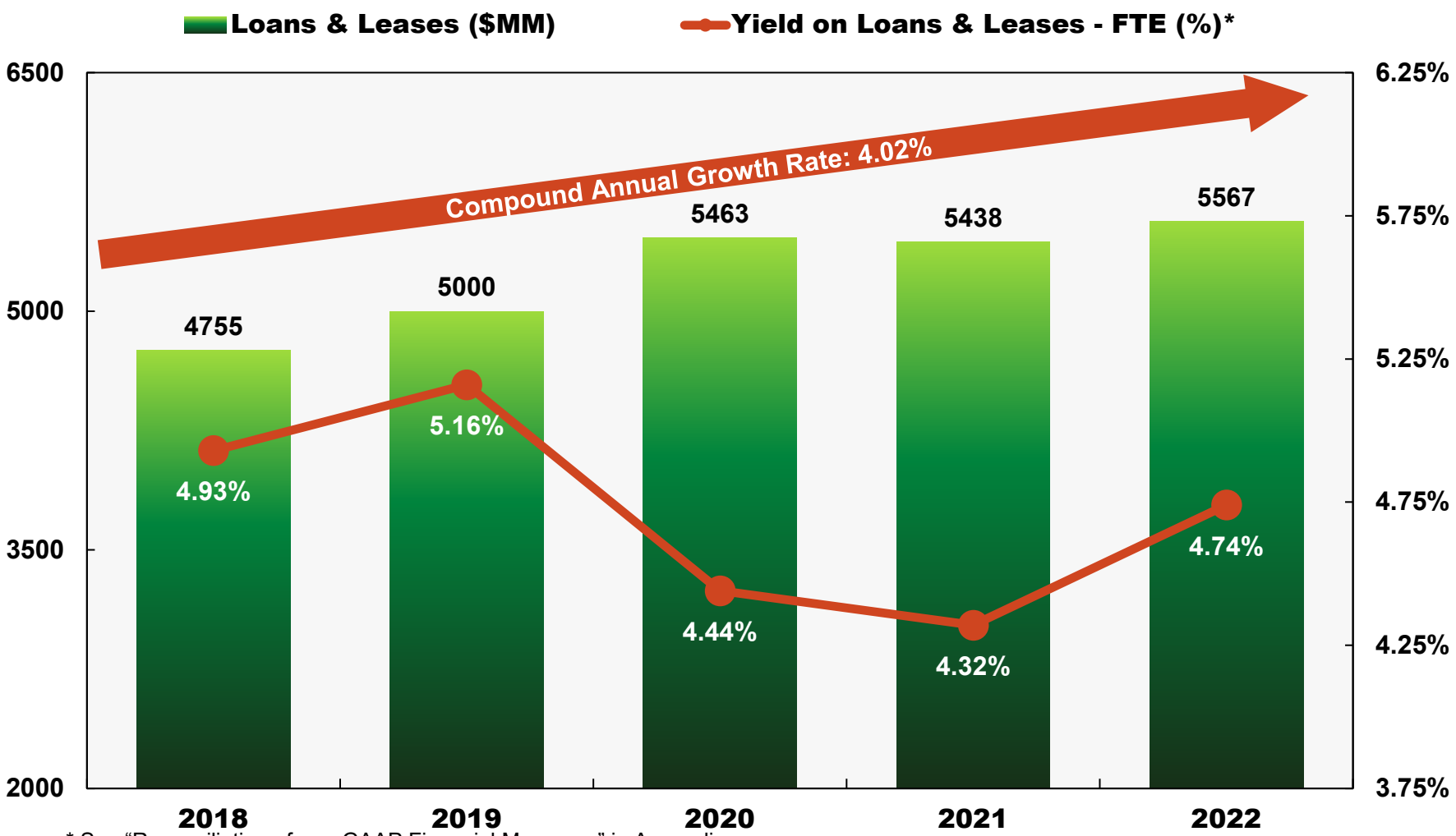
FINANCIAL REVIEW

1st Source® Corporation



GROWING LOAN PORTFOLIO

Total Average Loans & Leases

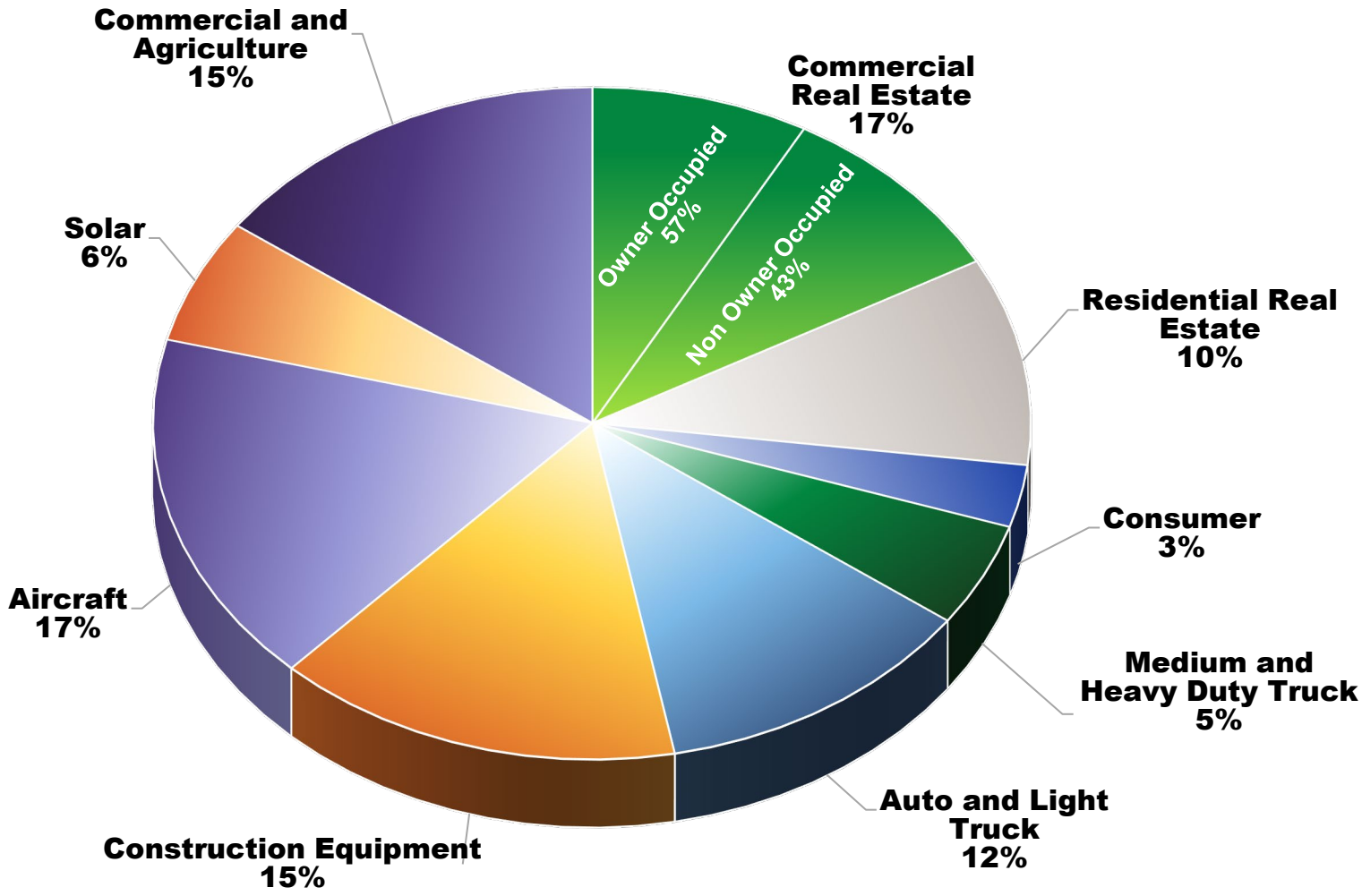


* See “Reconciliation of non-GAAP Financial Measures” in Appendix.

Note: Paycheck Protection Program loans have not been excluded from the totals above.

DIVERSIFIED LOAN PORTFOLIO

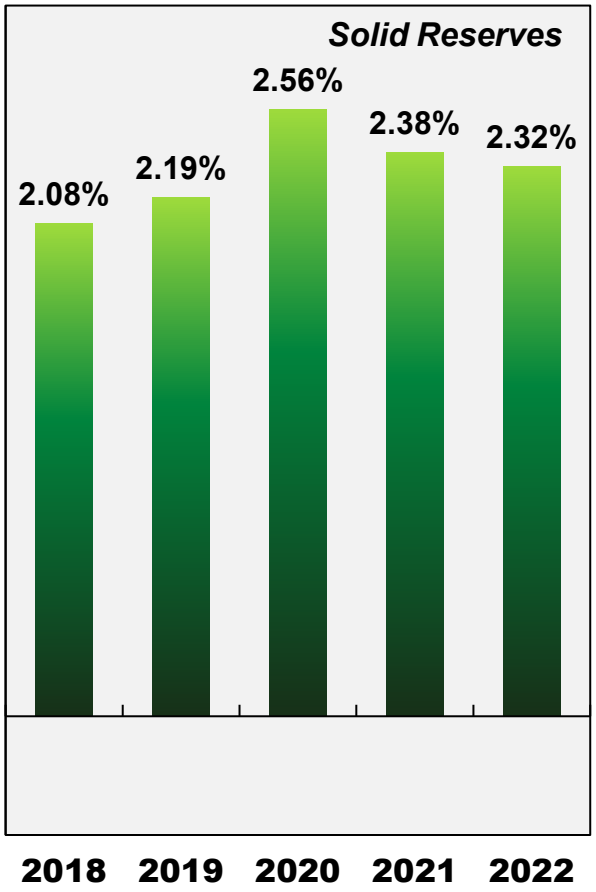
2022 Average Loans by Type



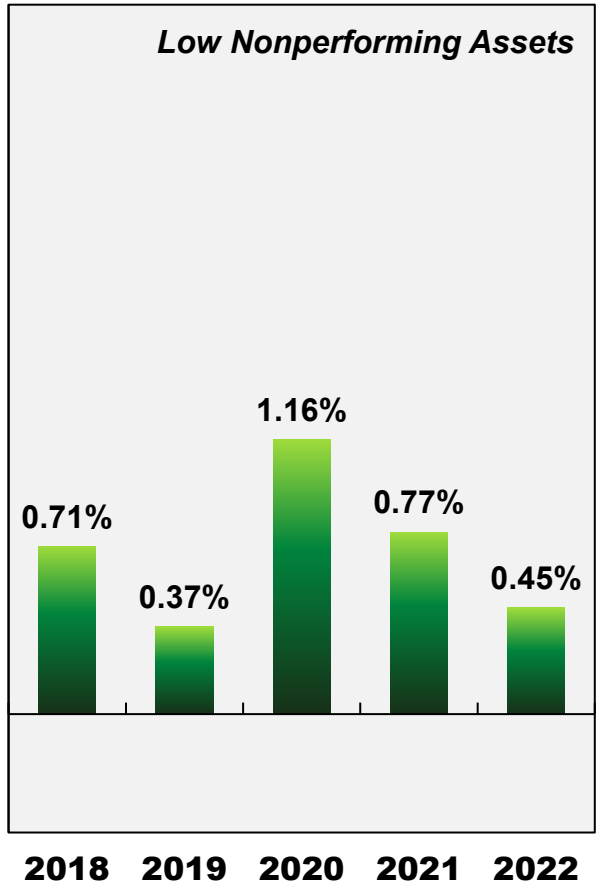
STRONG CREDIT QUALITY

% of Net Loans and Leases

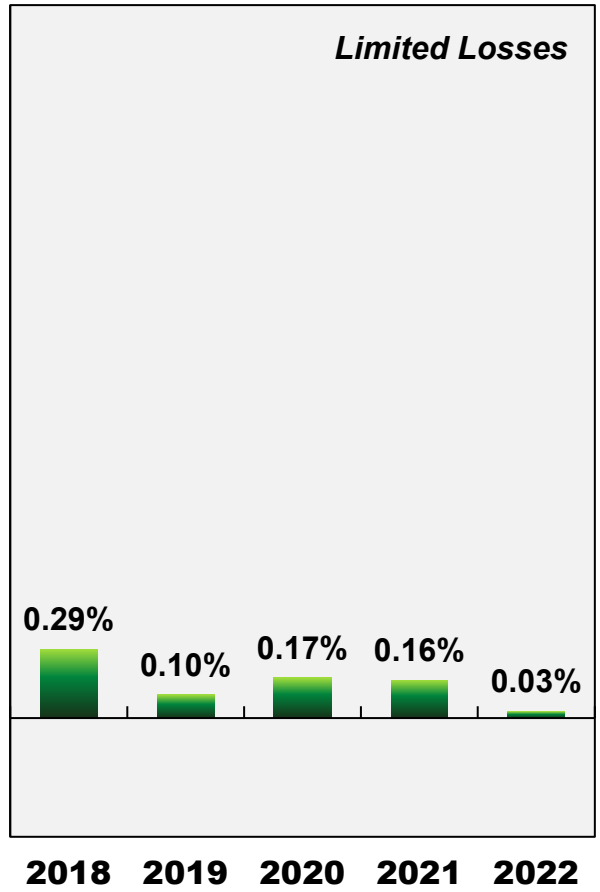
Loan & Lease Loss Allowance



Nonperforming Assets

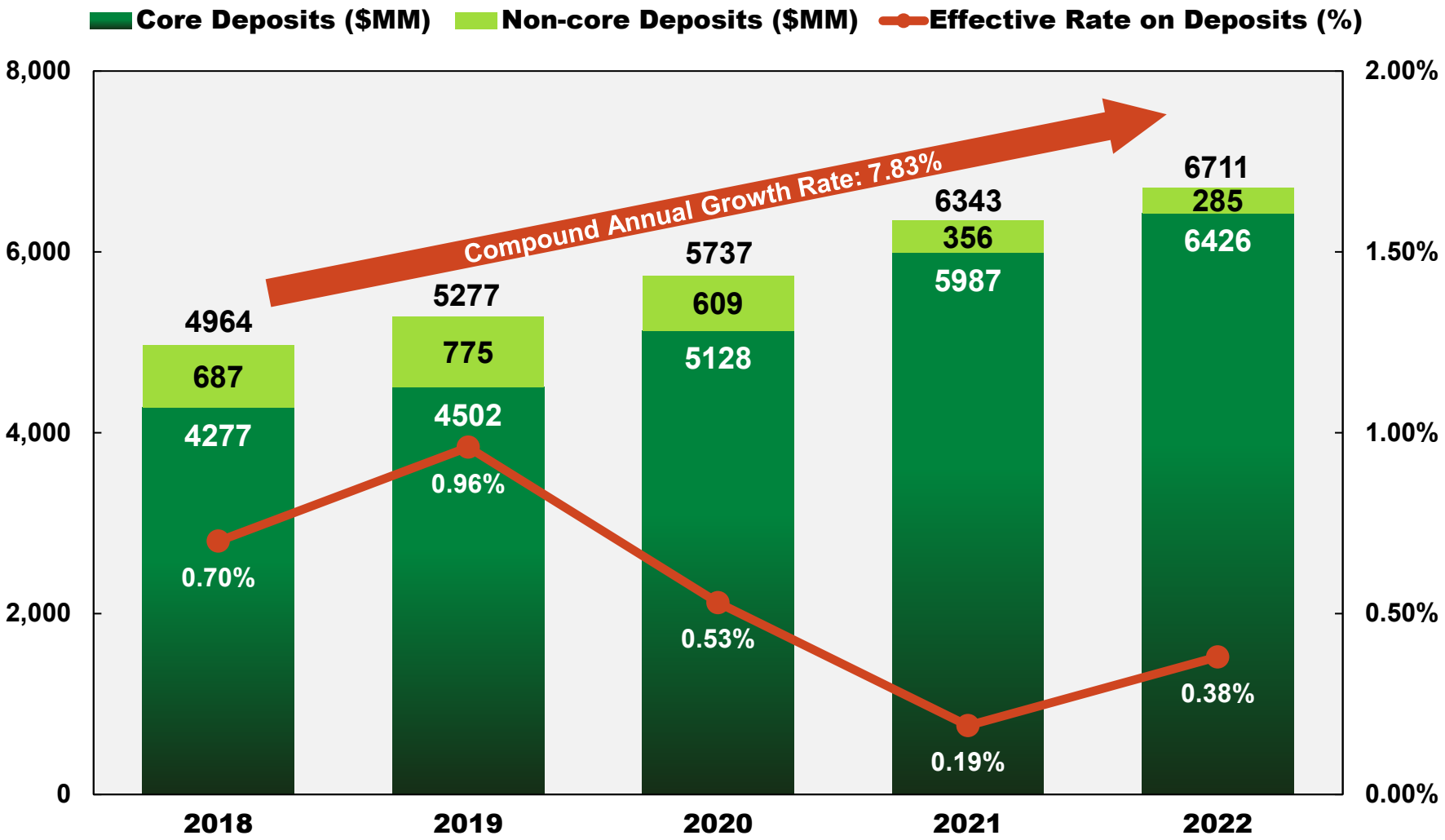


Net Charge-Offs



CORE DEPOSIT FRANCHISE

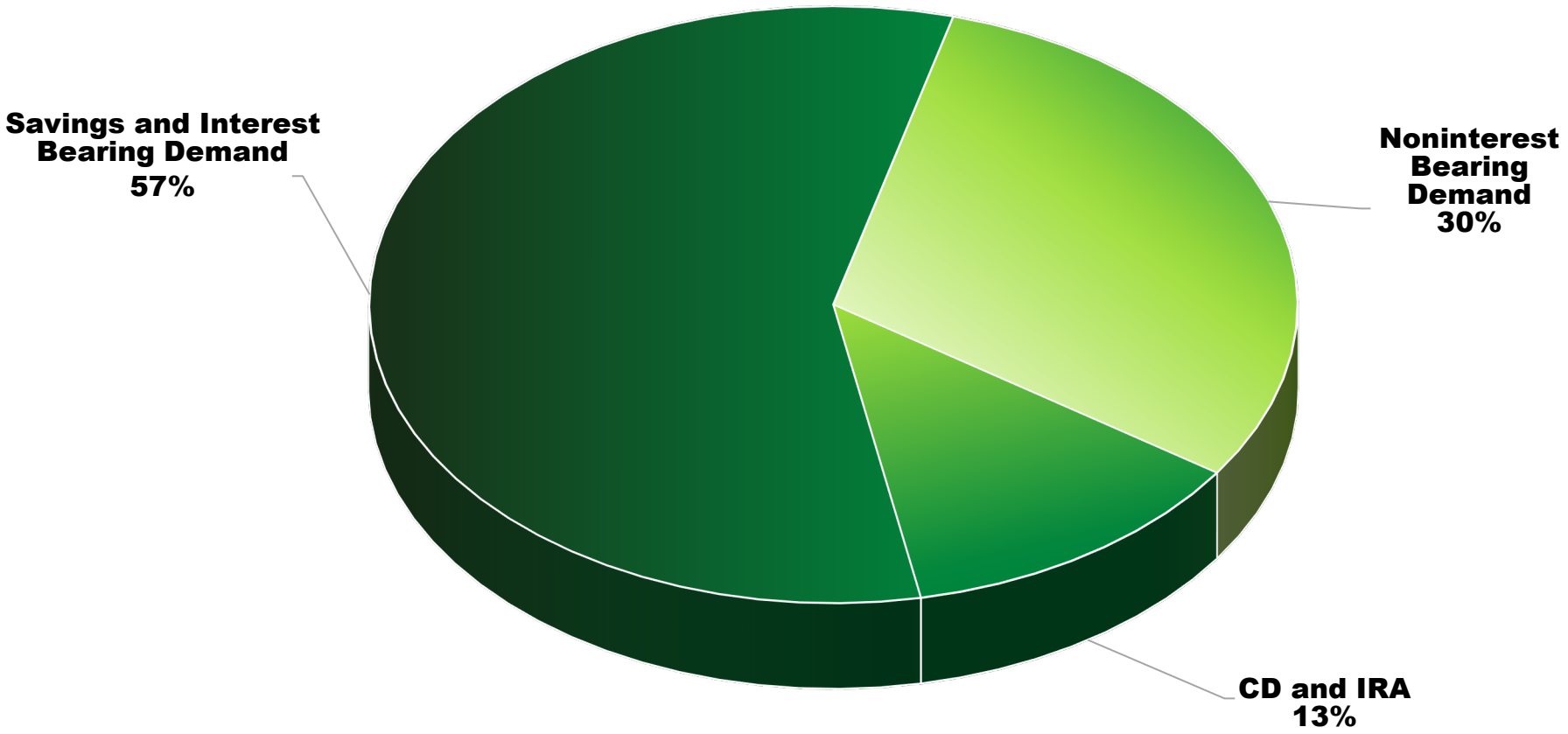
TOTAL AVERAGE DEPOSITS



*Non-core deposits include CDs over $250,000, brokered CDs, and national listing service CDs.

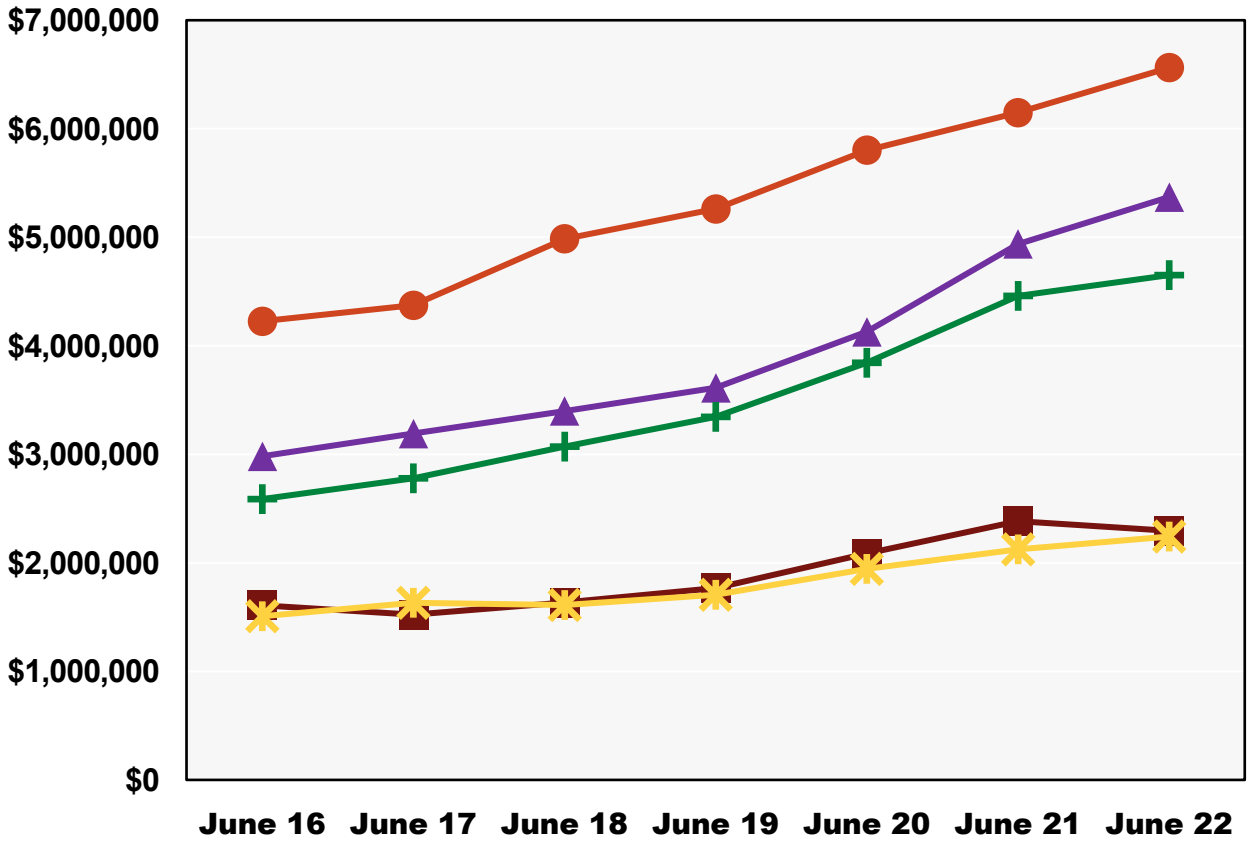
ATTRACTIVE DEPOSIT FRANCHISE

2022 Average Deposits By Type



DEPOSIT MARKET SHARE
16 COUNTY CONTIGUOUS MARKET*

Leading Market Share in Community Banking Markets ($000)



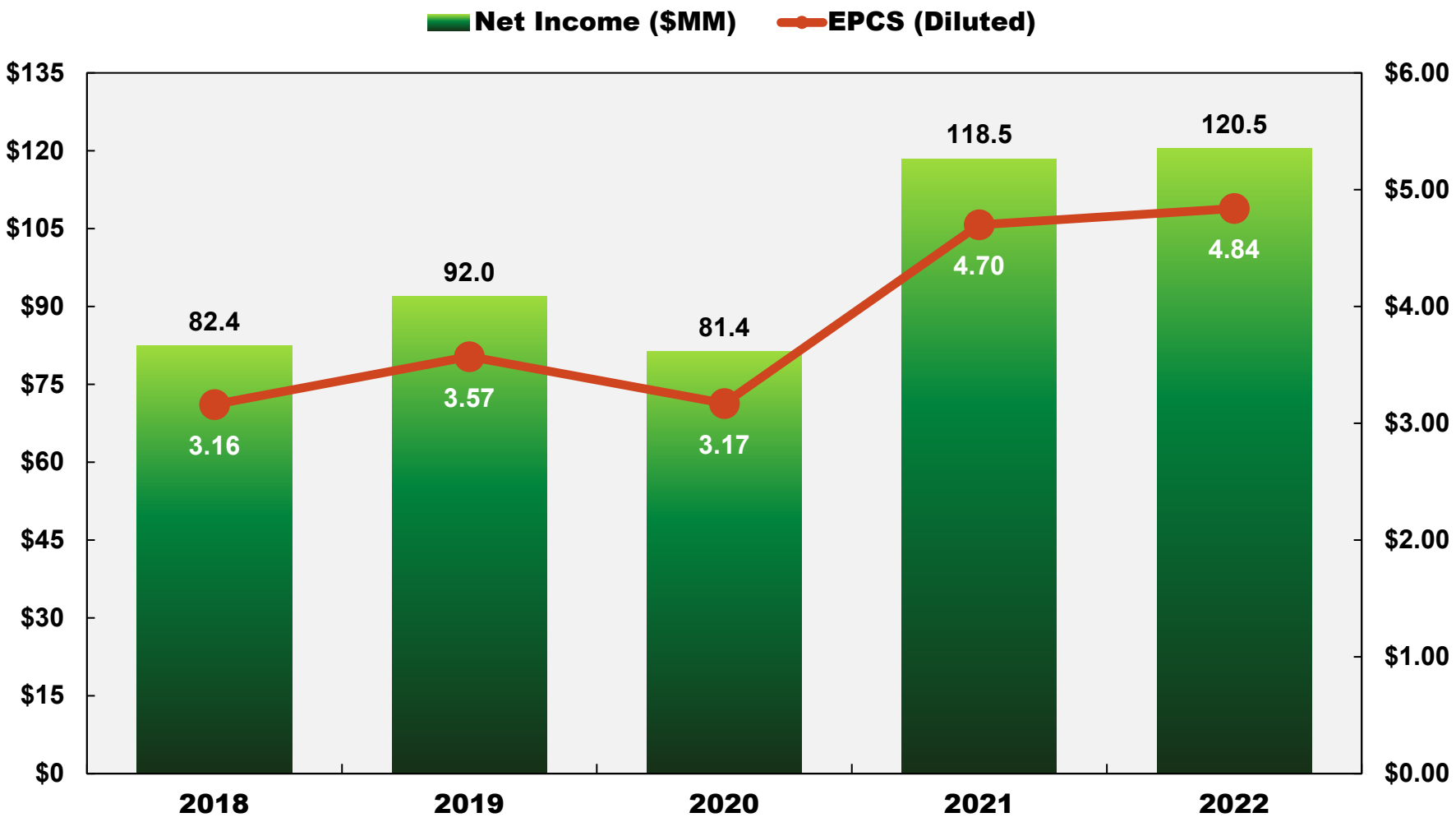
2022

1st Source	13.36%
Chase	10.93%
Lake City Bank	9.47%
Horizon Bank	4.67%
Fifth Third	4.57%

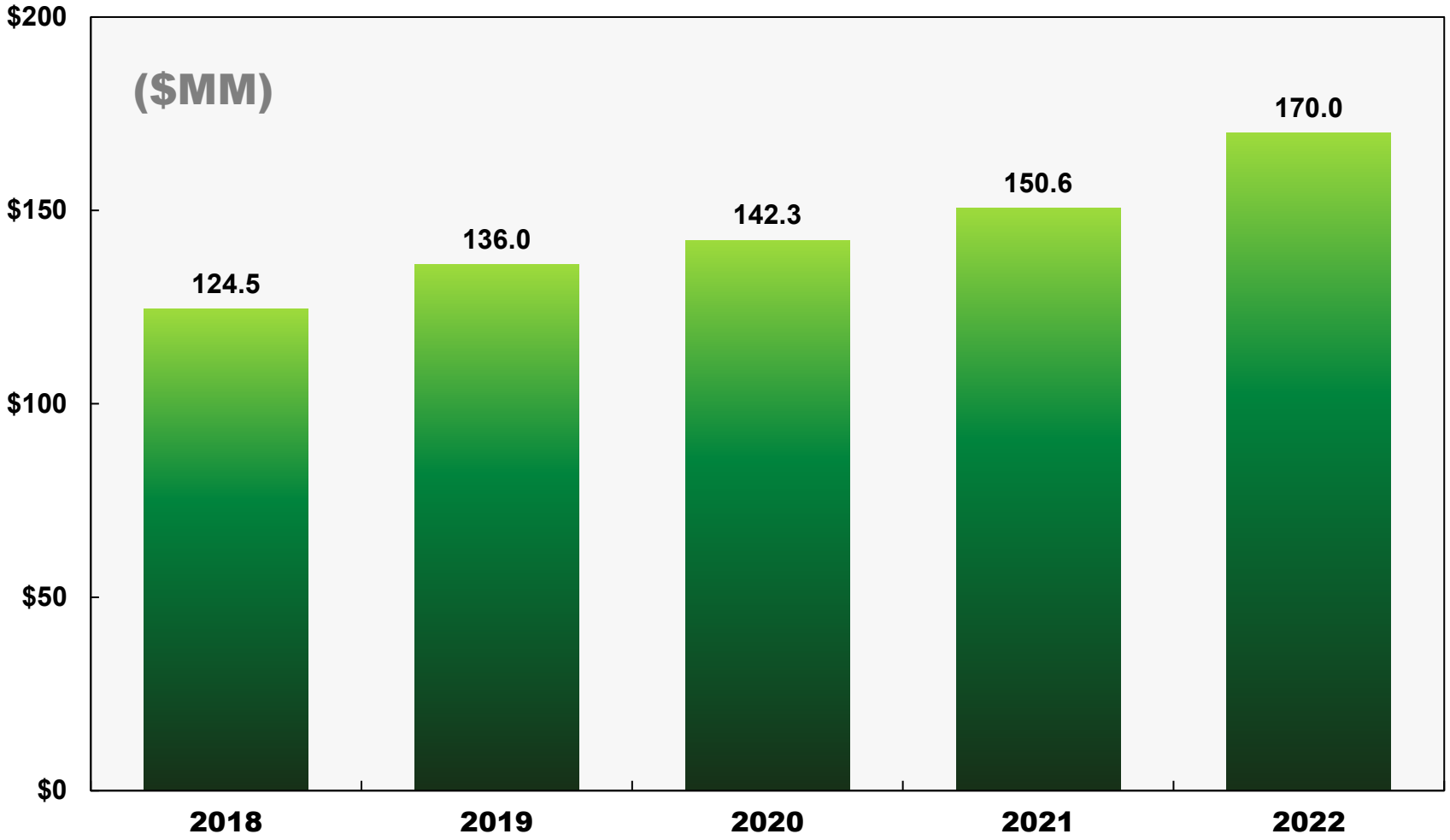
Data as of June 2022 – FDIC
(via S&P Global Market Intelligence)

*Includes Allen, DeKalb, Elkhart, Fulton, Huntington, Kosciusko, LaPorte, Marshall, Porter, Pulaski, St. Joseph, Starke, Wells, and Whitley counties in the State of Indiana, and Berrien and Cass counties in the State of Michigan.

NET INCOME & EARNINGS PER SHARE



PRE-TAX, PRE-PROVISION INCOME

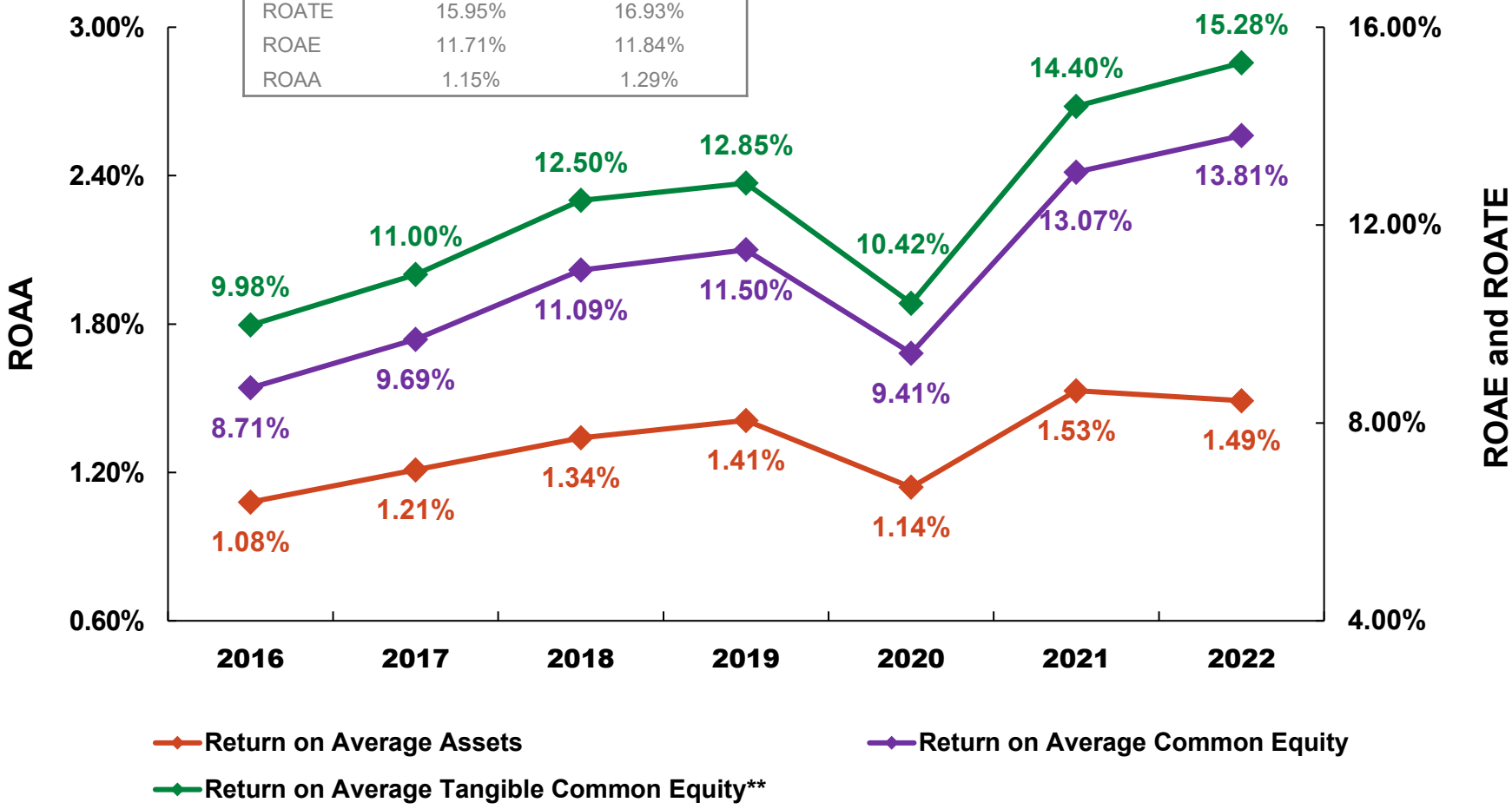


*See “Reconciliation of non-GAAP Financial Measures” in Appendix.

INCOME PERFORMANCE METRICS

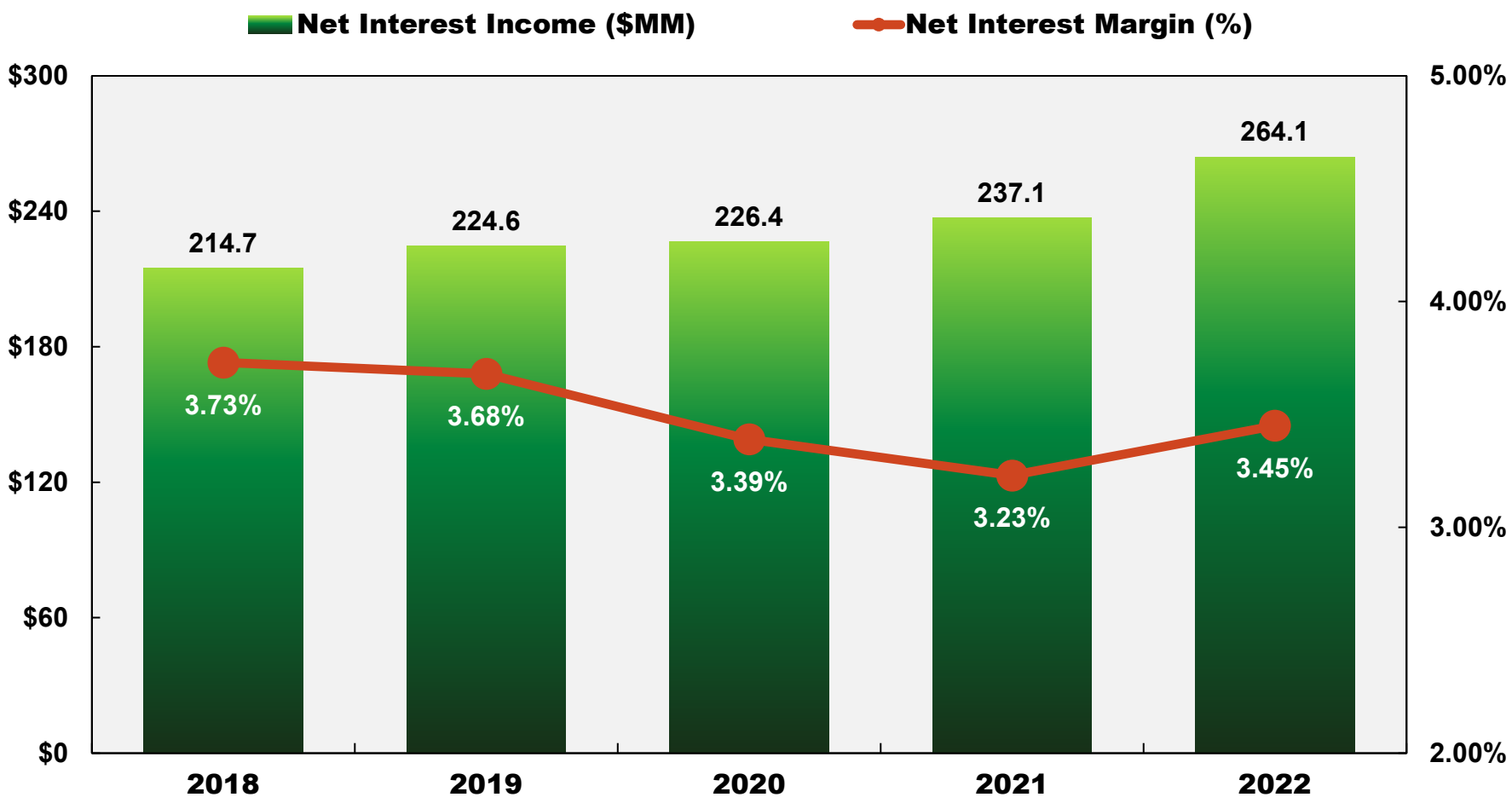
1st SOURCE PERFORMS WELL AGAINST PEERS WHILE MAINTAINING STRONG CAPITAL LEVELS

YTD Median Peer Data*	National C&I	Midwest
ROATE	15.95%	16.93%
ROAE	11.71%	11.84%
ROAA	1.15%	1.29%



*Peer group data as of September 30, 2022.
** See "Reconciliation of non-GAAP Financial Measures" in Appendix.

NET INTEREST MARGIN (FTE)*

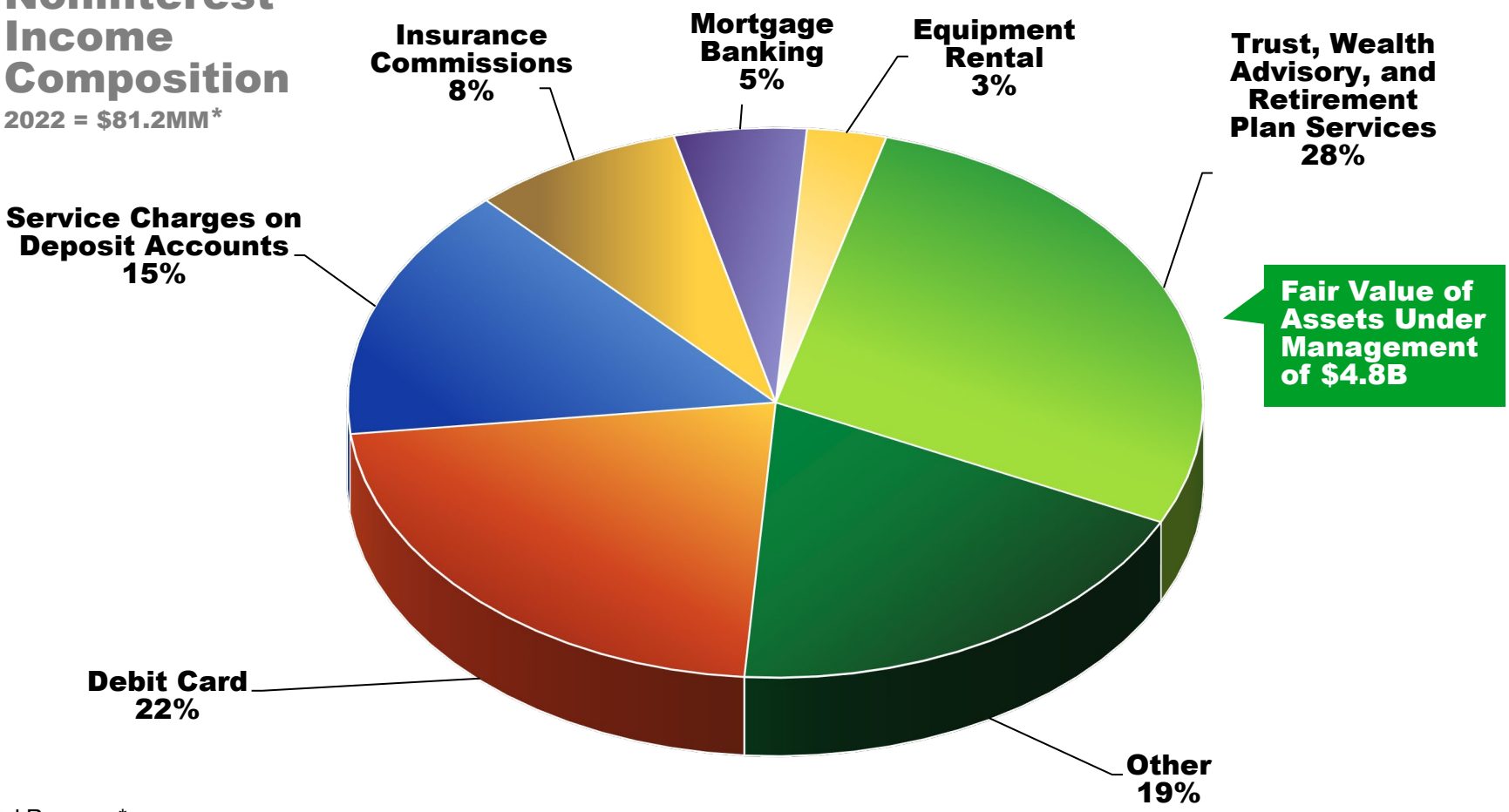


* See “Reconciliation of non-GAAP Financial Measures” in Appendix.

DIVERSE SOURCES OF NONINTEREST INCOME

Noninterest Income Composition

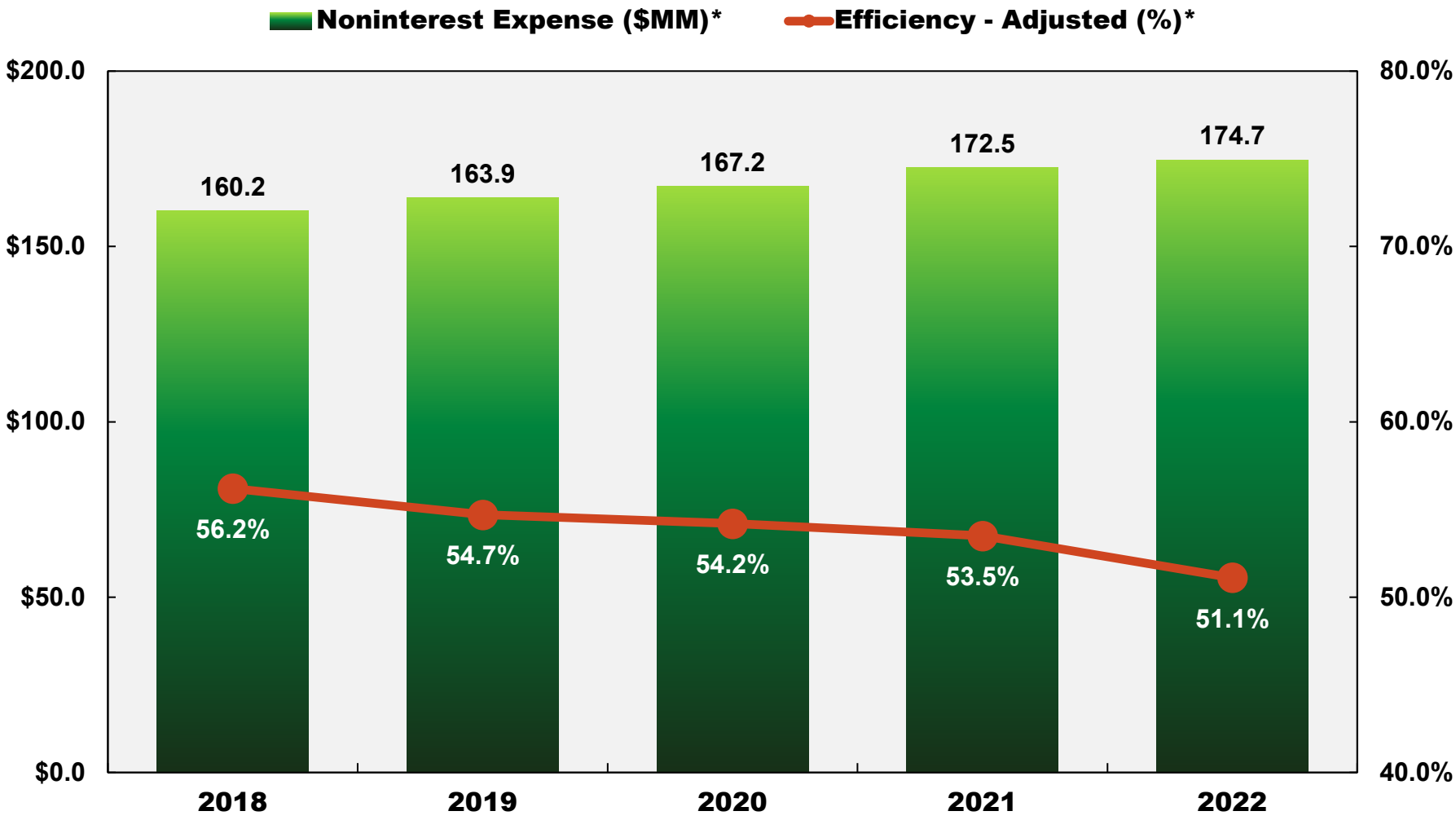
2022 = $81.2MM*



24% of Total Revenue*

* Note: Equipment rental income is shown net of leased equipment depreciation. See “Reconciliation of non-GAAP Financial Measures” in Appendix .

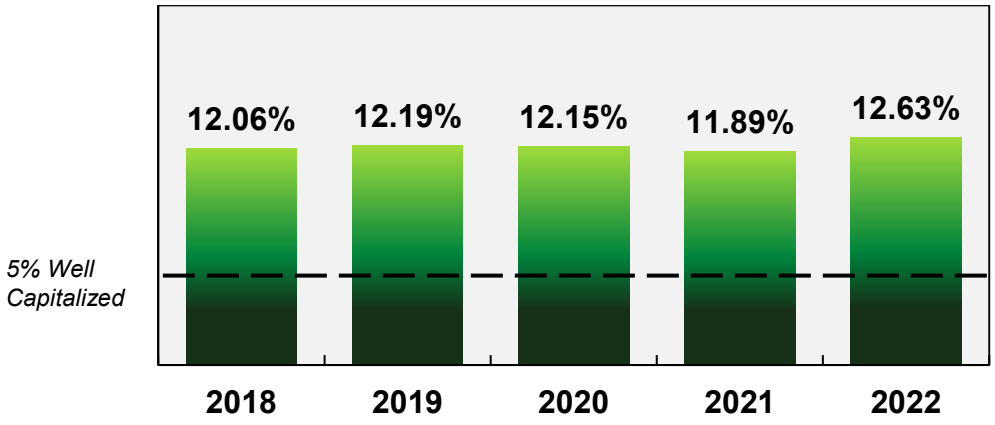
OPERATING EXPENSES



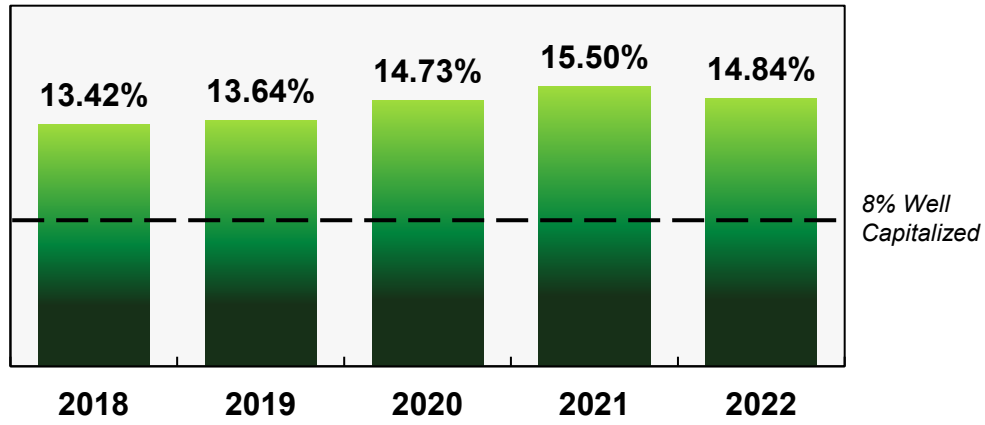
* Note: Noninterest expense is shown net of leased equipment depreciation. See “Reconciliation of non-GAAP Financial Measures” in Appendix.

STRONG CAPITAL POSITION

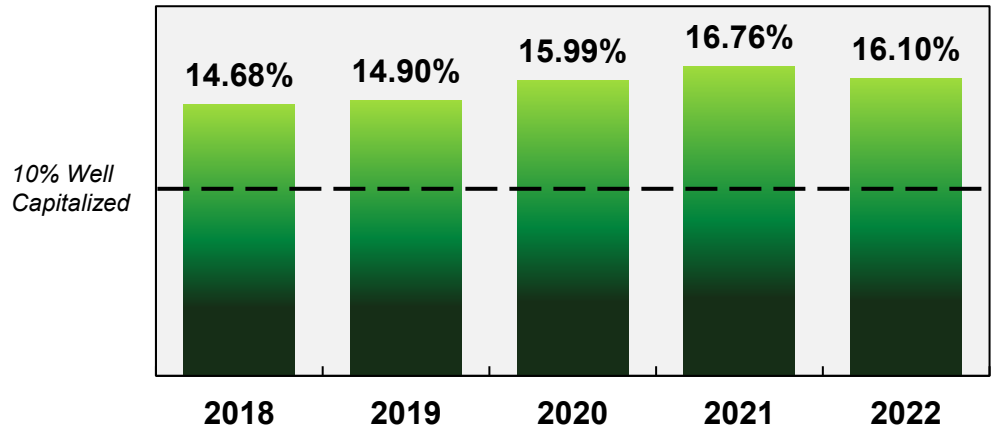
Tier 1 Leverage Ratio



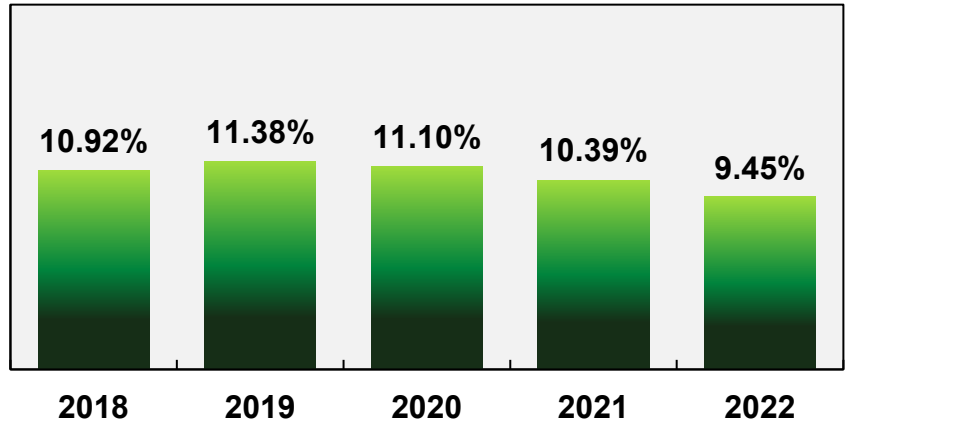
Tier 1 Risk Based Ratio



Total Risk Based Capital Ratio

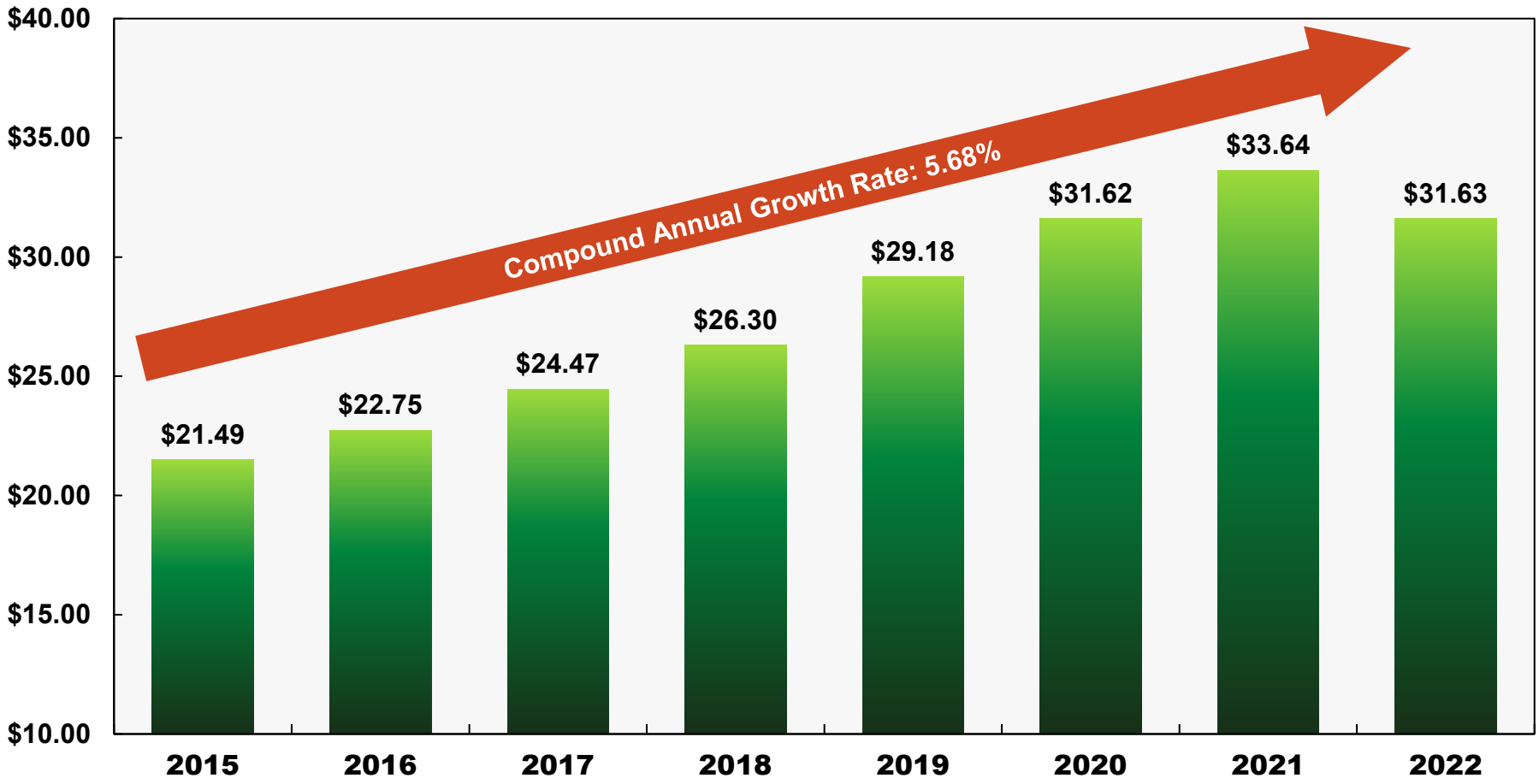


Tangible Common Equity / Tangible Assets*



* See “Reconciliation of non-GAAP Financial Measures” in Appendix.
Note: 2022 shares repurchased were 149,819 shares

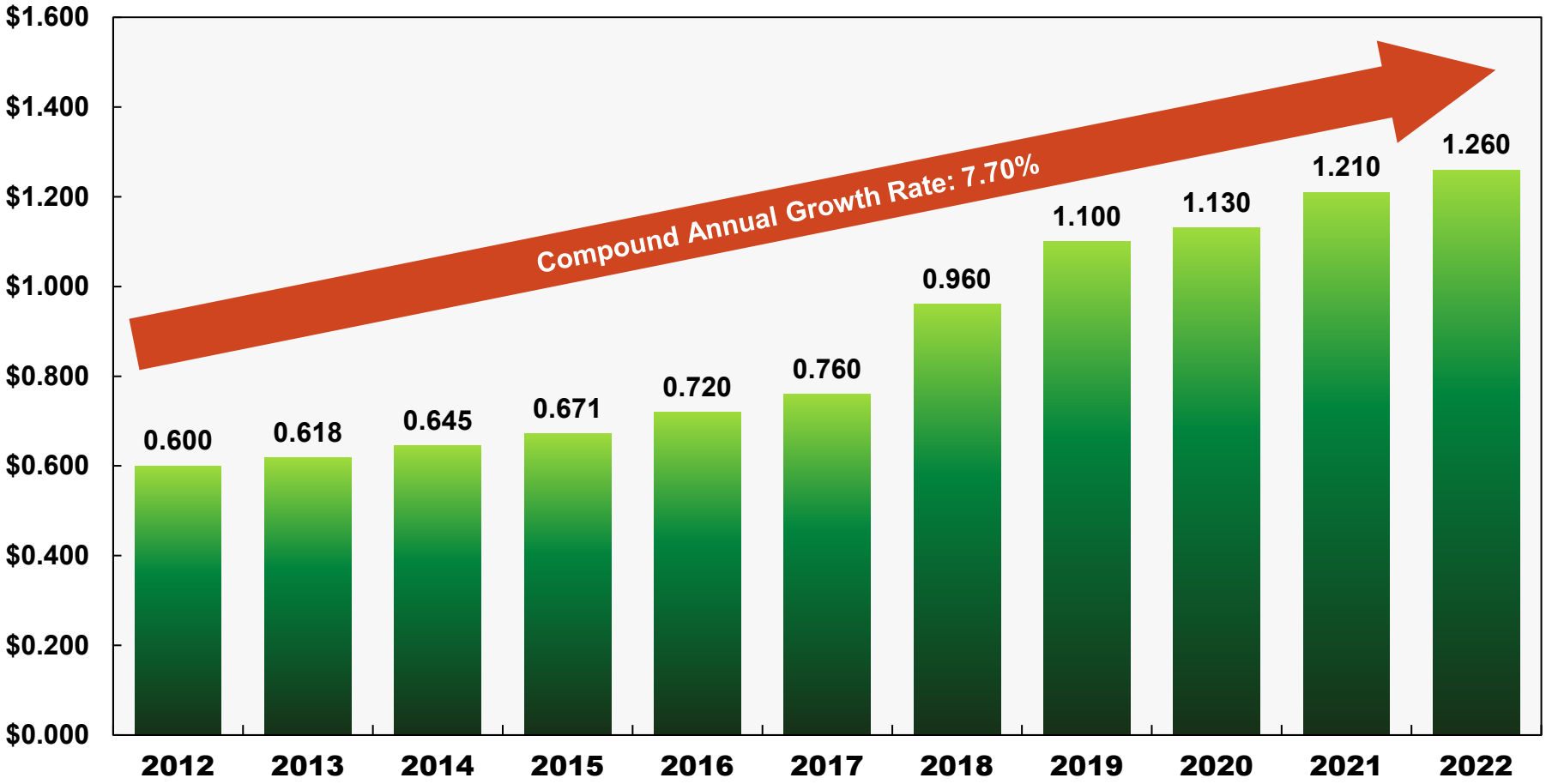
TANGIBLE BOOK VALUE PER COMMON SHARE*



* See "Reconciliation of non-GAAP Financial Measures" in Appendix.

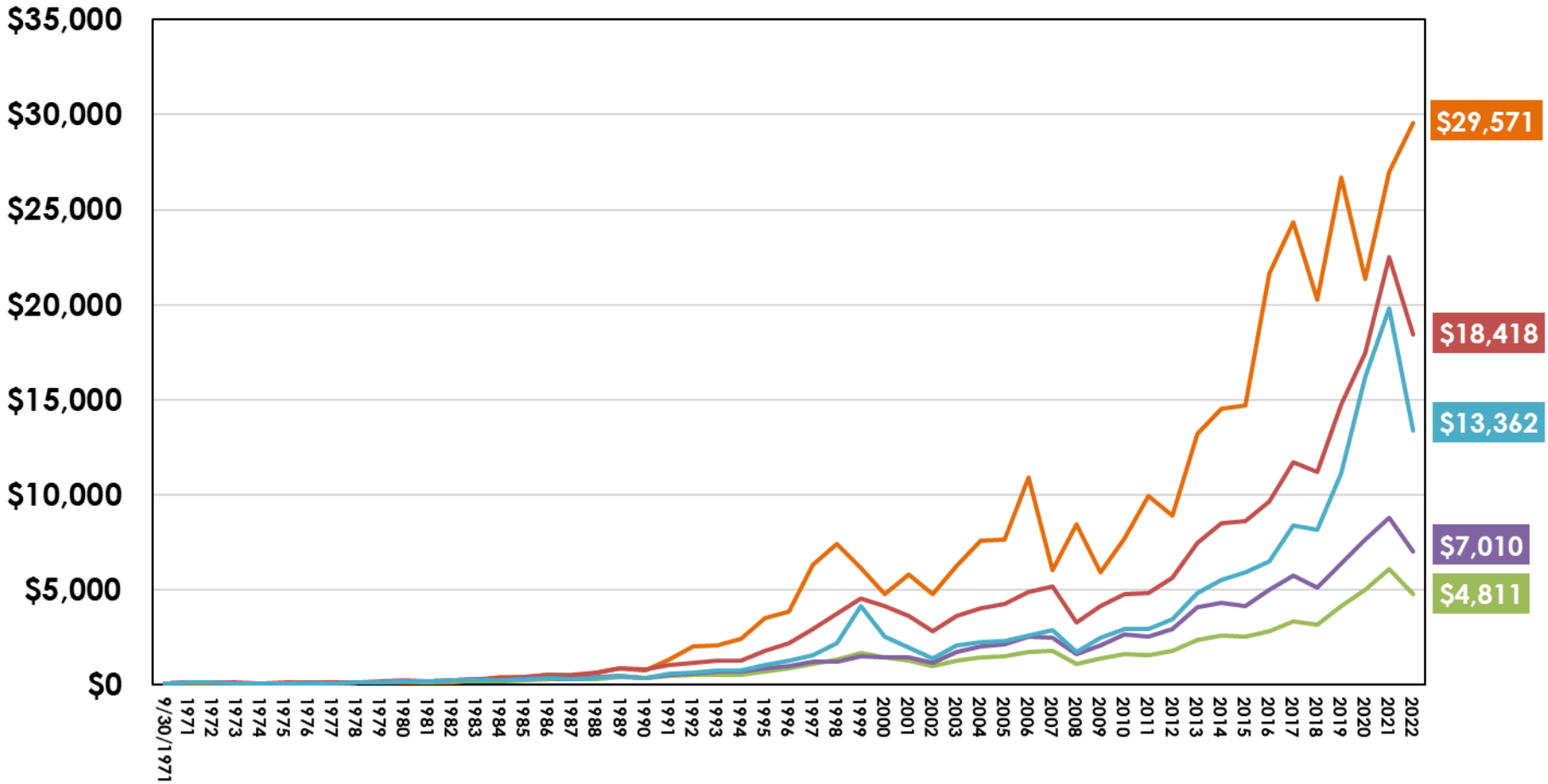
COMMON DIVIDENDS PER SHARE

35 YEARS OF CONSECUTIVE DIVIDEND GROWTH



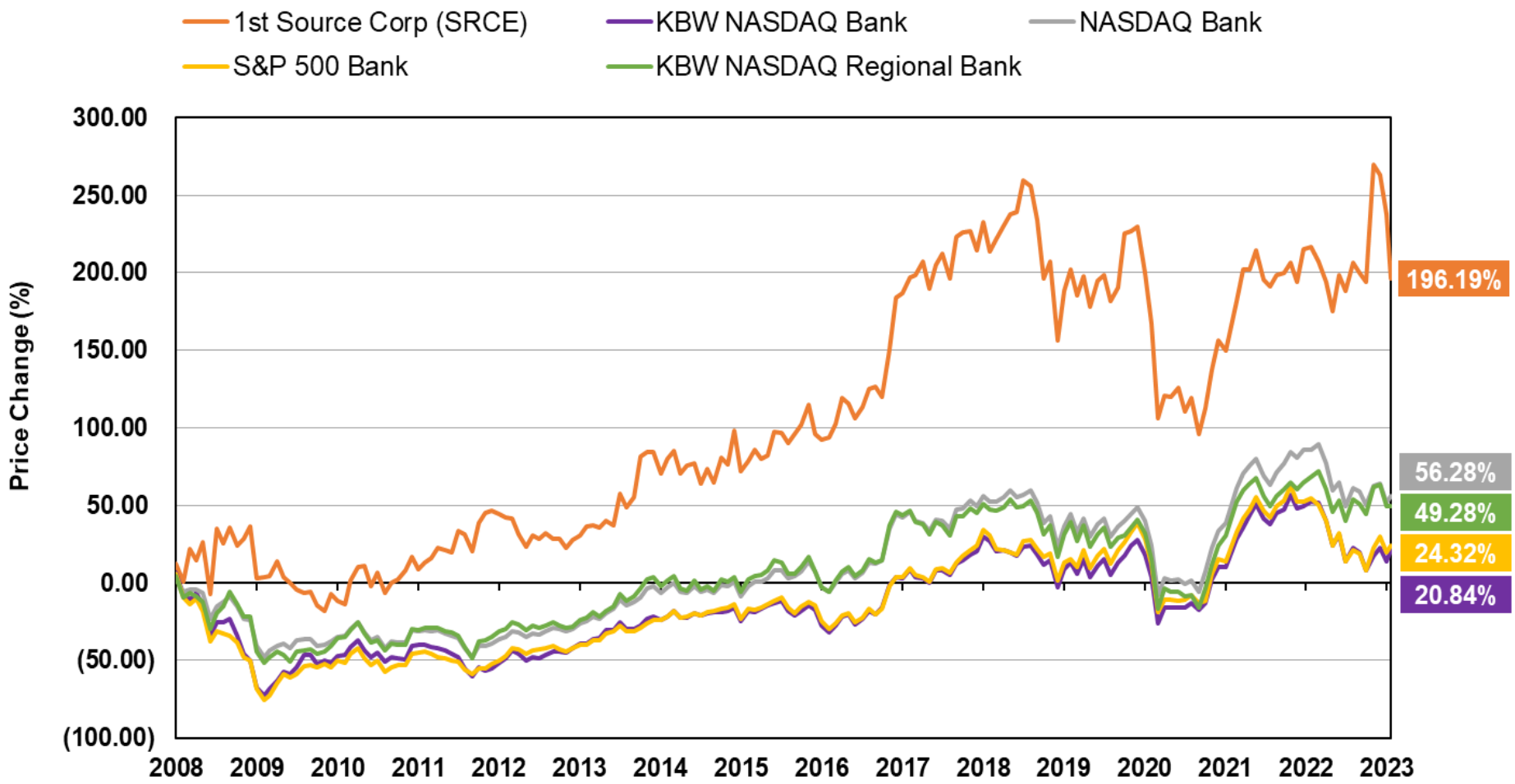
DELIVERING RETURNS TO SHAREHOLDERS

Value of $100 Invested in 1st Source since 1971 Inception with Dividends Reinvested vs. Total Return of Stock Indices



DELIVERING RETURNS TO SHAREHOLDERS

December 31, 2007 – January 20, 2023



PERFORMANCE FINANCIAL

2019-2022 KBW Bank Honor Roll

Fourth consecutive year named among top 5% of banks with more than $500 million in total assets and ten consecutive years of increased earnings per share

#26 Of 123 banks between $5 billion and $50 billion in assets – Bank Performance Scorecard by Bank Director Magazine

5-Star Superior Rating – BauerFinancial

35 Years of consecutive dividend growth



INVESTMENT CONSIDERATIONS

- Consistent and superior financial performance with a focus on long-term earnings per share and tangible book value growth
- Experienced and proven team with significant investment in bank
- Diversification of product mix and geography with asset generation capability
- Leading market share in community banking markets
- Stable credit quality, strongly reserved
- Strong capital position and 35 consecutive years of dividend growth

CONTACT INFORMATION

Christopher J. Murphy III

Chairman of the Board, CEO and President

(574) 235-2711

Murphy-c@1stsource.com

Brett A. Bauer

CFO and Treasurer

(574) 235-2638

bauerb@1stsource.com

APPENDIX



CONSOLIDATED BALANCE SHEET

(Dollars in millions)	2018	2019	2020	2021	2022
Cash and cash equivalents	$ 99	$ 83	$ 243	$ 525	$ 123
Investment securities and other investments	1,019	1,069	1,225	1,890	1,800
Loans and leases, net of unearned discount	4,847	5,106	5,502	5,360	6,015
Allowance for loan and lease losses	(100)	(111)	(141)	(127)	(139)
Equipment owned under operating leases, net	134	112	65	48	32
Other assets	295	364	422	400	508
Total assets	$ 6,294	$ 6,623	$ 7,316	$ 8,096	$ 8,339
Noninterest-bearing deposits	$ 1,217	$ 1,217	$ 1,637	$ 2,053	$ 1,998
Interest-bearing deposits	3,905	4,140	4,309	4,626	4,930
Total deposits	5,122	5,357	5,946	6,679	6,928
Total borrowings	329	276	291	330	321
Other liabilities	79	141	148	118	166
Total shareholders' equity	762	829	887	916	864
Noncontrolling interests	2	20	44	53	60
Total equity	764	849	931	969	924
Total liabilities and equity	$ 6,294	$ 6,623	$ 7,316	$ 8,096	$ 8,339

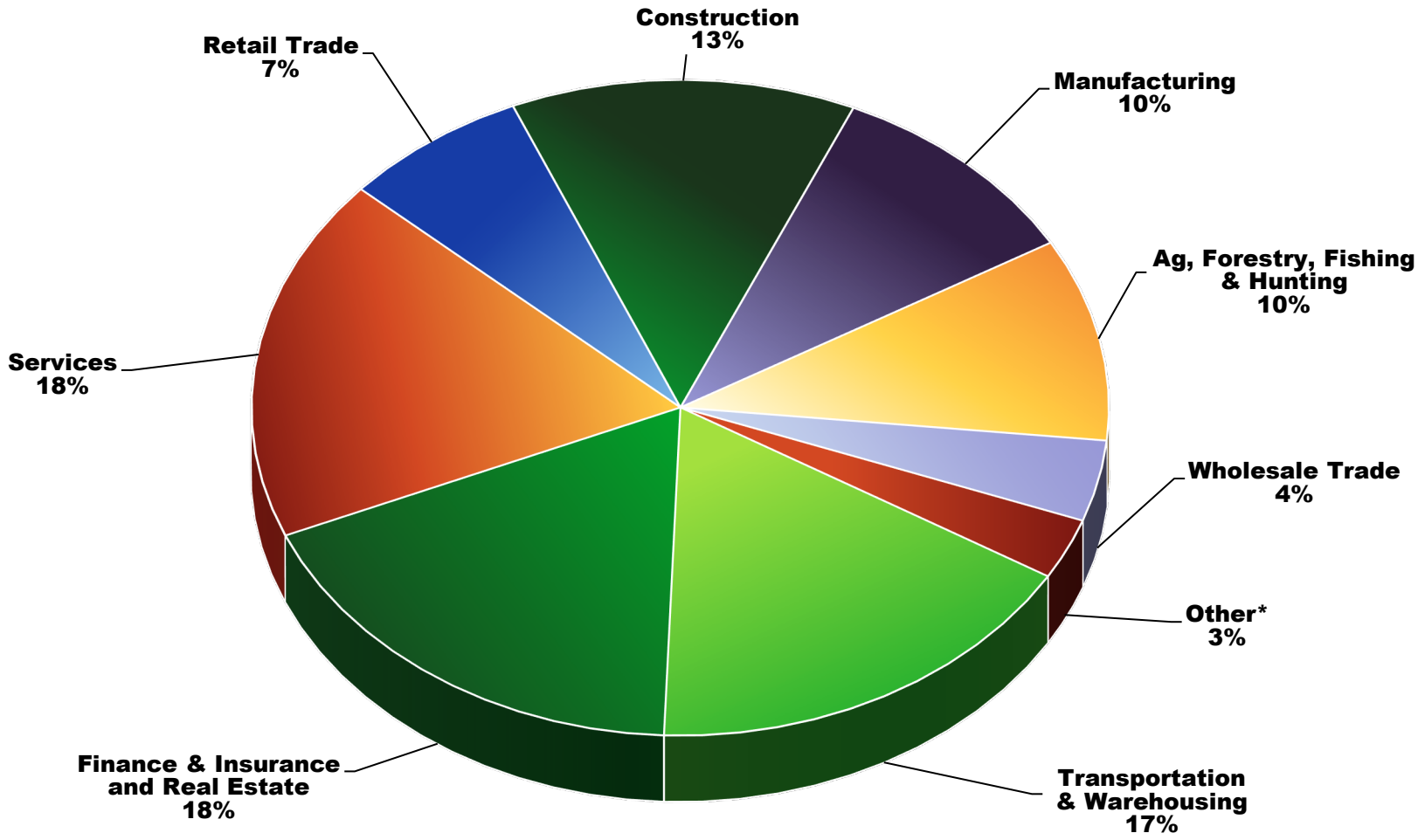
CONSOLIDATED INCOME STATEMENT

(Dollars in millions)	2018	2019	2020	2021	2022
Net interest income	$ 214	$ 224	$ 226	$ 237	$ 263
Provision (recovery of provision) for credit losses	19	16	36	(4)	13
Noninterest income*	70	76	83	86	81
Noninterest expense*	160	164	167	172	174
Income before income taxes	105	120	106	155	157
Income tax expense	23	28	25	36	36
Net income	82	92	81	119	121
Net income attributable to noncontrolling interests	-	-	-	-	-
Net income available to common shareholders	$ 82	$ 92	$ 81	$ 119	$ 121
Diluted net income per common share	$ 3.16	$ 3.57	$ 3.17	$ 4.70	$ 4.84

* Note: Noninterest income and Noninterest expense are shown net of leased equipment depreciation. See Reconciliation of non-GAAP Financial Measures" in Appendix.

AIRCRAFT PORTFOLIO

INDUSTRIES BY NAICS

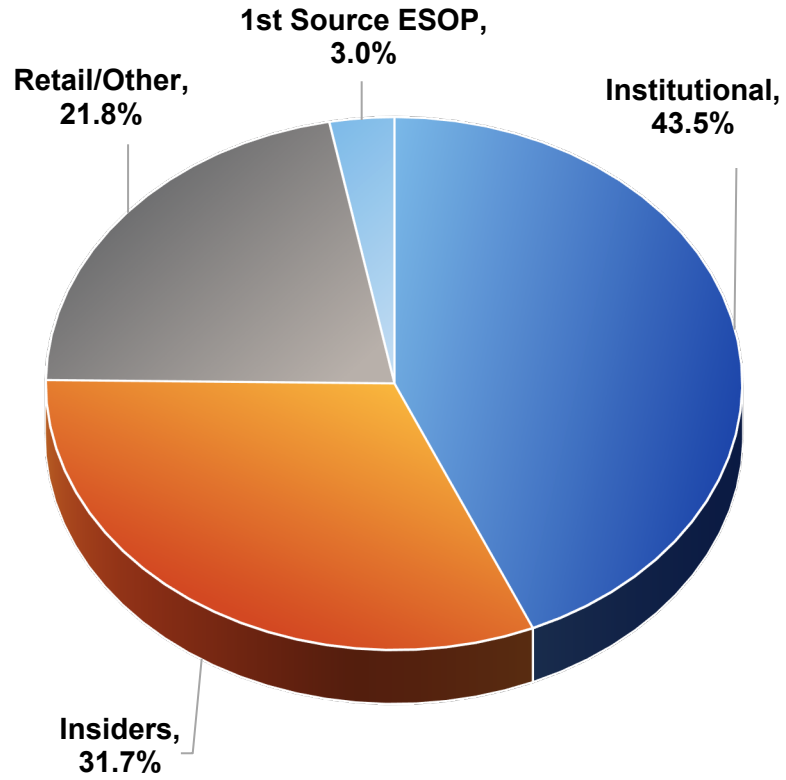


* Other includes: Mining, Utilities, and Information

OWNERSHIP SUMMARY

Institutional	10,726,546	43.5%
Insiders	7,816,220	31.7%
Retail/Other	5,389,369	21.8%
1st Source ESOP	730,151	3.0%
Total Shares Outstanding[1]	**24,662,286**	**100.0%**

Institution (Top 10 Institutions)	Shares	% of Total
Dimensional Fund Advisors LP	1,658,595	6.8%
BlackRock Inc.	1,413,016	5.7%
Vanguard Group Inc.	818,140	3.3%
AllianceBernstein LP	750,348	3.0%
Wellington Management Group LLP	666,349	2.7%
State Street Global Advisors Inc.	519,545	2.1%
Manulife Asset Management	458,865	1.9%
Charles Schwab Investment Mgmt	401,297	1.6%
Boston Trust Walden Co.	386,130	1.6%
Geode Capital Management LLC	300,393	1.2%
Top 10 Institutions[2]	**7,372,678**	**29.9%**
Other	3,353,868	13.6%
Total Institutional Ownership[2]	**10,726,546**	**43.5%**



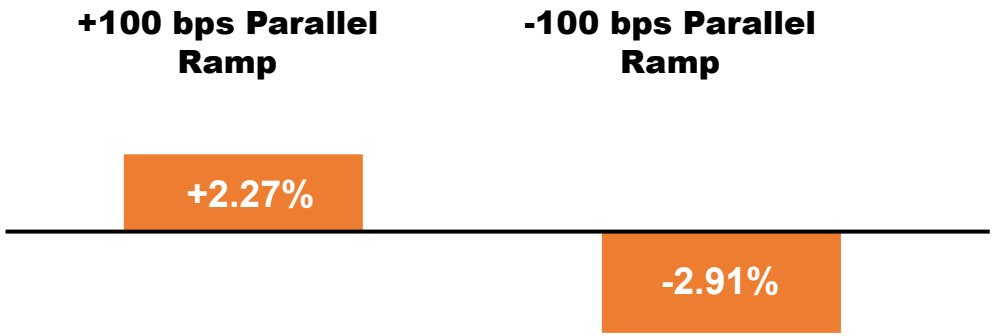
(1) As of December 31, 2022
(2) As of September 30, 2022 or most recently reported data
Source: S&P Global Market Intelligence and Company filings

ASSET LIABILITY MANAGEMENT

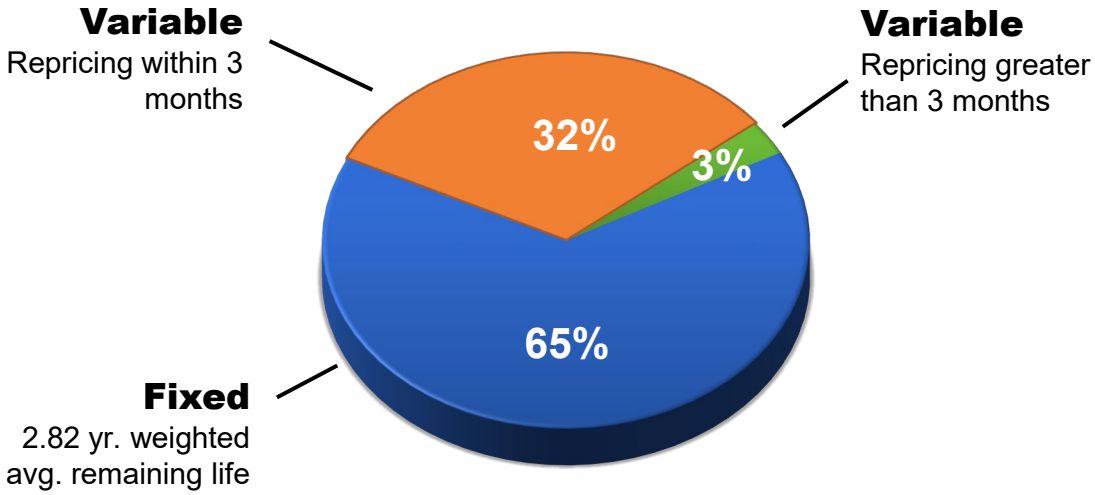
Asset-sensitive posture

Net Interest Income Sensitivity

1 year difference versus no rate change



LOANS



Positioned for higher interest rates

- Variable rate loans reprice quickly
  - 91% of Variable reprice within 3 months
- Fixed rate loans have short terms
  - 2.82 year weighted average remaining life
  - High proportion of equipment lending
- Stable, low-cost deposit funding base
  - 0.98% total deposit cost at December 31, 2022
  - 29% non-interest-bearing funds
  - 11.6-year average current depositor relationship
- Liquid and high-quality investment portfolio of $1.8 billion

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Calculation of Yield on Loans and Leases

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Loans and leases interest income (GAAP)	$ 234,083	$ 257,738	$ 242,172	$ 234,583	$ 263,677
(B)	Plus: loans and leases fully tax-equivalent adjustments	367	375	333	319	366
(C)	Loans and leases interest income - FTE (A+B)	234,450	258,113	242,505	234,902	264,043
(D)	Average loans and leases	$ 4,755,256	$ 5,000,161	$ 5,463,436	$ 5,437,817	$ 5,566,701
	Yield on loans and leases (GAAP) (A/D)	4.92%	5.15%	4.43%	4.31%	4.74%
	Yield on loans and leases - FTE (C/D)	4.93%	5.16%	4.44%	4.32%	4.74%

Pre-Tax, Pre-Provision Income

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Income before income taxes (GAAP)	$ 105,027	$ 120,154	$ 106,341	$ 154,885	$ 156,787
(B)	Plus: Provision (recovery of provision) for credit losses	19,462	15,833	36,001	(4,303)	13,245
(C)	Pre-tax pre-provision income (A+B)	$ 124,489	$ 135,987	$ 142,342	$ 150,582	$ 170,032

Calculation of Return on Average Tangible Common Equity

(Dollars in thousands)		2016	2017	2018	2019	2020	2021	2022
(A)	Net income (GAAP)	$ 57,786	$ 68,051	$ 82,414	$ 91,960	$ 81,437	$ 118,534	$ 120,509
(B)	Average common shareholders' equity (GAAP)	663,703	702,419	743,173	799,736	865,278	906,951	872,721
(C)	Less: average goodwill and intangible assets	84,396	83,884	84,077	83,985	83,959	83,937	83,916
(D)	Average tangible common shareholders' equity (B-C)	$ 579,307	$ 618,535	$ 659,096	$ 715,751	$ 781,319	$ 823,014	$ 788,805
	Return on average common equity (GAAP) (A/B)	8.71%	9.69%	11.09%	11.50%	9.41%	13.07%	13.81%
	Return on average tangible common equity (A/D)	9.98%	11.00%	12.50%	12.85%	10.42%	14.40%	15.28%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Calculation of Net Interest Margin

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Interest income (GAAP)	$ 257,316	$ 282,877	$ 263,031	$ 254,772	$ 293,816
(B)	Plus: fully tax-equivalent adjustments	803	686	543	459	628
(C)	Interest income - FTE (A+B)	258,119	283,563	263,574	255,231	294,444
(D)	Interest expense (GAAP)	43,410	59,011	37,211	18,134	30,347
(E)	Net interest income (GAAP) (A-D)	213,906	223,866	225,820	236,638	263,469
(F)	Net interest income - FTE (C-D)	214,709	224,552	226,363	237,097	264,097
(G)	Average earning assets	$ 5,761,761	$ 6,104,673	$ 6,684,246	$ 7,338,639	$ 7,661,168
	Net interest margin (GAAP) (E/G)	3.71%	3.67%	3.38%	3.22%	3.44%
	Net interest margin - FTE (F/G)	3.73%	3.68%	3.39%	3.23%	3.45%

Noninterest Income

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Noninterest income (GAAP)	$ 97,050	$ 101,130	$ 103,889	$ 100,092	$ 91,262
(B)	Less: depreciation - leased equipment	(26,248)	(25,128)	(20,203)	(13,694)	(10,023)
(C)	Noninterest income - adjusted (A-B)	$ 70,802	$ 76,002	$ 83,686	$ 86,398	$ 81,239

Noninterest Expense

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Noninterest expense (GAAP)	$ 186,467	$ 189,009	$ 187,367	$ 186,148	$ 184,699
(B)	Less: depreciation - leased equipment	(26,248)	(25,128)	(20,203)	(13,694)	(10,023)
(C)	Noninterest expense - adjusted (A-B)	$ 160,219	$ 163,881	$ 167,164	$ 172,454	$ 174,676

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Calculation of Efficiency Ratio

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Net interest income (GAAP)	$ 213,906	$ 223,866	$ 225,820	$ 236,638	$ 263,469
(B)	Net interest income - FTE	214,709	224,552	226,363	237,097	264,097
(C)	Plus: noninterest income (GAAP)	97,050	101,130	103,889	100,092	91,262
(D)	Less: gains/losses on investment securities and partnership investments	(320)	(653)	(1,652)	(1,020)	(3,714)
(E)	Less: depreciation - leased equipment	(26,248)	(25,128)	(20,203)	(13,694)	(10,023)
(F)	Total net revenue (GAAP) (A+C)	310,956	324,996	329,709	336,730	354,731
(G)	Total net revenue - adjusted (B+C-D-E)	285,191	299,901	308,397	322,475	341,622
(H)	Noninterest expense (GAAP)	186,467	189,009	187,367	186,148	184,699
(E)	Less: depreciation - leased equipment	(26,248)	(25,128)	(20,203)	(13,694)	(10,023)
(I)	Noninterest expense - adjusted (H-E)	$ 160,219	$ 163,881	$ 167,164	$ 172,454	$ 174,676
	Efficiency ratio (GAAP-derived) (H/F)	60.0%	58.2%	56.8%	55.3%	52.1%
	Efficiency ratio - adjusted (I/G)	56.2%	54.7%	54.2%	53.5%	51.1%

Calculation of Tangible Common Equity-to-Tangible Assets Ratio

(Dollars in thousands)		2018	2019	2020	2021	2022
(A)	Total common shareholders' equity (GAAP)	$ 762,082	$ 828,277	$ 886,845	$ 916,255	$ 864,068
(B)	Less: goodwill and intangible assets	(83,998)	(83,971)	(83,948)	(83,926)	(83,907)
(C)	Total tangible common shareholders' equity (A-B)	678,084	744,306	802,897	832,329	780,161
(D)	Total assets (GAAP)	6,293,745	6,622,776	7,316,411	8,096,289	8,339,416
(B)	Less: goodwill and intangible assets	(83,998)	(83,971)	(83,948)	(83,926)	(83,907)
(E)	Total tangible assets (D-B)	$6,209,747	$6,538,805	$7,232,463	$8,012,363	$8,255,509
	Common equity-to-assets ratio (GAAP-derived) (A/D)	12.11%	12.51%	12.12%	11.32%	10.36%
	Tangible common equity-to-tangible assets ratio (C/E)	10.92%	11.38%	11.10%	10.39%	9.45%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Calculation of Tangible Book Value per Common Share

(Dollars in thousands, except for per share data)		2015	2016	2017	2018	2019	2020	2021	2022
(A)	Total common shareholders' equity (GAAP)	$ 644,053	$ 672,650	$ 718,537	$ 762,082	$ 828,277	$ 886,845	$ 916,255	$ 864,068
(B)	Less: goodwill and intangible assets	(84,676)	(84,102)	(83,742)	(83,998)	(83,971)	(83,948)	(83,926)	(83,907)
(C)	Total tangible common shareholders' equity (A-B)	$ 559,377	$ 588,548	$ 634,795	$ 678,084	$ 744,306	$ 802,897	$ 832,329	$ 780,161
(D)	Actual common shares outstanding	26,027,584	25,875,765	25,936,764	25,783,728	25,509,474	25,389,117	24,739,512	24,662,286
	Book value per common share (GAAP-derived) (A/D)*1000	$ 24.75	$ 26.00	$ 27.70	$ 29.56	$ 32.47	$ 34.93	$ 37.04	$ 35.04
	Tangible common book value per share (C/D)*1000	$ 21.49	$ 22.75	$ 24.47	$ 26.30	$ 29.18	$ 31.62	$ 33.64	$ 31.63