



Q2 2019 Financial Results

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. 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.

Second Quarter 2019 Highlights

Earnings

- Net income of \$13.2 million, or \$0.34 per diluted share; adjusted net income of \$15.9 million, or \$0.41 per diluted share
 - Merger-related and system conversion expenses impacted EPS by \$0.07
- ROAA of 1.00% and ROATCE of 11.32%¹ for 2Q19 compared to 0.29% and 3.34% in 2Q18
 - Adjusted ROAA of 1.21% and ROATCE of 13.44%, up 7 bps and 90 bps from 1Q19

Revenue

- Total revenue of \$68.6 million, an increase of 10.6% from 1Q19 and 28.8% from 2Q18
- NIM excluding accretion up 14bps and net interest income increased 8.7% from 1Q19
- Non-interest income increased 18.3% from 1Q19 primarily due to higher gain on sale revenue

Balance Sheet

- Solid loan and lease originations of \$181.5 million
 - Payoffs of \$136.2 million for the quarter up from \$81.8 million in 1Q19
- Total loans of \$3.9 billion, up 8.3% and 15.4% for quarter and year-over-year respectively
- Total deposits of \$4.1 billion, up \$251.7 million or 6.6% from 1Q19 and 11.4% from 2Q18

Key Operating Trends

- Lowered Efficiency Ratio to 61.19% from 62.68% in 1Q19
 - Adjusted Efficiency Ratio¹ improved to 56.02% from 59.55% in 1Q19
- Cost of deposits of 0.92% increased 5 bps from 1Q19, down from a 12bps increase in 1Q19
- Provision expense covered NCOs of 25 bps which remained steady over the quarter

Notable Developments

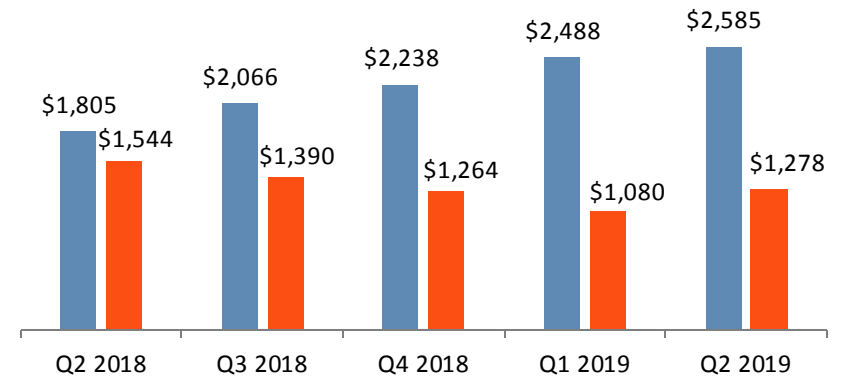
- Completed acquisition of Oak Park River Forest Bankshares
- Leadership transition following previously announced retirements
- Market dislocation creating good opportunities
- Planning for Oak Park River Forest integration

Loan and Lease Trends

(\$ in millions)

- Total loans and leases were \$3.9 billion at 2Q19, an increase of \$295.6 million or 8.3% from the prior quarter and 15.4% from 2Q18
 - Originated portfolio increased by \$97.2 million or 15.6% annualized
 - Growth primarily driven by C&I portfolio and government guaranteed lending
 - Acquired portfolio increased by \$198.4 million
- Payoff activity increased by \$54.4 million versus 1Q19
 - \$136.2 million in 2Q19 compared to \$81.8 million in 1Q19

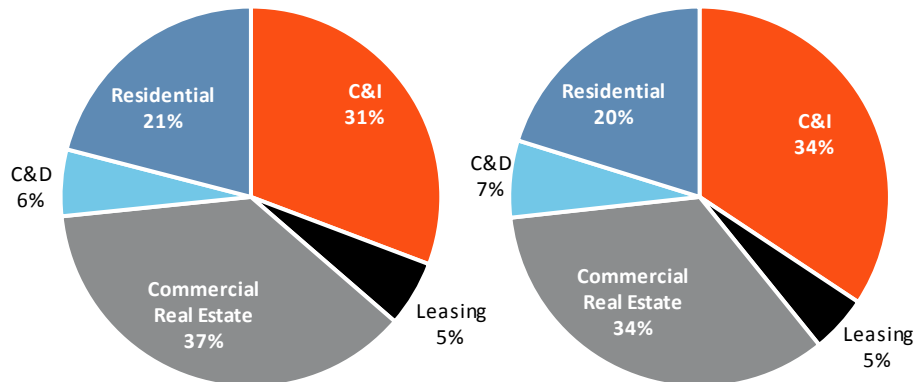
Originated and Acquired Loan & Lease Portfolio



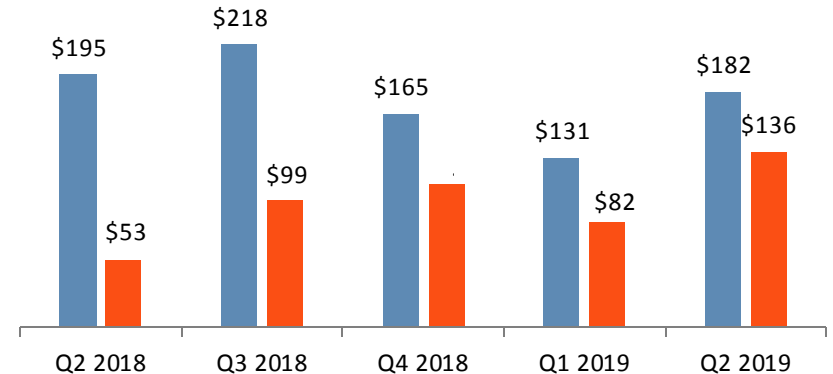
■ Total Originated Loans and Leases ■ Total acquired impaired loans and acquired non-impaired loans and leases

June 30, 2018

June 30, 2019



Loan & Lease Originations and Payoffs



■ Loan & Lease Originations

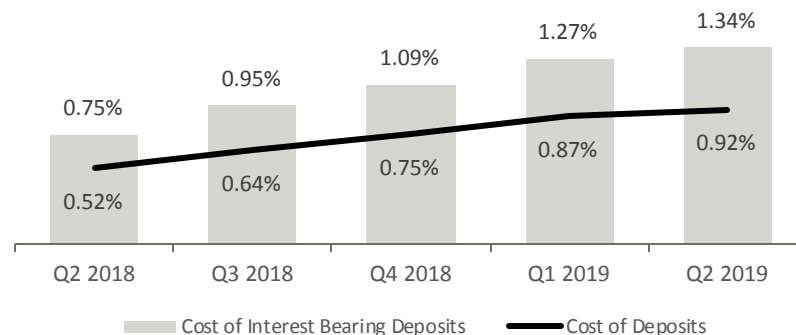
■ Loan & Lease Payoffs

Deposit Trends

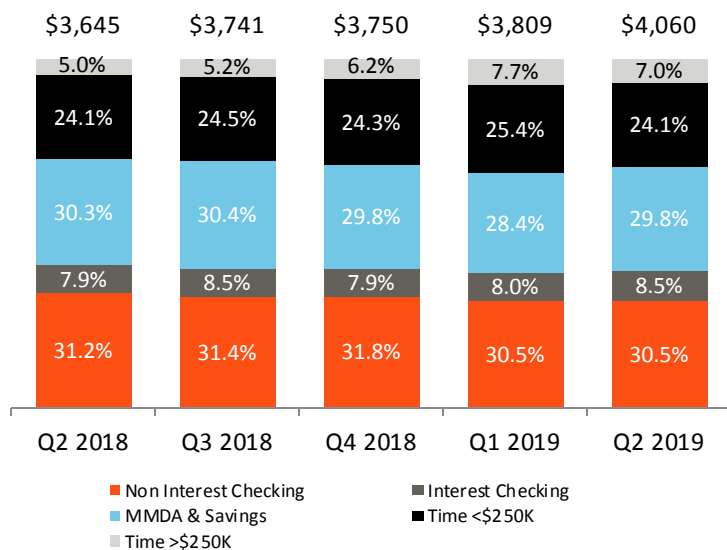
(\$ in millions)

- Total deposits increased \$251.7 million to \$4.1 billion
 - Growth in DDAs primarily attributable to acquisition
- Rate of increase in deposit costs moderated from prior quarter
 - Total deposit costs increased 5 bps compared to 12 bps in prior quarter
 - Cost of interest bearing deposits increased 7 bps compared to 18 bps in prior quarter

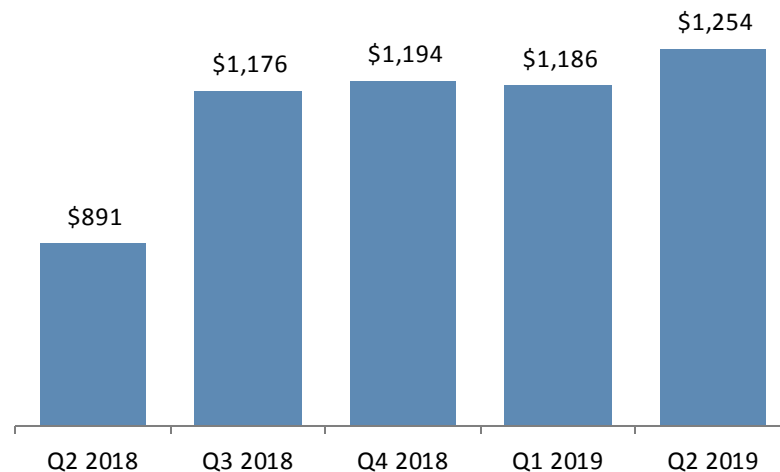
Cost of Interest Bearing Deposits



Deposit Composition



Average Non-Interest Bearing Deposits

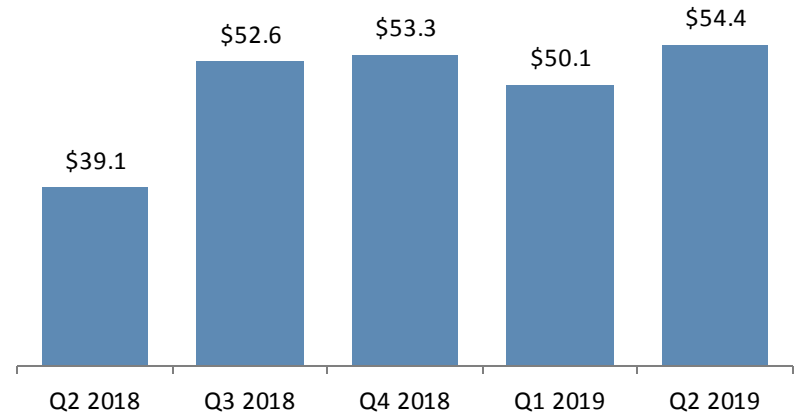


Net Interest Income and Net Interest Margin Trends

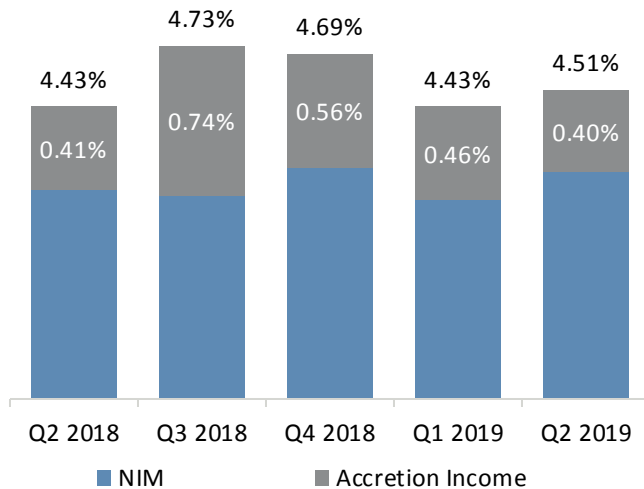
(\$ in millions)

- Net interest income increased \$4.4 million to \$54.4 million, primarily due to partial quarter impact of acquisition and organic loan growth
- Net interest margin expanded 8 basis points to 4.51% from 1Q19 despite smaller impact from accretion income
- Net interest margin (excluding accretion income)¹ increased 14 basis points to 4.11%, primarily due to higher yielding loans added through the acquisition and increased originations of U.S. government guaranteed loans
- Earning asset yields increased 12 basis points to 5.53% from 1Q19, primarily due to the increase in average loan yield

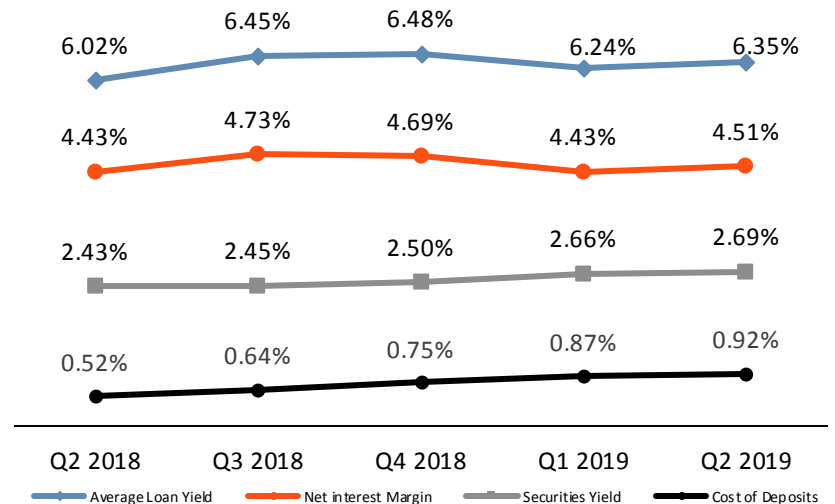
Net Interest Income



Net Interest Margin



NIM, Yields, and Costs



Non-Interest Income Trends

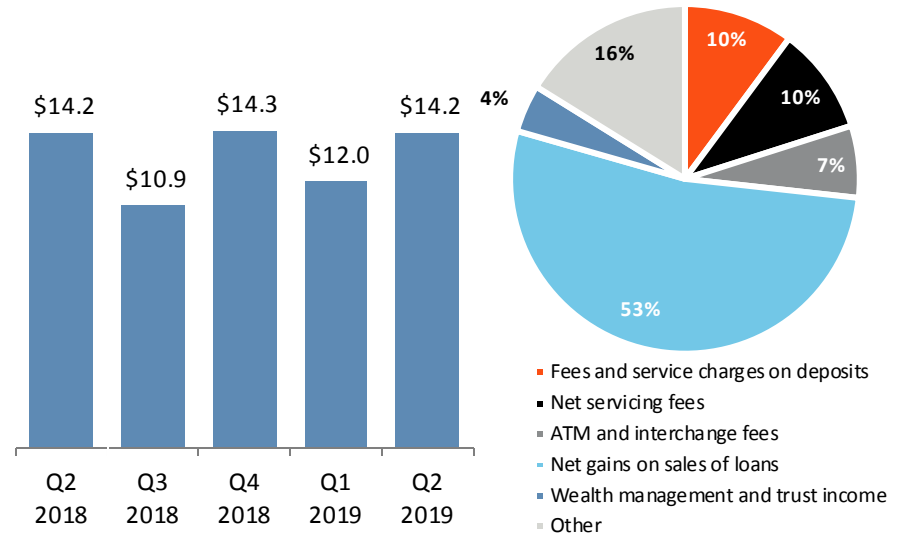
(\$ in millions)

- Non-interest income increased \$2.2 million from 1Q19
 - Higher net gains on sales of loans, due to an increase in government guaranteed loan sales
 - \$973 thousand in gain on sales of securities
 - \$1.2 million revaluation charge to servicing asset due to prepayment activity

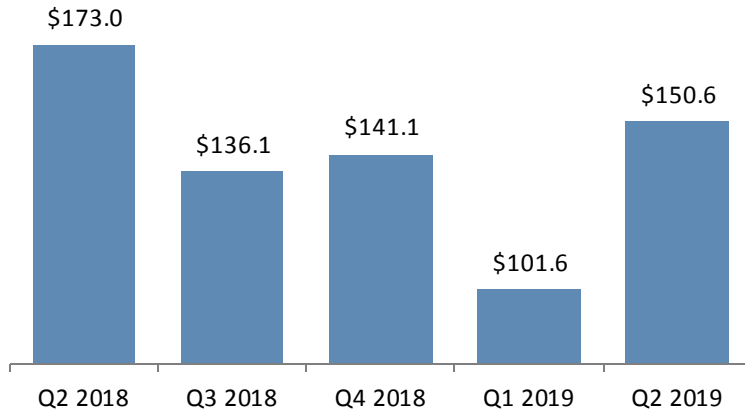
Small Business Capital

- \$150.6 million in closed loan commitments in 2Q19, compared to \$101.6 million in 1Q19
- \$75.2 million of loan sales in 2Q19, compared to \$66.2 million in 1Q19
- Average premium increased due to the mix of loans sold

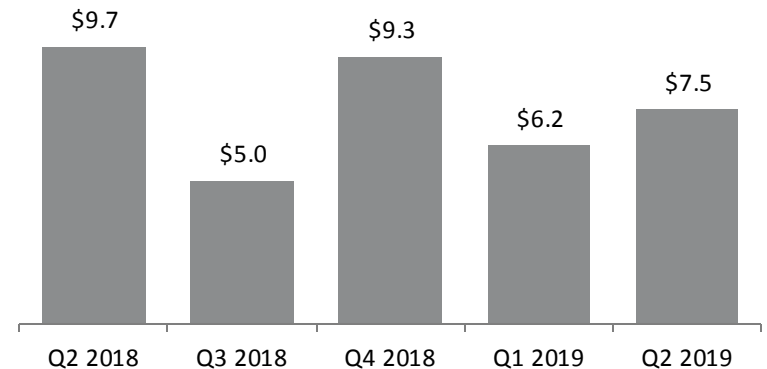
Total Non-Interest Income



Total SBC Closed Loan Commitments



Net Gains on Sales of Loans

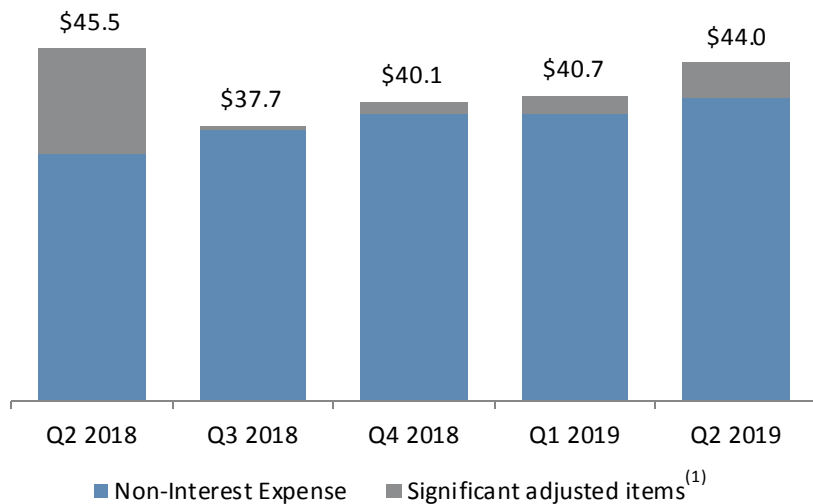


Non-Interest Expense Trends

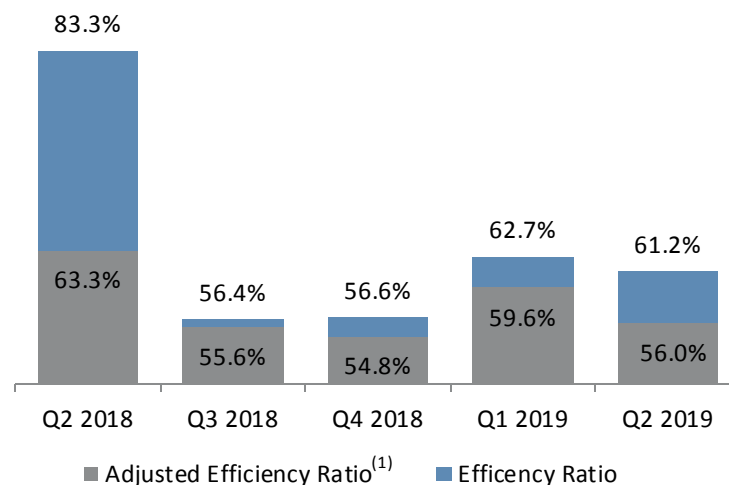
(\$ in millions)

- Non-interest expenses reflect partial quarter impact of acquisition
 - Non-interest expense, excluding significant adjustment items⁽¹⁾, was \$40.4 million
 - \$3.5 million in expenses related to merger costs and core system conversion
 - Lower payroll taxes offset by higher salaries and benefits expense resulting from personnel added in the acquisition
- Adjusted efficiency ratio⁽¹⁾ of 56.02%, compared with 59.55% in prior quarter and 63.28% in 2Q18

Non-Interest Expense



Efficiency Ratio

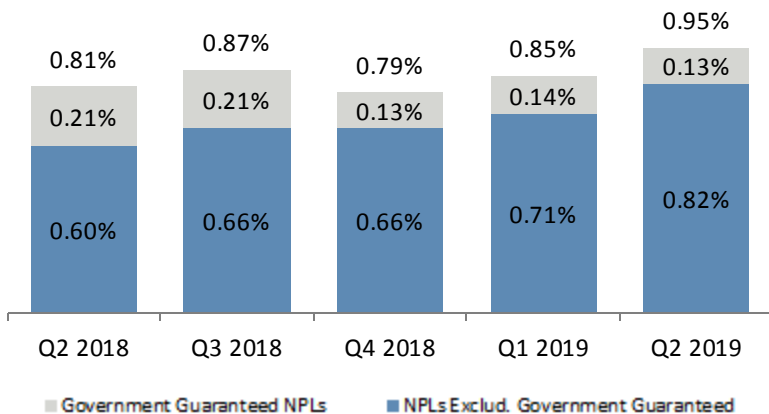


(1) Represents a non-GAAP financial measure. See “Non-GAAP Reconciliation” in the appendix.

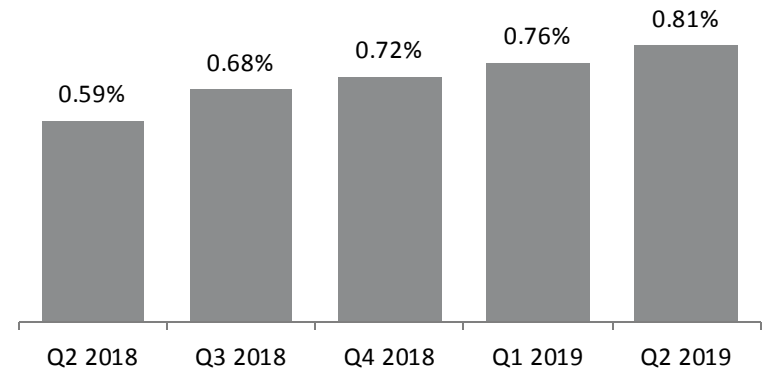
Asset Quality Trends

- NCOs remained consistent at 0.25% in 2Q19
- ALLL/Loans and Leases increased to 0.81% in 2Q19 compared to 0.76% in 1Q19
- Non performing assets increased 13 bps to 0.83% in 2Q19
 - NPLs/ Total Loans & Leases increased to 0.95% in 2Q19 from 0.85% in 1Q19
 - NPLs/ Total Loans & Leases (excluding government guaranteed) increased to 0.82% in 2Q19 from 0.71% in 1Q19
 - Increase in NPLs primarily attributed to unguaranteed government loans
 - Other real estate owned increased by \$3.3 million during the quarter, primarily due to properties added with the acquisition
- Acquisition accounting adjustments on acquired loans stood at \$37.1 million versus \$29.3 in the prior quarter

NPLs / Total Loans & Leases



ALLL / Loans & Leases





Appendix

Five Quarter Financial Summary

For the Three Months Ended,

(\$ in millions, except per share data)

	<u>June 30, 2019</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>	<u>June 30, 2018</u>
Income Statement					
Net interest income	\$54.4	\$50.1	\$53.3	\$52.6	\$39.1
Provision	6.4	4.0	3.9	5.8	4.0
Non-interest income	14.2	12.0	14.3	10.9	14.2
Non-interest expense	44.0	40.7	40.1	37.7	45.5
Pretax income	18.3	17.4	23.6	19.9	3.8
Income taxes	5.1	4.8	6.5	5.4	1.1
Net income	13.2	12.6	17.1	14.5	2.8
Dividends on preferred shares	0.2	0.2	0.2	0.2	0.2
Net income available attributable to common shareholders	\$13.0	\$12.4	\$16.9	\$14.3	\$2.6
Diluted earnings per common share⁽¹⁾	\$0.34	\$0.34	\$0.46	\$0.39	\$0.08
Balance Sheet					
Total loans and leases	\$3,863.1	\$3,567.6	\$3,501.6	\$3,455.8	\$3,348.7
Total deposits	4,060.2	3,808.5	3,749.9	3,740.8	3,644.9
Tangible common equity ⁽¹⁾	525.7	498.5	478.6	456.6	441.3
Balance Sheet Metrics					
Loans and leases / deposits	95.60%	93.69%	93.91%	92.62%	92.03%
Tangible common equity / tangible assets ⁽¹⁾	10.09	10.28	10.01	9.60	9.51
Key Performance Ratios					
Net interest margin	4.51%	4.43%	4.69%	4.73%	4.43%
Efficiency ratio	61.19	62.68	56.63	56.41	83.26
Adjusted efficiency ratio ⁽¹⁾	56.02	59.55	54.76	55.62	63.28
Non-interest expense to average assets	3.34	3.32	3.25	3.11	4.72
Non-interest income to total revenues ⁽¹⁾	20.67	19.31	21.16	17.17	26.68
Return on average assets	1.00	1.03	1.39	1.20	0.29
Adjusted return on average assets ⁽¹⁾	1.21	1.14	1.47	1.23	1.10
Tangible book value per share ⁽¹⁾	\$13.79	\$13.70	\$13.17	\$12.59	\$12.18

Non-GAAP Reconciliation

(dollars in thousands, per share data)	As of or For the Three Months Ended				
	June 30,	March 31,	December 31,	September 30,	June 30,
	2019	2019	2018	2018	2018
Net income (loss) and earnings per share excluding significant items					
Reported Net Income (Loss)	\$ 13,211	\$ 12,597	\$ 17,121	\$ 14,536	\$ 2,768
Significant items:					
Incremental income tax (benefit) expense attributed to federal income tax reform	—	—	—	—	—
Impairment charges on assets held for sale	—	392	372	139	117
Merger-related expense	3,152	18	266	150	1,517
Core system conversion expense	394	1,530	625	213	9,009
Tax benefit on significant items	(842)	(540)	(297)	(112)	(2,832)
Adjusted Net Income	\$ 15,915	\$ 13,997	\$ 18,087	\$ 14,926	\$ 10,579
Reported Diluted Earnings (Loss) per Share	\$ 0.34	\$ 0.34	\$ 0.46	\$ 0.39	\$ 0.08
Significant items:					
Incremental income tax (benefit) expense attributed to federal income tax reform	—	—	—	—	—
Impairment charges on assets held for sale	—	0.01	0.01	—	—
Merger-related expense	0.08	—	0.01	—	0.05
Core system conversion expense	0.01	0.04	0.02	0.01	0.28
Tax benefit on significant items	(0.02)	(0.01)	(0.01)	—	(0.09)
Adjusted Diluted Earnings (Loss) per Share	\$ 0.41	\$ 0.38	\$ 0.49	\$ 0.40	\$ 0.32

Non-GAAP Reconciliation (continued)

(dollars in thousands, except per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Adjusted non-interest expense:					
Non-interest expense	\$ 43,954	\$ 40,679	\$ 40,088	\$ 37,715	\$ 45,479
Less: Significant items					
Impairment charges on assets held for sale	—	392	372	139	117
Merger-related expense	3,152	18	266	150	1,517
Core system conversion expense	394	1,530	625	213	9,009
Adjusted non-interest expense	\$ 40,408	\$ 38,739	\$ 38,825	\$ 37,213	\$ 34,836
Adjusted non-interest expense excluding amortization of intangible assets:					
Adjusted non-interest expense	\$ 40,408	\$ 38,739	\$ 38,825	\$ 37,213	\$ 34,836
Less: Amortization of intangible assets	1,959	1,773	1,834	1,898	1,130
Adjusted non-interest expense excluding amortization of intangible assets	\$ 38,449	\$ 36,966	\$ 36,991	\$ 35,315	\$ 33,706
Pre-tax pre-provision net income:					
Pre-tax income	\$ 18,286	\$ 17,395	\$ 23,581	\$ 19,938	\$ 3,832
Add: Provision for loan and lease losses	6,391	3,999	3,882	5,842	3,956
Pre-tax pre-provision net income	\$ 24,677	\$ 21,394	\$ 27,463	\$ 25,780	\$ 7,788
Adjusted pre-tax pre-provision net income:					
Pre-tax pre-provision net income	\$ 24,677	\$ 21,394	\$ 27,463	\$ 25,780	\$ 7,788
Impairment charges on assets held for sale	—	392	372	139	117
Merger-related expense	3,152	18	266	150	1,517
Core system conversion expense	394	1,530	625	213	9,009
Adjusted pre-tax pre-provision net income	\$ 28,223	\$ 23,334	\$ 28,726	\$ 26,282	\$ 18,431
Total revenues:					
Net interest income	\$ 54,448	\$ 50,085	\$ 53,261	\$ 52,593	\$ 39,056
Add: Non-interest income	14,183	11,988	14,290	10,902	14,211
Total revenues	\$ 68,631	\$ 62,073	\$ 67,551	\$ 63,495	\$ 53,267
Tangible common stockholders' equity:					
Total stockholders' equity	\$ 717,675	\$ 668,749	\$ 650,672	\$ 629,861	\$ 616,406
Less: Preferred stock	10,438	10,438	10,438	10,438	10,438
Less: Goodwill	145,638	128,177	128,177	127,536	127,536
Less: Core deposit intangibles and other intangibles	35,908	31,646	33,419	35,248	37,139
Tangible common stockholders' equity	\$ 525,691	\$ 498,488	\$ 478,638	\$ 456,639	\$ 441,293

Non-GAAP Reconciliation (continued)

(dollars in thousands, except per share data, ratios annualized, where applicable)	As of or For the Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Tangible assets:					
Total assets	\$ 5,391,236	\$ 5,009,925	\$ 4,942,574	\$ 4,917,409	\$ 4,805,280
Less: Goodwill	145,638	128,177	128,177	127,536	127,536
Less: Core deposit intangibles and other intangibles	35,908	31,646	33,419	35,248	37,139
Tangible assets	\$ 5,209,690	\$ 4,850,102	\$ 4,780,978	\$ 4,754,625	\$ 4,640,605
Average tangible common stockholders' equity:					
Average total stockholders' equity	\$ 696,928	\$ 659,156	\$ 639,885	\$ 625,621	\$ 518,547
Less: Average preferred stock	10,438	10,438	10,438	10,438	10,438
Less: Average goodwill	140,073	128,177	127,543	127,536	78,619
Less: Average core deposit intangibles and other intangibles	35,163	32,747	34,564	36,444	22,998
Average tangible common stockholders' equity	\$ 511,254	\$ 487,794	\$ 467,340	\$ 451,203	\$ 406,492
Average tangible assets:					
Average total assets	\$ 5,274,820	\$ 4,963,706	\$ 4,896,434	\$ 4,809,939	\$ 3,863,184
Less: Average goodwill	140,073	128,177	127,543	127,536	78,619
Less: Average core deposit intangibles and other intangibles	35,163	32,747	34,564	36,444	22,998
Average tangible assets	\$ 5,099,584	\$ 4,802,782	\$ 4,734,327	\$ 4,645,959	\$ 3,761,567
Tangible net income available to common stockholders:					
Net income available to common stockholders	\$ 13,016	\$ 12,401	\$ 16,925	\$ 14,340	\$ 2,570
Add: After-tax intangible asset amortization	1,413	1,279	1,323	1,369	816
Tangible net income available to common stockholders	\$ 14,429	\$ 13,680	\$ 18,248	\$ 15,709	\$ 3,386
Adjusted Tangible net income available to common stockholders:					
Tangible net income available to common stockholders	\$ 14,429	\$ 13,680	\$ 18,248	\$ 15,709	\$ 3,386
Incremental income tax (benefit) attributed to federal income tax reform	—	—	—	—	—
Impairment charges on assets held for sale	—	392	372	139	117
Merger-related expense	3,152	18	266	150	1,517
Core system conversion expense	394	1,530	625	213	9,009
Tax benefit on significant items	(842)	(540)	(297)	(112)	(2,832)
Adjusted tangible net income available to common stockholders	\$ 17,133	\$ 15,080	\$ 19,214	\$ 16,099	\$ 11,197

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				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Pre-tax pre-provision return on average assets:					
Pre-tax pre-provision net income	\$ 24,677	\$ 21,394	\$ 27,463	\$ 25,780	\$ 7,788
Average total assets	5,274,820	4,963,706	4,896,434	4,809,939	3,863,184
Pre-tax pre-provision return on average assets	1.88%	1.75%	2.23%	2.13%	0.81%
Adjusted pre-tax pre-provision return on average assets:					
Adjusted pre-tax pre-provision net income	\$ 28,223	\$ 23,334	\$ 28,726	\$ 26,282	\$ 18,431
Average total assets	5,274,820	4,963,706	4,896,434	4,809,939	3,863,184
Adjusted pre-tax pre-provision return on average assets	2.15%	1.91%	2.33%	2.17%	1.91%
Non-interest income to total revenues:					
Non-interest income	\$ 14,183	\$ 11,988	\$ 14,290	\$ 10,902	\$ 14,211
Total revenues	68,631	62,073	67,551	63,495	53,267
Non-interest income to total revenues	20.67%	19.31%	21.16%	17.17%	26.68%
Adjusted non-interest expense to average assets:					
Adjusted non-interest expense	\$ 40,408	\$ 38,739	\$ 38,825	\$ 37,213	\$ 34,836
Average total assets	5,274,820	4,963,706	4,896,434	4,809,939	3,863,184
Adjusted non-interest expense to average assets	3.07%	3.17%	3.15%	3.07%	3.62%
Adjusted efficiency ratio:					
Adjusted non-interest expense excluding amortization of intangible assets	\$ 38,449	\$ 36,966	\$ 36,991	\$ 35,315	\$ 33,706
Total revenues	68,631	62,073	67,551	63,495	53,267
Adjusted efficiency ratio	56.02%	59.55%	54.76%	55.62%	63.28%

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				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Adjusted return on average assets:					
Adjusted net income	\$ 15,915	\$ 13,997	\$ 18,087	\$ 14,926	\$ 10,579
Average total assets	5,274,820	4,963,706	4,896,434	4,809,939	3,863,184
Adjusted return on average assets	1.21%	1.14%	1.47%	1.23%	1.10%
Adjusted return on average stockholders' equity:					
Adjusted net income	\$ 15,915	\$ 13,997	\$ 18,087	\$ 14,926	\$ 10,579
Average stockholders' equity	696,928	659,156	639,885	625,621	518,547
Adjusted return on average stockholders' equity	9.16%	8.61%	11.21%	9.47%	8.18%
Tangible common equity to tangible assets:					
Tangible common equity	\$ 525,691	\$ 498,488	\$ 478,638	\$ 456,639	\$ 441,293
Tangible assets	5,209,690	4,850,102	4,780,978	4,754,625	4,640,605
Tangible common equity to tangible assets	10.09%	10.28%	10.01%	9.60%	9.51%
Return on average tangible common stockholders' equity:					
Tangible net income available to common stockholders	\$ 14,429	\$ 13,680	\$ 18,248	\$ 15,709	\$ 3,386
Average tangible common stockholders' equity	511,254	487,794	467,340	451,203	406,492
Return on average tangible common stockholders' equity:	11.32%	11.37%	15.49%	13.81%	3.34%
Adjusted return on average tangible common stockholders' equity:					
Adjusted tangible net income available to common stockholders	\$ 17,133	\$ 15,080	\$ 19,214	\$ 16,099	\$ 11,197
Average tangible common stockholders' equity	511,254	487,794	467,340	451,203	406,492
Adjusted return on average tangible common stockholders' equity	13.44%	12.54%	16.31%	14.16%	11.05%
Tangible book value per share:					
Tangible common equity	\$ 525,691	\$ 498,488	\$ 478,638	\$ 456,639	\$ 441,293
Common shares outstanding	38,115,219	36,398,144	36,343,239	36,279,600	36,218,955
Tangible book value per share	\$ 13.79	\$ 13.70	\$ 13.17	\$ 12.59	\$ 12.18