



SmartFinancial

INVESTOR CALL

4Q 2023

January 23, 2024, 10:00am ET

Webcast: www.smartbank.com

(Investor Relations)

Audio Only: 1-833-470-1428

Access Code: 197280

Miller Welborn

Chairman of the Board

Billy Carroll

President & CEO

Ron Gorczynski

CFO



Forward-Looking Statements

This presentation may contain statements that are based on management's current estimates or expectations of future events or future results, and that may be deemed to constitute forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These statements on SmartFinancial Inc.'s ("SmartFinancial") business and financial results and conditions, are not historical in nature and can generally be identified by such words as "expect," "anticipate," "intend," "plan," "believe," "seek," "may," "estimate," and similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors that may cause the actual results of SmartFinancial to differ materially from future results expressed or implied by such forward-looking statements. Such risks, uncertainties, and other factors include, among others, (1) the risk of litigation and reputational risk associated with historic acquisition activity; (2) the risk that cost savings and revenue synergies from recently completed acquisitions may not be realized or may take longer than anticipated to realize; (3) disruption from recently completed acquisitions with customer, supplier, employee, or other business relationships; (4) our ability to successfully integrate the businesses acquired as part of previous acquisitions with the business of SmartBank; (5) changes in management's plans for the future; (6) prevailing, or changes in, economic or political conditions, particularly in our market areas, including the effects of declines in the real estate market, inflationary pressures, elevated interest rates and slowdowns in economic growth, as well as the financial stress on borrowers as a result of the foregoing; (7) increased technology and cybersecurity risks, including generative artificial intelligence risks; (8) credit risk associated with our lending activities; (9) changes in loan demand, real estate values, or competition; (10) developments in our mortgage banking business, including loan modifications, general demand, and the effects of judicial or regulatory requirements or guidance; (11) changes in accounting principles, policies, or guidelines; (12) changes in applicable laws, rules, or regulations; (13) adverse results from current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of SmartFinancial's participation in and execution of government programs related to the COVID-19 pandemic and related variants; (14) potential impacts of adverse developments in the banking industry highlighted by high-profile bank failures, including impacts on customer confidence, deposit outflows, liquidity and the regulatory response thereto; (15) significant turbulence or a disruption in the capital or financial markets and the effect of a fall in stock market prices on our investment securities; (16) the effects of war or other conflicts including the impacts related to or resulting from Russia's military action in Ukraine or the conflict in Israel and surrounding areas; and (17) other general competitive, economic, political, and market factors, including those affecting our business, operations, pricing, products, or services. These and other factors that could cause results to differ materially from those described in the forward-looking statements can be found in SmartFinancial's most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, in each case filed with or furnished to the Securities and Exchange Commission (the "SEC") and available on the SEC's website (www.sec.gov). Undue reliance should not be placed on forward-looking statements. SmartFinancial disclaims any obligation to update or revise any forward-looking statements contained in this release, which speak only as of the date hereof, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Measures

Statements included in this presentation include Non-GAAP financial measures and should be read along with the accompanying tables, which provide a reconciliation of Non-GAAP financial measures to GAAP financial measures. SmartFinancial management uses several Non-GAAP financial measures, including: (i) operating revenue, (ii) operating earnings, (iii) operating return on average assets, (iv) operating return on average shareholders' equity, (v) return on average tangible common equity, (vi) operating return on average tangible common equity, (vii) operating efficiency ratio; (viii) tangible common equity; (ix) average tangible common equity; (x) tangible book value; (xi) operating pre-provision net revenue earnings; (xii) operating noninterest income; (xiii) operating noninterest expense; (xiv) tangible assets; and ratios derived therefrom, in its analysis of the company's performance. Operating revenue includes the earnings from net interest income and operating noninterest income (Non-GAAP). Operating earnings excludes the following from net income: securities gains and losses, merger related and restructuring expenses, and the income tax effect of adjustments. Operating return on average assets is the annualized operating earnings (Non-GAAP) divided by average assets. Operating return on average shareholders' equity is the annualized operating earnings (Non-GAAP) divided by average equity. Return on average tangible common equity is the annualized net income divided by average tangible common equity (Non-GAAP). Operating return on average tangible common equity is the annualized operating earnings (Non-GAAP) divided by average tangible common equity (Non-GAAP). The operating efficiency ratio includes an adjustment for taxable equivalent yields and excludes securities gains and losses and merger related and restructuring expenses from the efficiency ratio. Tangible common equity and average tangible common equity exclude goodwill and other intangible assets from shareholders' equity and average shareholders' equity. Tangible book value excludes goodwill and other intangible assets less shareholders' equity divided by common shares outstanding. Operating pre-provision, net-revenue earnings is net interest income plus operating noninterest income (Non-GAAP) less operating noninterest expense (Non-GAAP). Operating noninterest income excludes the following from noninterest income: securities gains and losses. Operating noninterest expense excludes the following from noninterest expense: prior year adjustments to salaries, merger related and restructuring expenses and certain franchise tax true-up expenses. Tangible assets excludes goodwill and other intangibles from total assets. Management believes that Non-GAAP financial measures provide additional useful information that allows investors to evaluate the ongoing performance of the company and provide meaningful comparisons to its peers. Management believes these non-GAAP financial measures also enhance investors' ability to compare period-to-period financial results and allow investors and company management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance. Non-GAAP financial measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider SmartFinancial's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the company. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results or financial condition as reported under GAAP.

SMARTBANK 2023: A YEAR IN REVIEW



\$ in Millions, except per share data

FINANCIAL HIGHLIGHTS:

BALANCE SHEET / NON-GAAP REVENUE METRICS:

			2021Y	2022Y	2023Y	'21 -'23 CAGR ³
BALANCE SHEET STRENGTH DESPITE TURBULENT 2023 OPERATING ENVIRONMENT	Total Loans and Leases (Excl. HFS & PPP)	\$	2,641.1	\$ 3,253.6	\$ 3,444.5	14%
	Annual Net Balance Loan Growth		547.8	612.5	190.8	
	Total Deposits		4,021.9	4,077.1	4,267.9	3%
	Loan / Deposit Ratio		66%	80%	81%	
PPNR CHALLENGED BY AGGRESSIVE RATE ENVIRONMENT	Operating Revenue ¹		137.3	165.1	159.2	8%
	Operating PPNR Earnings ¹		49.6	59.3	47.1	(3%)
NII IMPROVEMENT INITIATIVES BOLSTER EARNINGS	Operating Noninterest Income ¹		23.9	27.6	29.1	10%
	Operating Noninterest Income (Excl. Mtg. Bking) ¹		19.9	26.0	28.1	19%

NON-GAAP PERFORMANCE METRICS:

PROFITABILITY UNDER PRESSURE DURING 2023; 2024 RECOVERY UNDERWAY	Operating Return on Average Assets ¹		0.98%	0.92%	0.72%	
	Operating Return on Average Tang. Common Equity ¹		12.8%	13.7%	10.3%	
	Operating Efficiency Ratio ¹		63.6%	63.8%	70.3%	
ANOTHER YEAR OF TANGIBLE BOOK VALUE GROWTH	Diluted Operating Earnings Per Share ¹	\$	2.39	\$ 2.57	\$ 2.03	(8%)
	Tangible Book Value Per Share (Excl. AOCI) ^{1,2}	\$	19.17	\$ 21.18	\$ 22.29	8%

OPERATIONAL ACHIEVEMENTS:

- ❖ SMARTBANK VOTED TOP WORKPLACE FOR 7TH YEAR IN A ROW
- ❖ CHIEF BANKING OFFICER POSITION ADDED IN FOURTH QUARTER 2023
- ❖ NEW DEPOSIT, LOAN AND MORTGAGE OPERATIONS MANAGEMENT
- ❖ SMARTFINANCIAL (SMBK) LISTING CHANGED TO NYSE
- ❖ TREASURY MANAGEMENT PRODUCT SUITE REDESIGN
- ❖ ENHANCED CUSTOM PROFITABILITY SYSTEM IMPLEMENTED

1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

2) AOCI: Accumulated Other Comprehensive Income

3) CAGR: Compound Annualized Growth Rate

QUARTERLY HIGHLIGHTS: *FOURTH QUARTER 2023*



\$0.41

Diluted Operating
EPS¹

\$4.8

Billion in Total
Assets

6.2%

QoQ² Annualized
Tang. Book Value
Per Share Growth
(Excluding AOCI)^{1,4}

8.1%

QoQ Annualized
Organic Loan³
Growth

0.57%

Operating Return on
Average Assets¹

2.0%

QoQ Annualized
Deposit Growth

8.0%

Operating Return
Average Tang.
Common Equity¹

81%

Loan / Deposit
Ratio

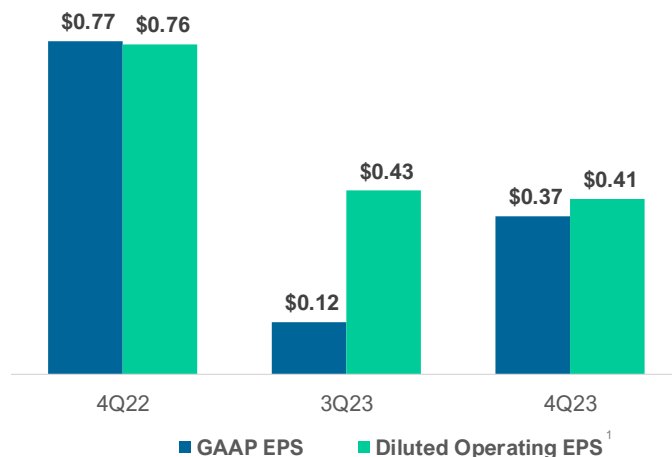
73%

Operating Efficiency
Ratio¹

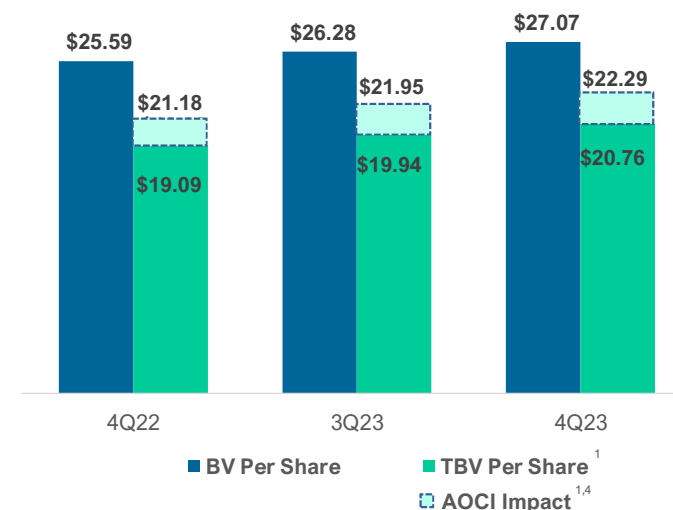
0.20%

Non-Performing
Assets / Assets

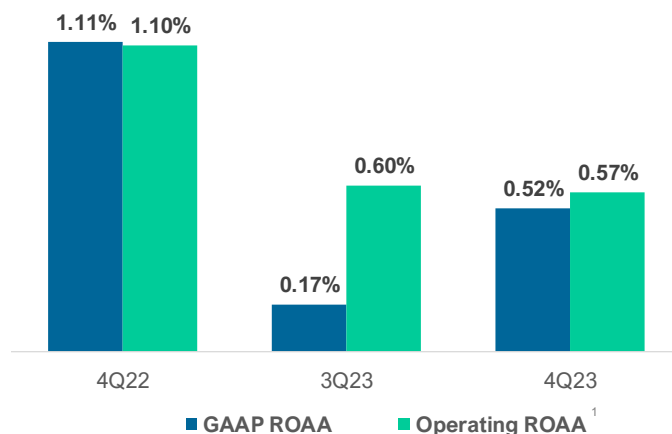
Diluted Earnings Per Share



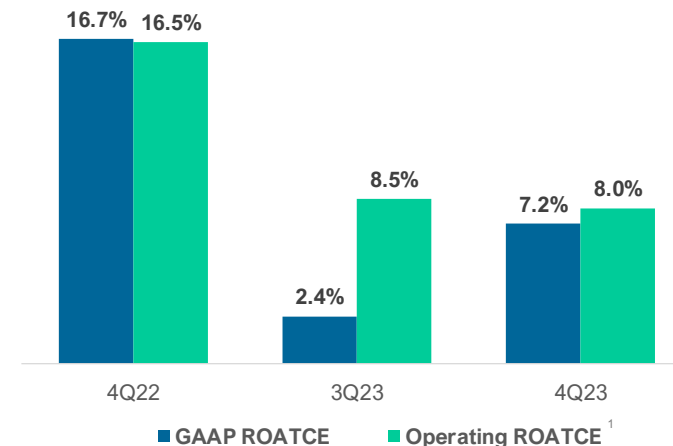
Book Value Per Share



Return on Average Assets



Return on Average Tangible Common Equity



Unless otherwise indicated, financial data as of or for the three months ended 12/31/23

¹⁾ Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

²⁾ QoQ: Quarter-over-Quarter

³⁾ "Loans" for purposes of this presentation includes all SmartFinancial loans and leases

⁴⁾ AOCI: Accumulated Other Comprehensive Income

SMARTFINANCIAL: EXPANDING SOUTHEAST FRANCHISE



\$4.8

Billion in Total Assets

\$3.4

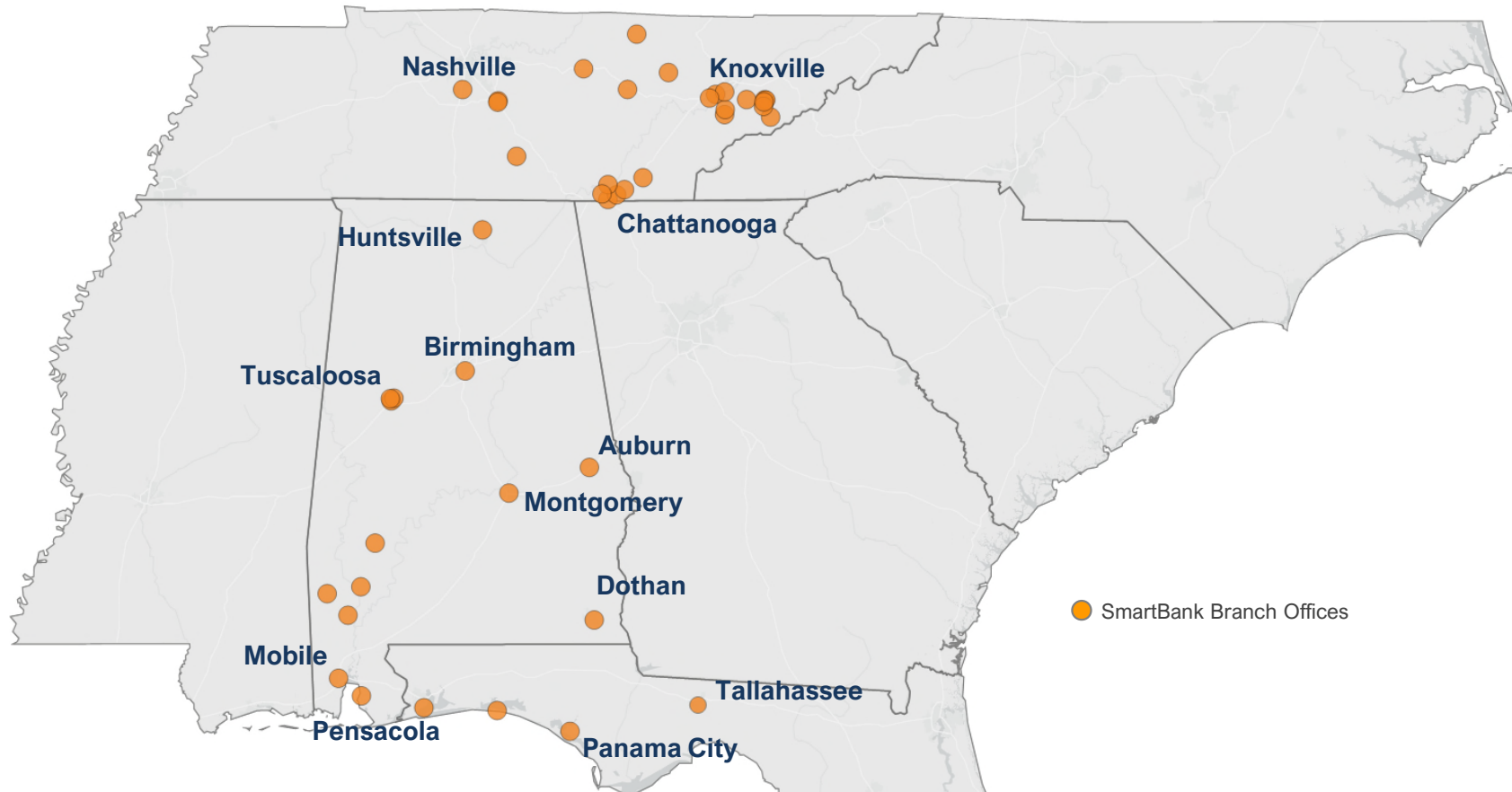
Billion in Total Loans

\$4.3

Billion in Total Deposits

42

Total Branches



Act with integrity **B**e enthusiastic **C**reate positivity **D**emonstrate accountability **E**mbrace change

We are building a culture where Associates thrive and are empowered to be leaders. The core values that we have established as a company help us operate in unison and have become a critical part of our culture. Our Associates are key to SmartBank's success.

We will achieve our desired position to be the Southeast's next great community bank by:

CREATING
"WOW"
EXPERIENCES

EXHIBITING
OVER-THE-TOP
ENTHUSIASM
AND POSITIVITY

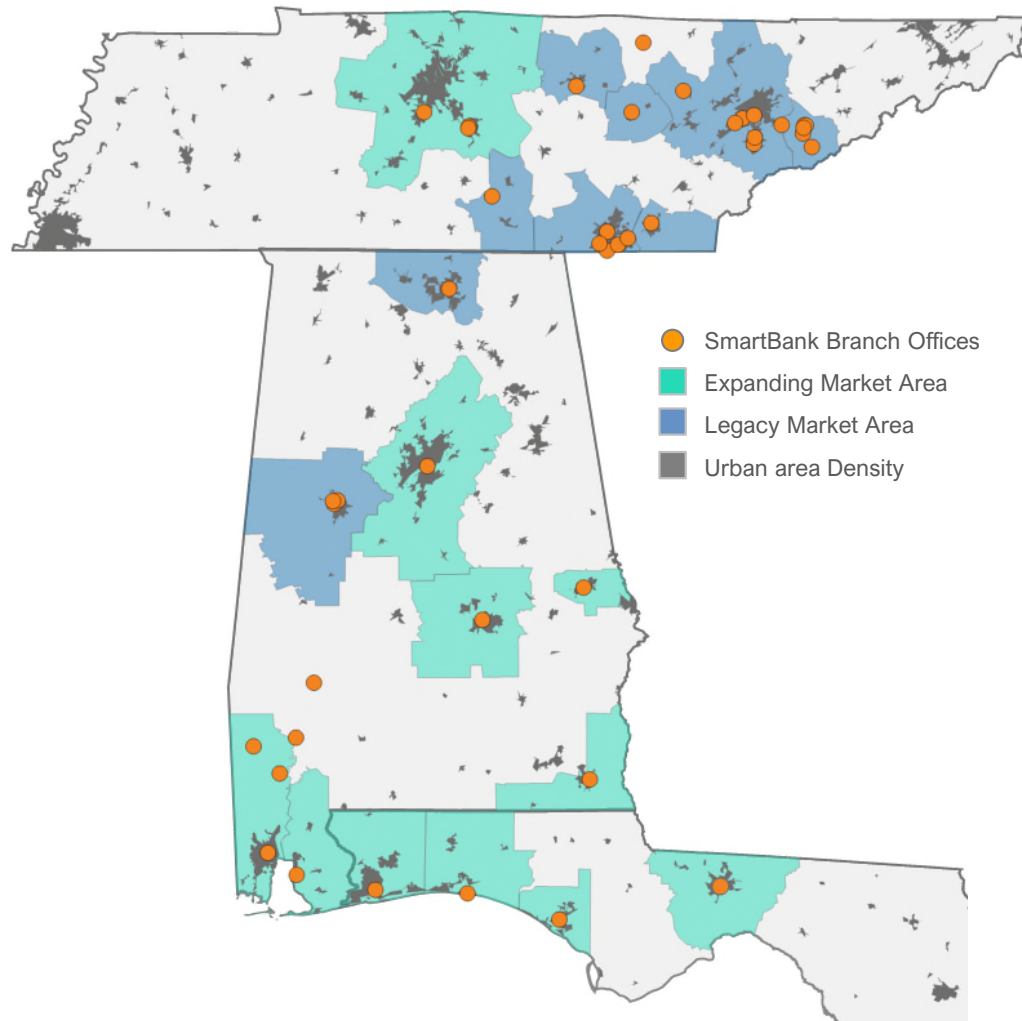
DELIVERING
EXCEPTIONAL,
PROFESSIONAL &
KNOWLEDGEABLE
SERVICE

*Voted Top Workplace, 7 years in a row!*¹



MARKET AREA: TARGETING INDUSTRY RICH GROWTH MARKETS

\$ in Billions, unless otherwise indicated



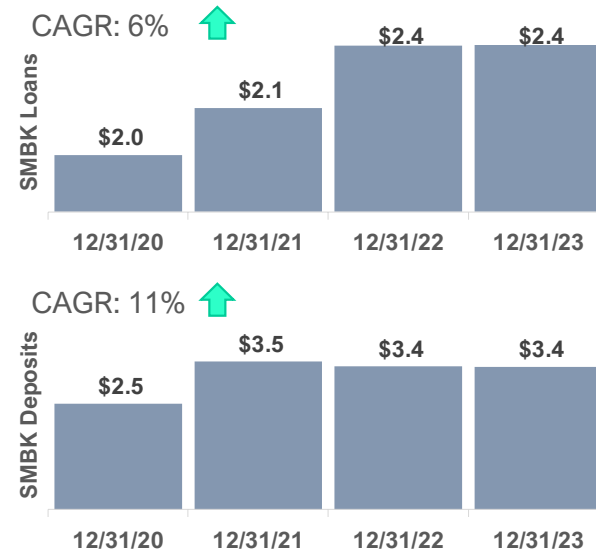
Expanding Markets

- ▶ Total Population: **6.0** Million
- ▶ Total Deposits: **\$207** Billion
- ▶ Median Income: **\$69** Thousand

Legacy Markets

- ▶ Total Population: **2.8** Million
- ▶ Total Deposits: **\$70** Billion
- ▶ Median Income: **\$64** Thousand

Legacy Markets¹: Strong Relationships / Deep Market Penetration

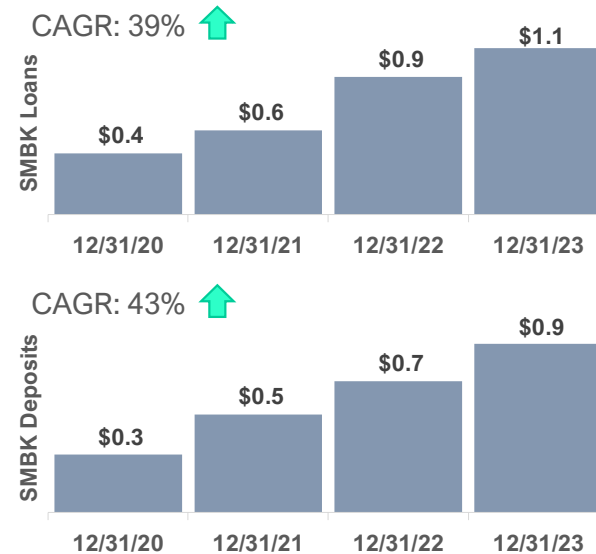


Forbes

Top 200
Best Places
for Business and
Careers

Knoxville: #86
Huntsville: #93
Chattanooga: #116
Mobile: #184

Expanding Markets²: Building Talent / Growing Brand Awareness



Forbes

Top 200
Best Places
for Business and
Careers

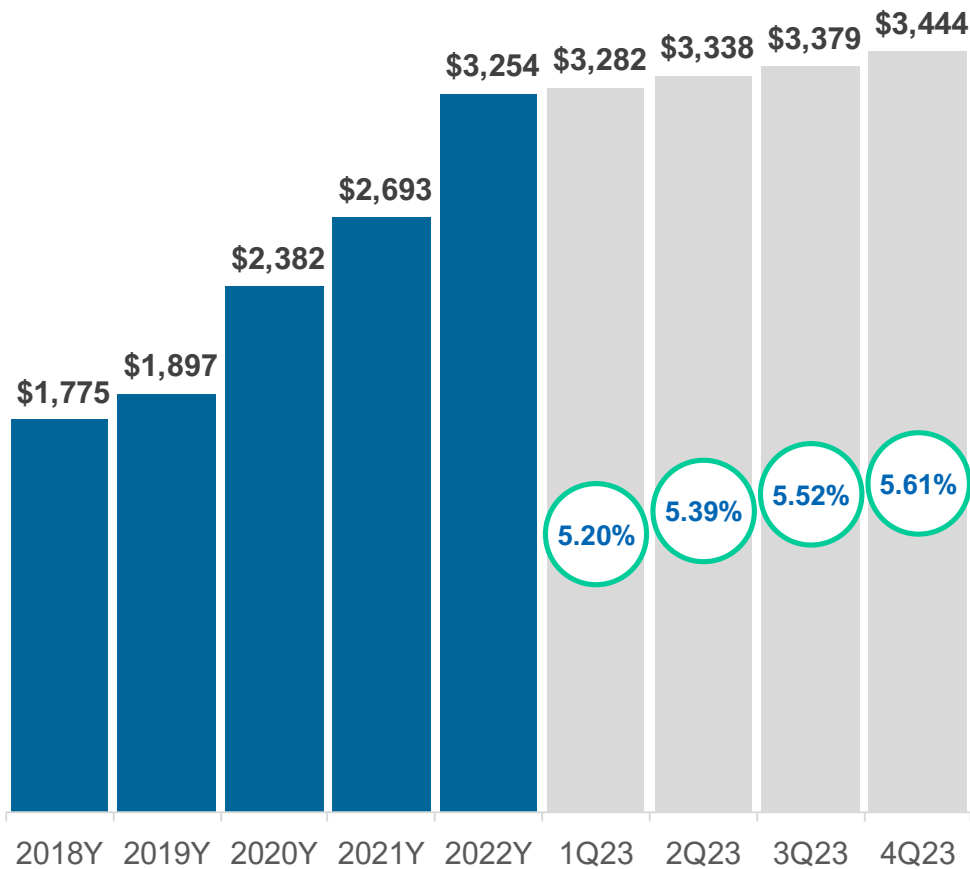
Nashville: #15
Tallahassee: #103
Pensacola: #105
Birmingham: #165
Montgomery: #191

1) Legacy Markets include Chattanooga, TN, Clarke, AL, Cleveland, TN, Crossville, TN, Cookeville, TN, Fentress, TN, Huntsville, AL, Knoxville, TN, Sevierville, TN, Tullahoma, TN and Tuscaloosa, AL MSAs
2) Expanding Markets include Auburn, AL, Birmingham, AL, Dothan, AL, Fairhope, AL, Fort Walton/Destin, FL, Montgomery, AL, Mobile, AL, Nashville, TN, Panama City, FL, Pensacola, FL and Tallahassee, FL
Source: S&P Market Intelligence; <https://www.forbes.com/best-places-for-business>
Note: Expanding and Legacy market statistics based on the weighted average of the MSAs included in each area based on population; Legacy market area includes settlement and corporate balances

LOAN PORTFOLIO: SOLID MARKETS PROVIDING OPPORTUNITY

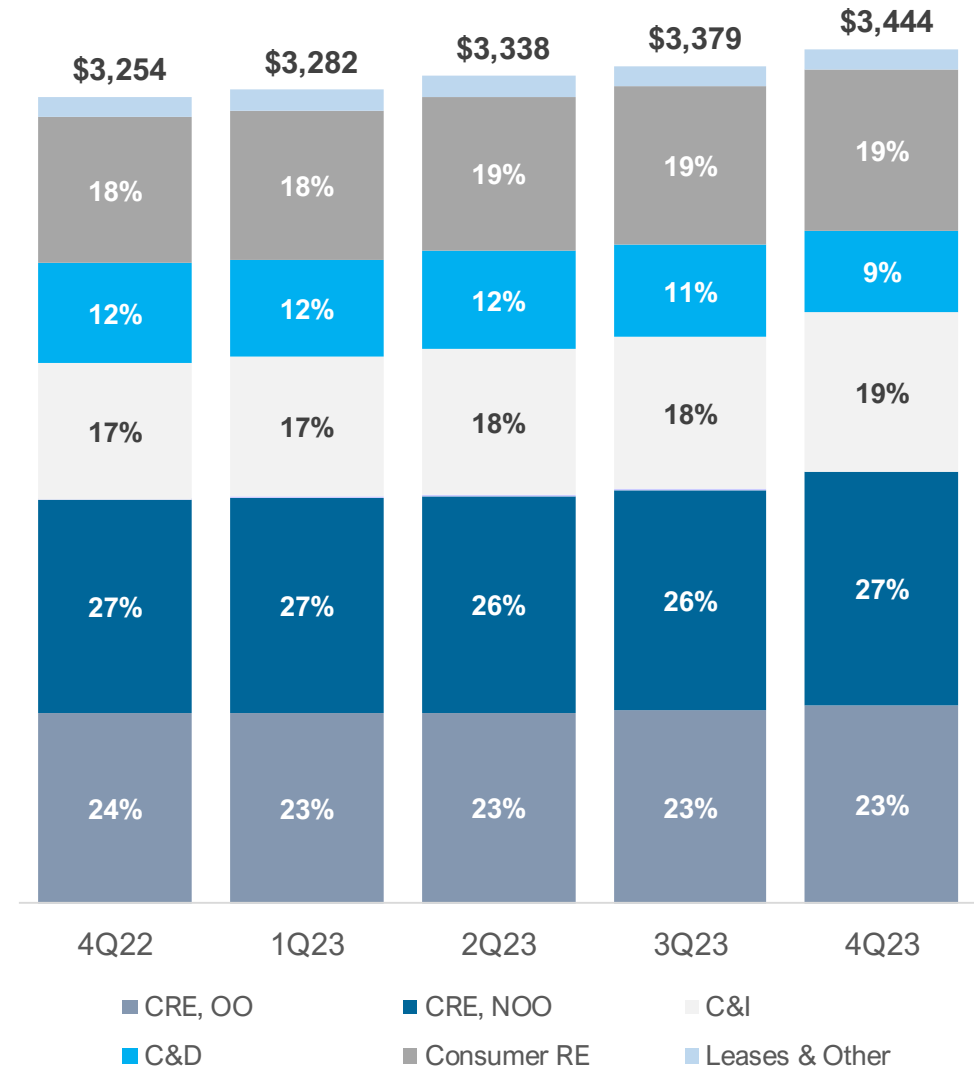
\$ in Millions, unless otherwise indicated

Total Loans CAGR of 14% Since 2018



 Average Loan Yield
(excluding accretion & fees)

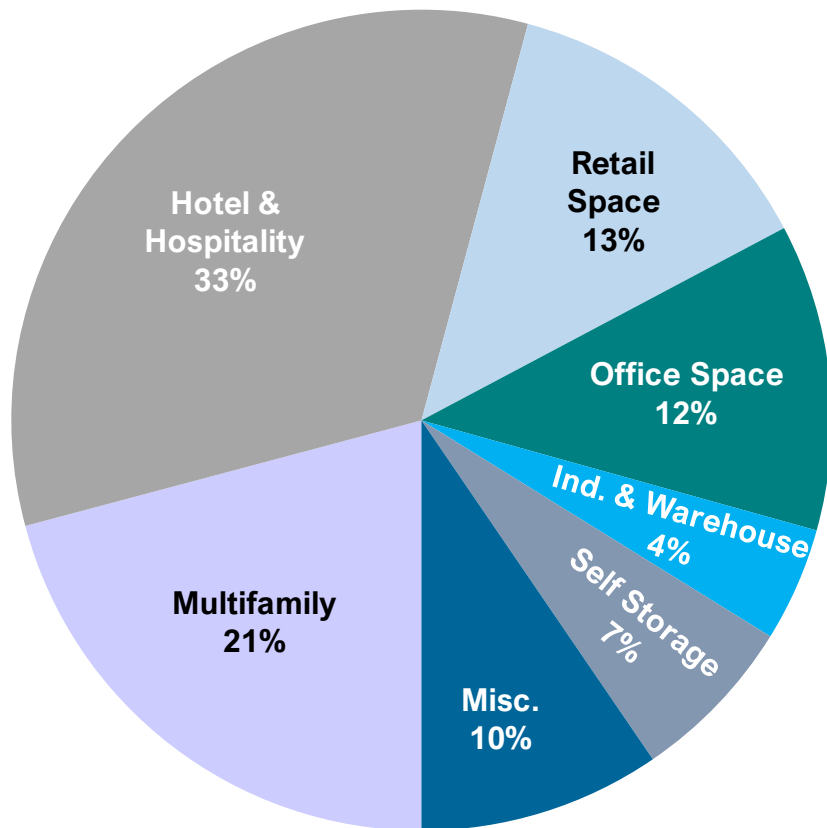
Loan Composition History of Consistent Organic Growth



LOAN CONCENTRATION: *WELL BALANCED EXPOSURE*

Non-Owner Occupied CRE Exposure By Segment

*Highly Diversified with
Seasoned Client Base*

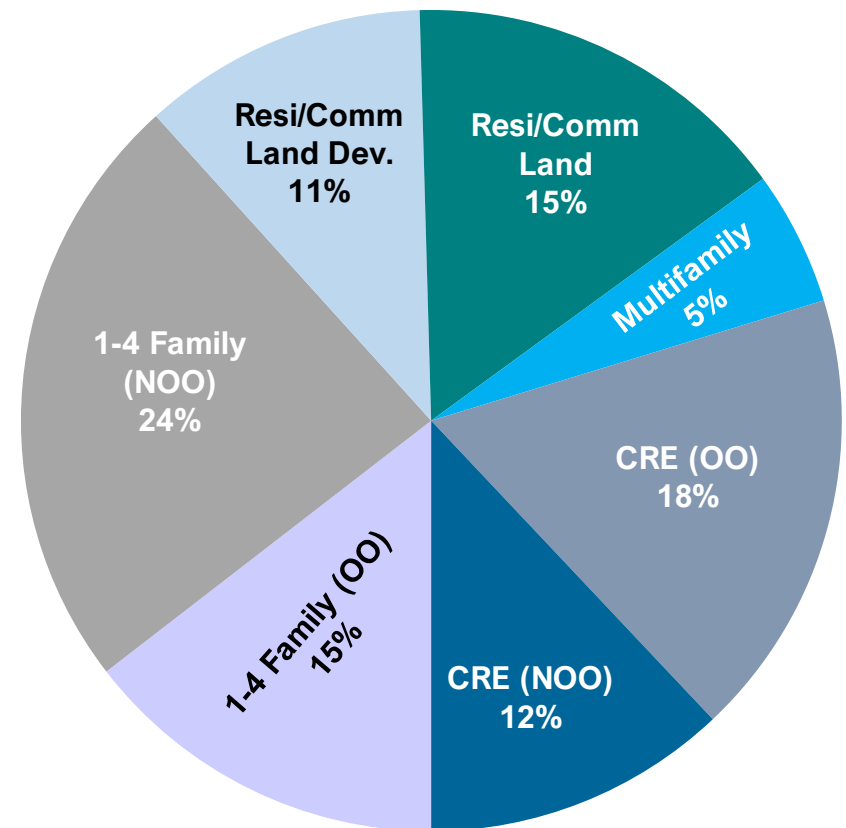


\$949 Million² - **28%** of Total Loans

Office Space Portfolio Loan Average: \$1.3 Million / 1.75x DCR / 56% LTV

Construction & Development Exposure By Type¹

*Closely Monitored with No
Concentration Concerns*



\$328 Million² - **10%** of Total Loans

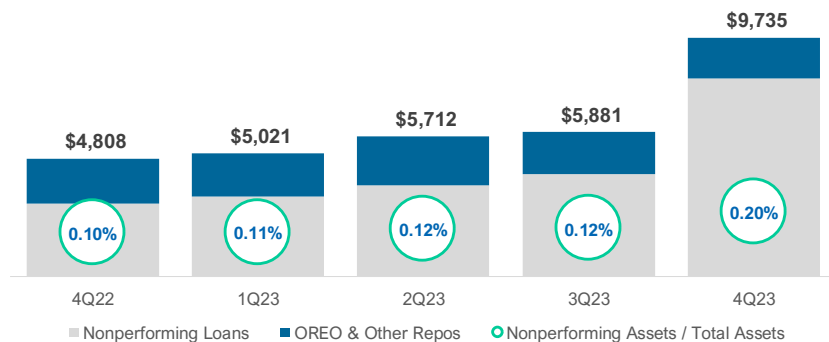
1) 1-4 Family (OO) includes owner-occupied primary and secondary residence construction loans; 1-4 Family (NOO) includes speculative and investment property residential construction loans; Resi/Comm Land Dev. includes primary, secondary, investment and commercial land development loans; Resi/Comm Land includes residential and commercial improved and unimproved land loans; Multifamily includes 5 or more residential property loans; CRE (OO) includes construction loans for owner-occupied commercial real estate including hotel & hospitality, retail, office, industrial & warehouse, self storage and other commercial real estate; CRE (NOO) includes construction loans for non owner-occupied commercial real estate including hotel & hospitality, retail, office, industrial & warehouse, self storage and other commercial real estate

2) Outstanding principal balance shown

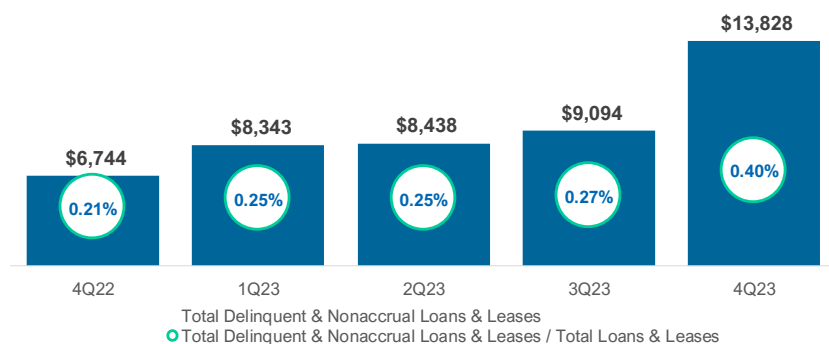
ASSET QUALITY: *STRONG UNDERWRITING PAYS DIVIDENDS*

\$ in Thousands, unless otherwise indicated

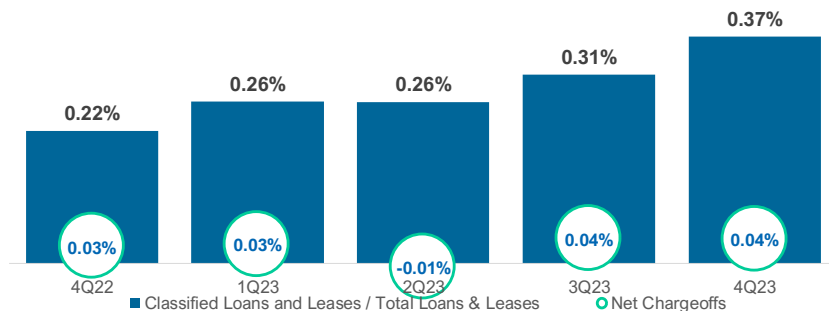
Nonperforming Assets



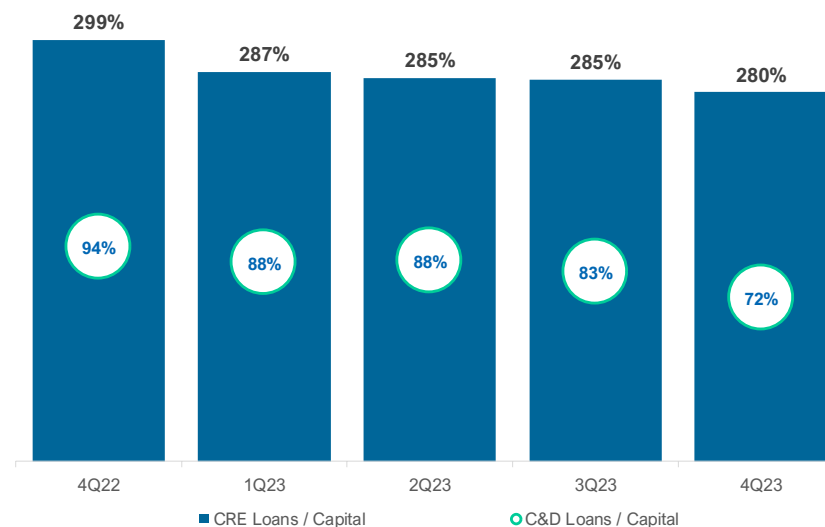
Delinquent and Nonaccruals / Total Loans



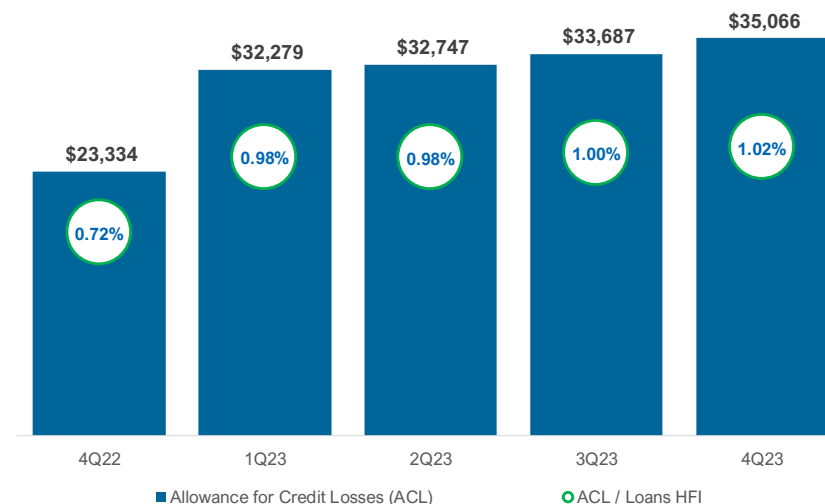
Credit Quality



Commercial Real Estate Concentration



Allowance Reconciliation

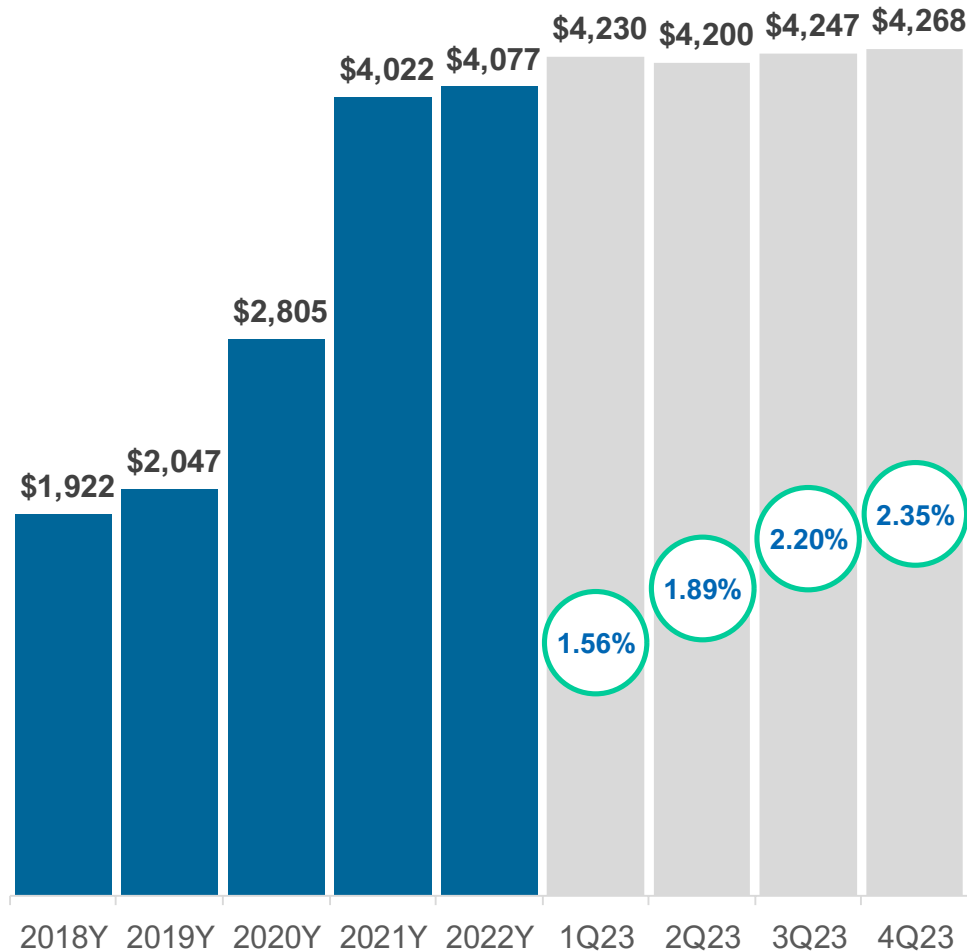


DEPOSIT PORTFOLIO: *DEFENDING DEPOSIT MARKET SHARE*

\$ in Millions, unless otherwise indicated

Total Deposits

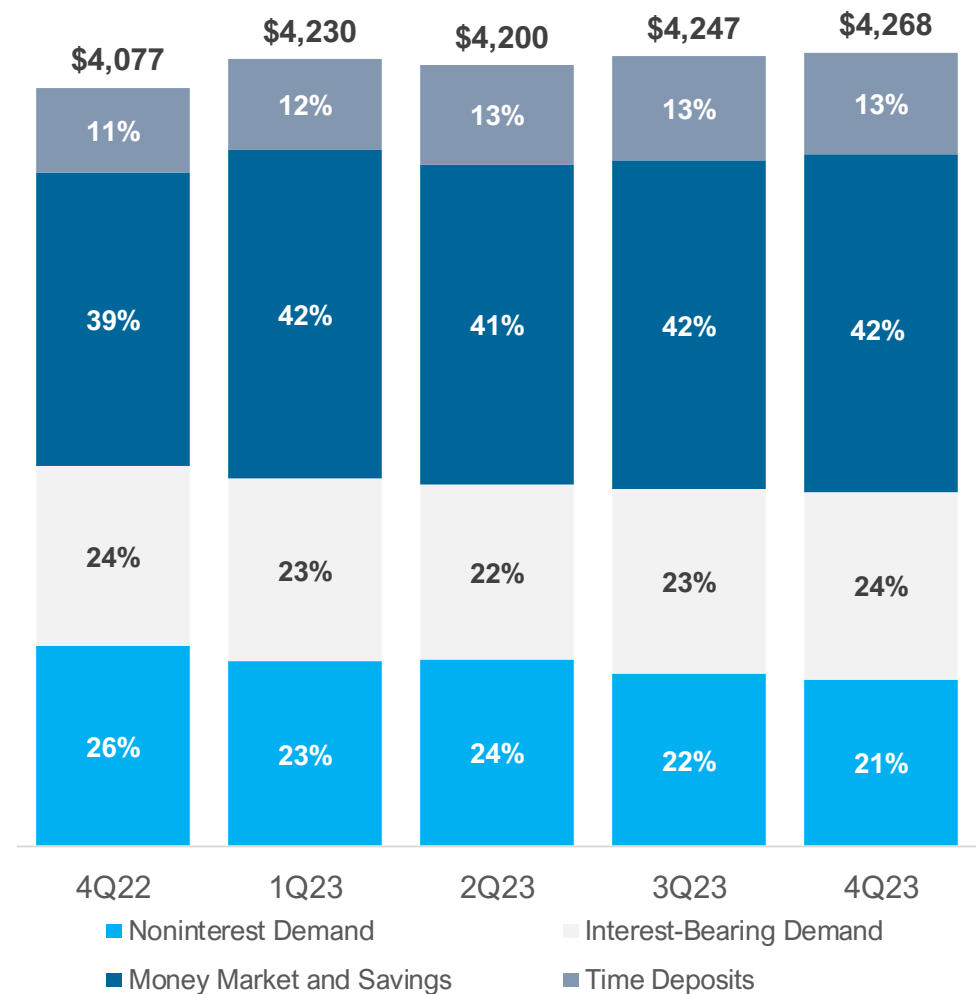
Loans to Deposits Ratio of 81%



○ Average Total Deposit Cost

Deposit Composition

Overall Stability Despite Some Mix Shift



■ Noninterest Demand ■ Interest-Bearing Demand
■ Money Market and Savings ■ Time Deposits

SECURITIES DETAIL: SIGNIFICANT CASHFLOW RETURN 1H '24

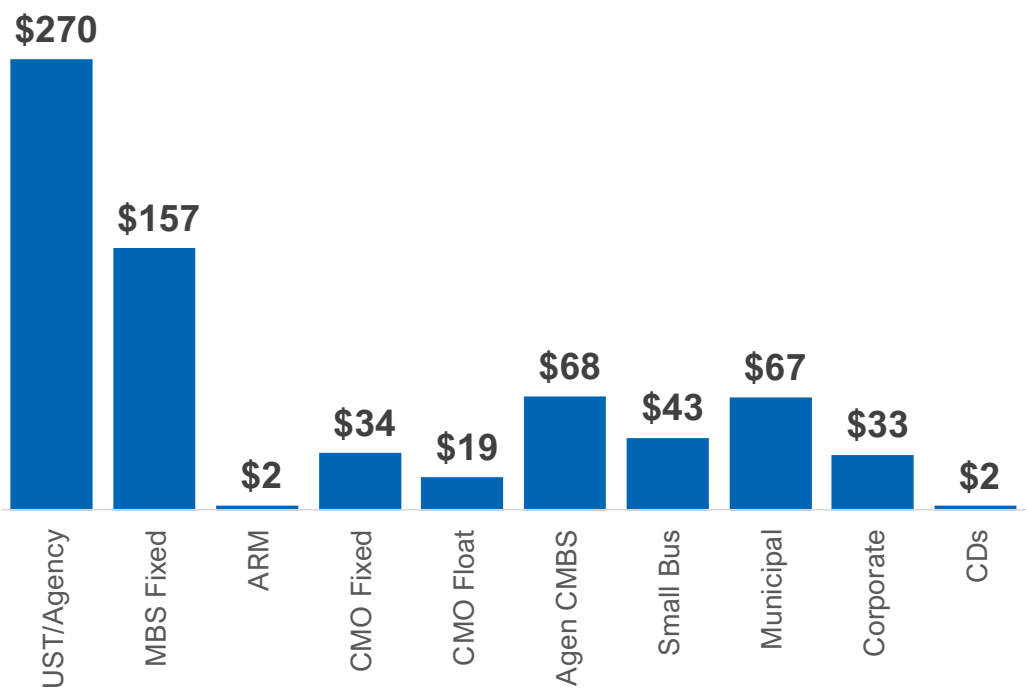
\$ in Millions, unless otherwise indicated

Portfolio Summary

\$720 Million Book Value	4.7 Year Average Life
2.73% Book Yield	3.2 Year Effective Duration
(\$51) Million Unrealized Loss	62% / 38% (AFS / HTM)
<ul style="list-style-type: none">(\$32) Million in Available-for-Sale Securities (AFS)(\$19) Million in Held-to-Maturity (HTM)	

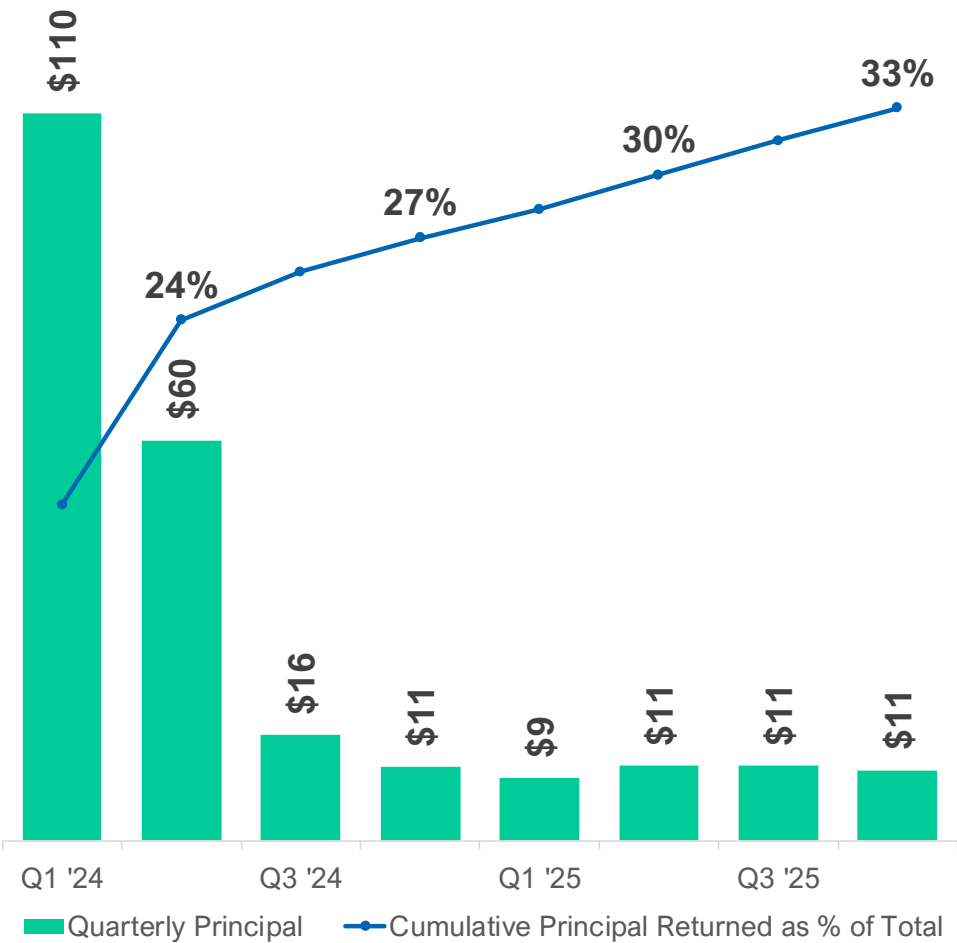
Portfolio Mix by Par Value

Risk Adverse Portfolio Designed for Liquidity



Principal Cashflow Schedule

~\$170 Million Maturing by Q2 '24



REPRICING SCHEDULE: *YIELD ENHANCEMENT ON HORIZON*

(\$ in millions)					FYE 2025	2026 & Beyond
	1Q24	2Q24	3Q24	4Q24		
Loan Repricing Schedule:						
Fixed Rate Loans	\$ 35	\$ 18	\$ 30	\$ 26	\$ 181	\$ 1,700
<i>Weighted Average Yield</i>	5.97%	5.31%	5.36%	5.13%	4.43%	4.53%
Adjustable Rate Loans	\$ 22	\$ 45	\$ 21	\$ 25	\$ 57	\$ 477
<i>Weighted Average Yield</i>	6.87%	4.86%	6.63%	6.20%	4.95%	4.82%
Investment Cashflow Schedule:						
Principal Cashflow	\$ 110	\$ 60	\$ 16	\$ 11	\$ 42	\$ 459
<i>Yield Roll-Off</i>	1.52%	2.00%	3.73%	4.43%	3.54%	3.01%

\$109 Million in Fixed Rate Loans Yielding **5.49%** Maturing by 2024 Year End

\$114 Million in Adjustable-Rate Loans Yielding **5.88%** Maturing or Repricing by 2024 Year End

\$806 Million in Variable Floating Rate Loans Yielding **7.86%** Repricing Monthly

\$196 Million in Investment Portfolio Principal Cash Flow Yielding **2.00%** Returning by 2024 Year End

LIQUIDITY OVERVIEW: *PRUDENTLY MANAGING LIQUIDITY*

\$ in Millions, unless otherwise indicated

Robust Liquidity on Hand

\$1.5 Billion in Untapped Liquidity Sources

\$632 Million in On-Balance Sheet Liquidity

1.4x Liquidity to Uninsured Deposit Ratio

Other Liquidity Sources

Ample Access to a Variety of Funding

	Total Available	Amount Used	Net Availability
Current On-Balance Sheet:			
Cash & Cash Equiv.	\$352	\$0	\$352
Unpledged Securities	280	0	280
Available Sources of Liquidity:			
Fed Funds	98	0	98
FHLB	574	104	470
FRB ²	283	0	283
HC LoC	35	8	27
Total Liquidity	\$1,622	\$112	\$1,510

Loan + Securities / Deposit Ratio

(Most Recent Quarter Period End)

106%

97%

Peer Average¹

SMBK

Loan / Deposit Ratio

(Most Recent Quarter Period End)

90%

81%

Peer Average¹

SMBK

1) Peer average based on most recently reported period results for each peer; peers include major exchange traded banks in the Southeast with assets between \$2.0 billion and \$8.0 billion

2) FRB discount window and Bank Term Funding Program borrowing capacity shown as of December 31, 2023

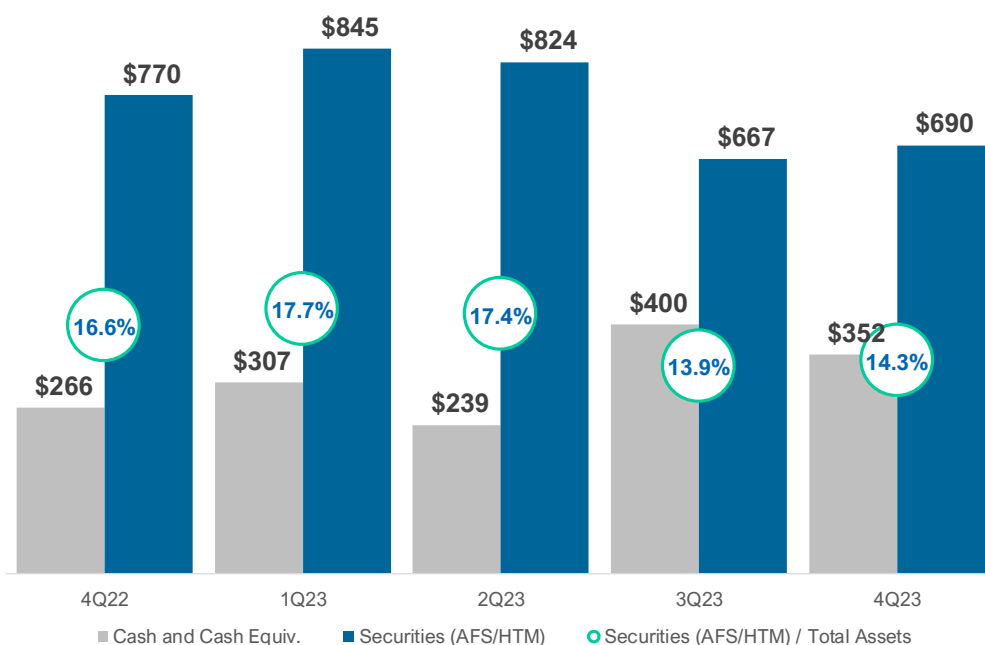
Source: S&P Global

LIQUIDITY MANAGEMENT: NAVIGATING MARGIN PRESSURE

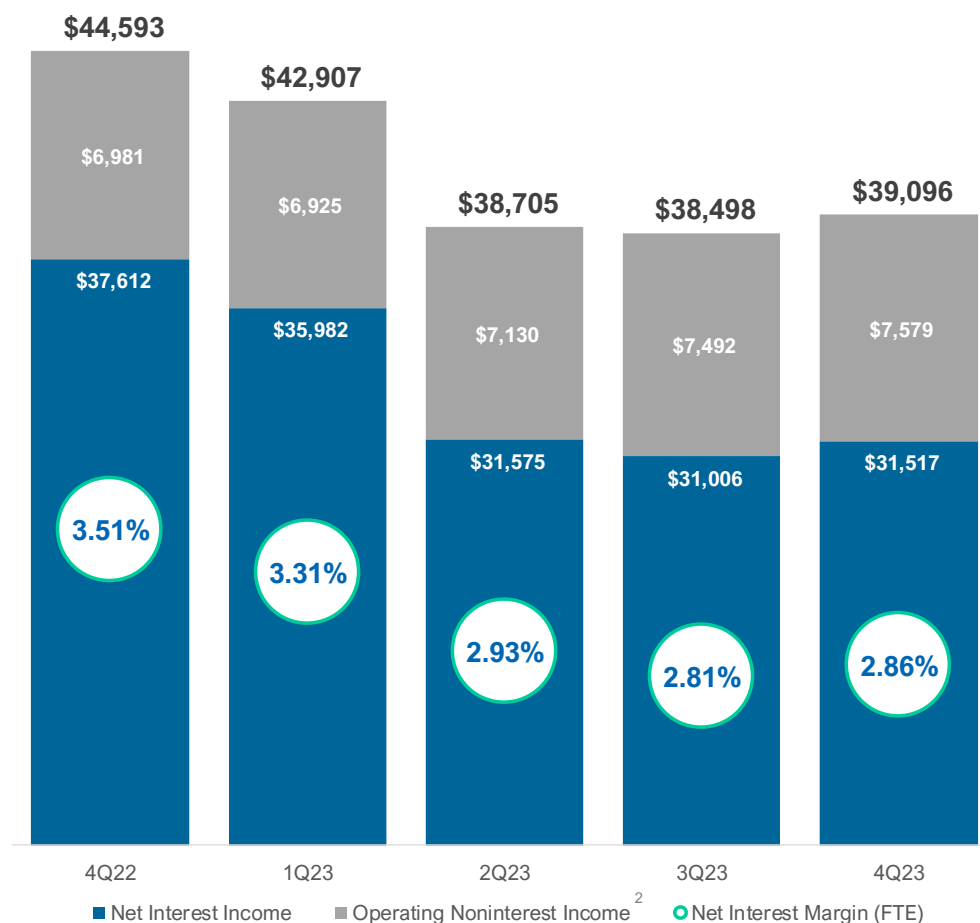
\$ in Millions, unless otherwise indicated

\$ in Thousands, unless otherwise indicated

Cash and Securities



Margin / Operating Revenue²



	4Q22	1Q23	2Q23	3Q23	4Q23
Cash Yield	3.81%	4.77%	4.02%	5.26%	5.52%
Sec. Yield (AFS/HTM) ¹	2.15%	2.11%	2.30%	2.35%	2.79%
Loans (less Accr. & Fees)	4.81%	5.20%	5.39%	5.52%	5.61%
Loan Accr. & Fees	0.24%	0.37%	0.12%	0.10%	0.07%
Loan Yield (incl. Accr. & Fees)	5.05%	5.57%	5.51%	5.61%	5.68%
IE Asset Yield	4.41%	4.88%	4.82%	4.99%	5.22%
NIM (FTE)	3.51%	3.31%	2.93%	2.81%	2.86%

1) Based on the weighted average of the AFS/HTM securities portfolio. Yields related to investment securities exempt from income taxes are stated on a taxable-equivalent basis assuming a federal income tax rate of 21.0%

2) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

INTEREST RATE SENSITIVITY

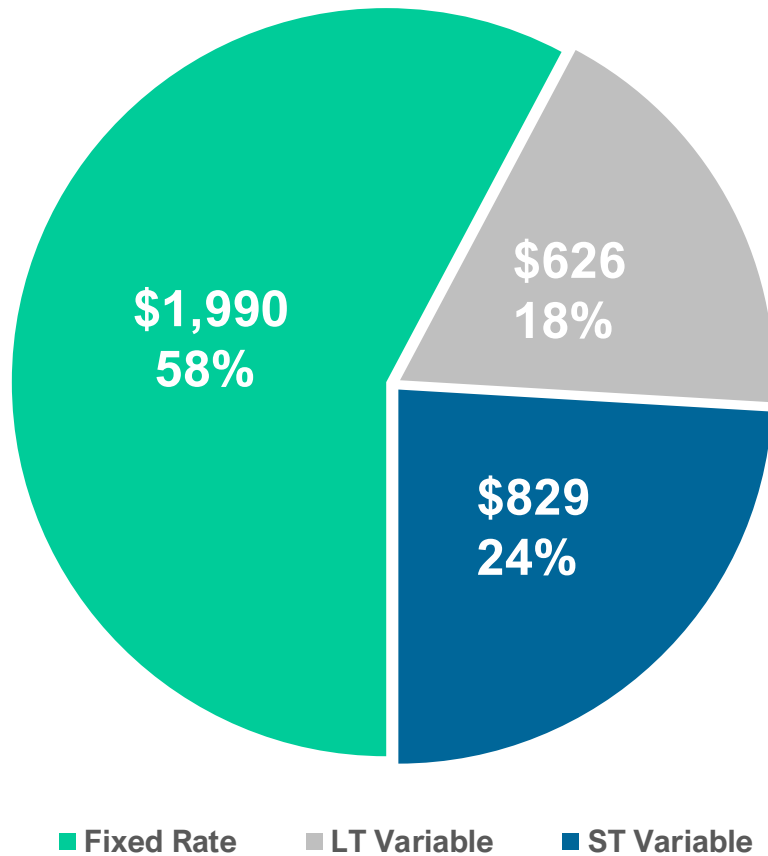
\$ in Millions, unless otherwise indicated

Fixed vs. Variable Rate Loans

\$2.0 Billion Fixed Rate Loans

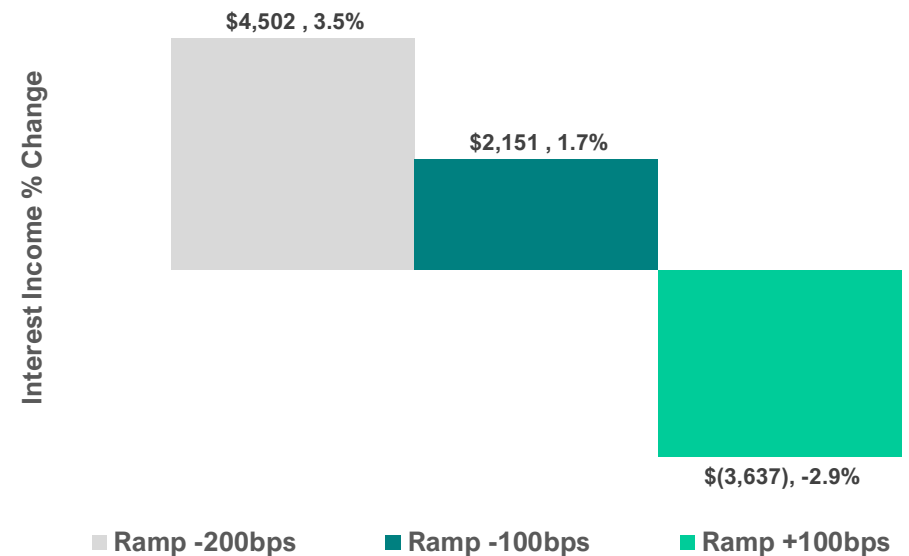
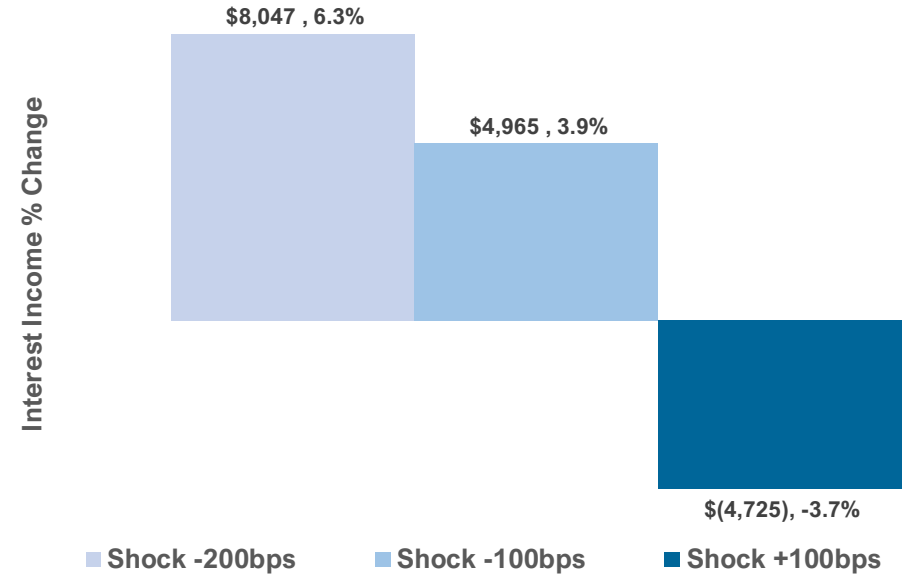
\$1.4 Billion Variable Rate Loans

- **\$829** Million Short-Term Variable Rate (Resetting within 1 - 3 Months)
- **\$626** Million Long-Term Variable Rate (Resets > 3 Months)



\$ in Thousands, unless otherwise indicated

Static Shock / Rate Ramp Analysis¹



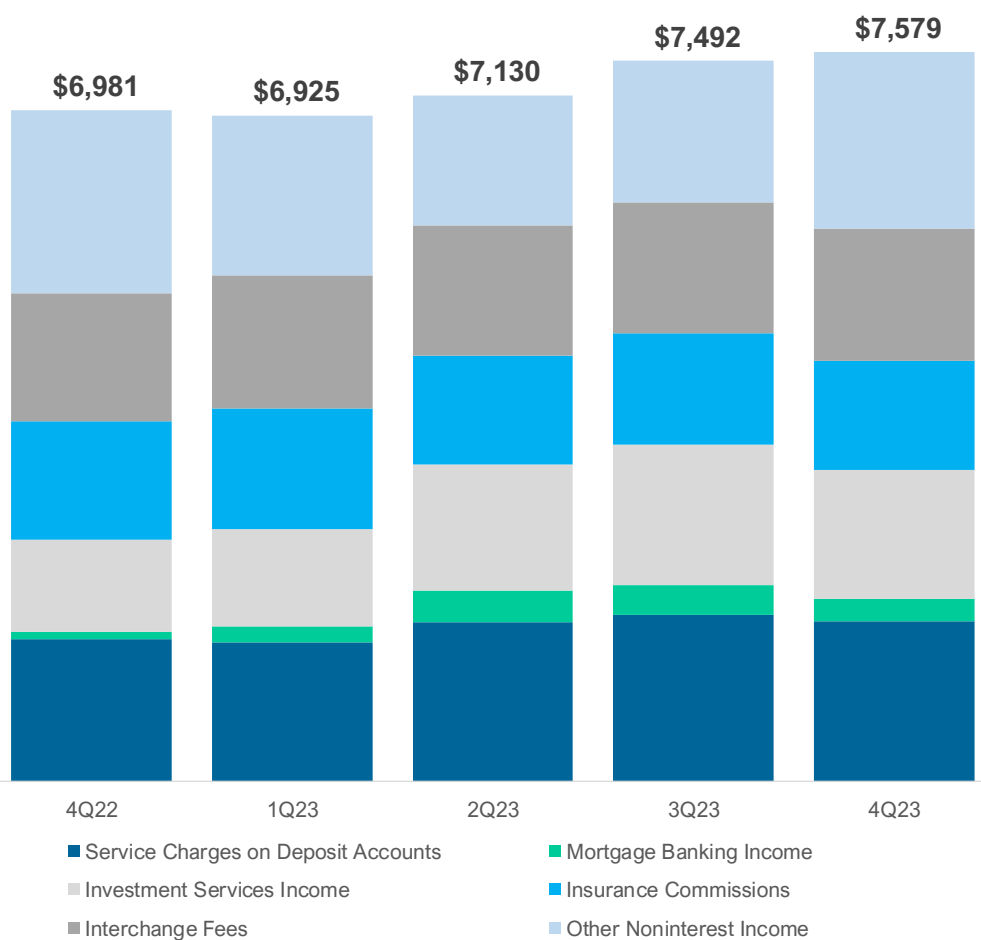
¹) Based on 12-month static rate shock and ramp analysis as of 12/31/23. These estimates of changes in SmartFinancial's net interest income require us to make certain assumptions including loan and mortgage-related investment prepayment speeds, reinvestment rate, deposit maturities and decay rates. These assumptions are inherently uncertain and, as a result, we cannot precisely predict the impact of changes in interest rates on net interest income. Although our analysis provides an indication of our interest rate risk exposure at a particular point in time, such estimates are not intended to, and do not, provide a precise forecast of the effect of changes in market interest rates and will differ from actual results

NONINTEREST REVENUE DETAILS: *GROWING FEE INCOME*

\$ in Thousands, unless otherwise indicated

Operating Noninterest Income¹

Focused on Recurring Fee Income



Differentiated Revenue Streams

Building a Family of Diversified Revenue Generators

SmartBank
INVESTMENT SERVICES

SBK Insurance
A SmartBank Company



SmartBank
Mortgage Services

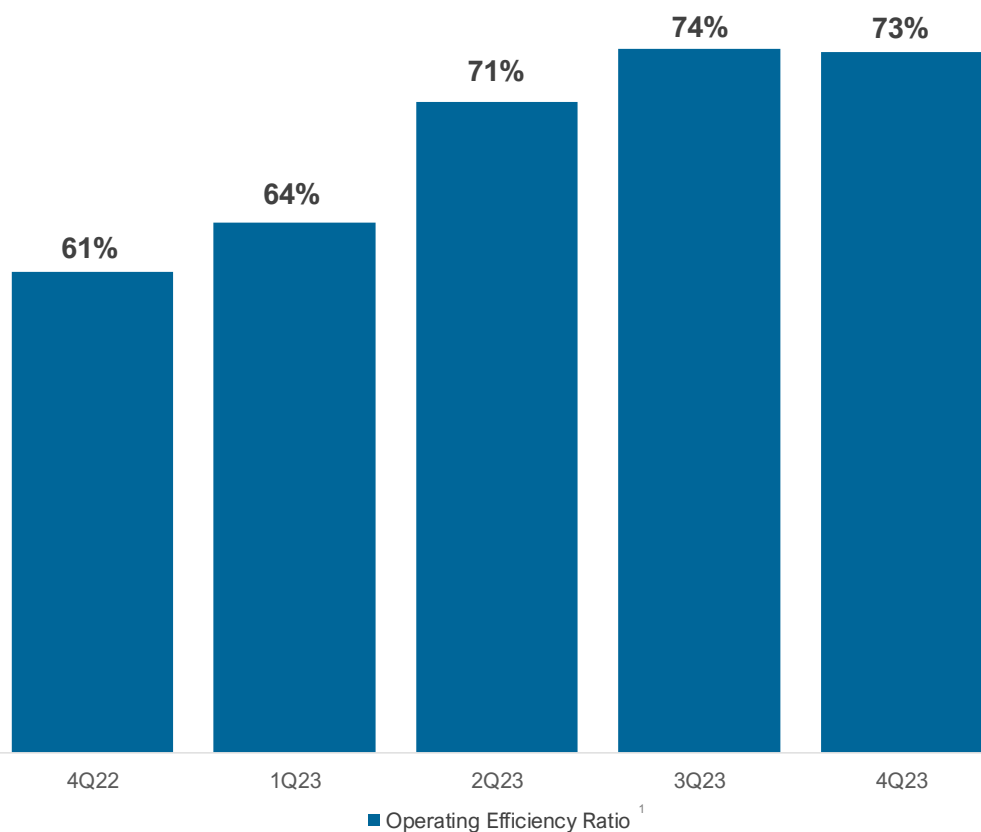
FOUNTAIN
EQUIPMENT FINANCE

¹) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

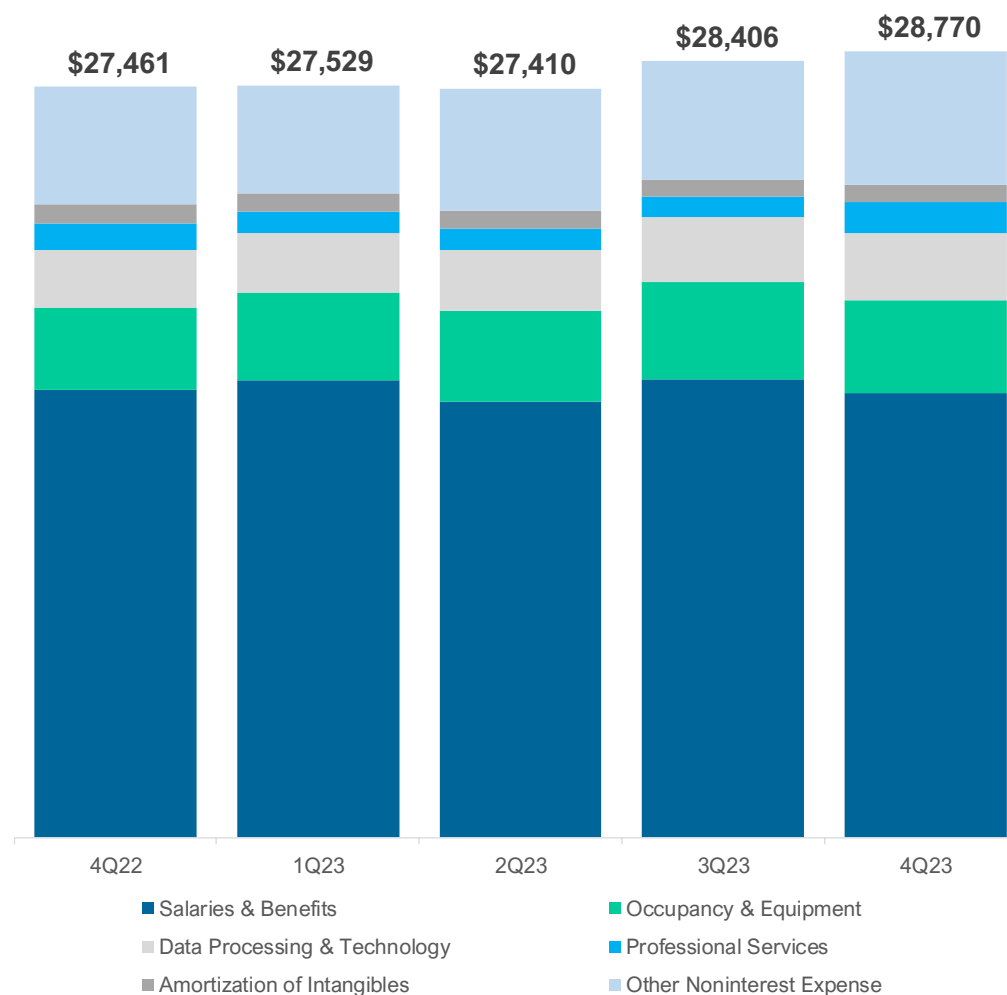
OPERATING EXPENSE: *FOCUS ON EXPENSE CONTAINMENT*

\$ in Thousands, unless otherwise indicated

Operating Efficiency Ratio¹



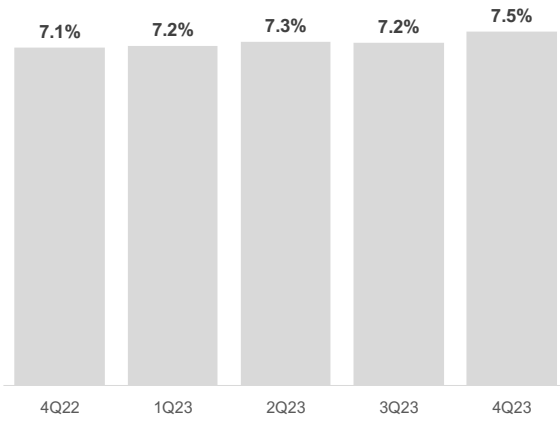
Operating Noninterest Expense¹



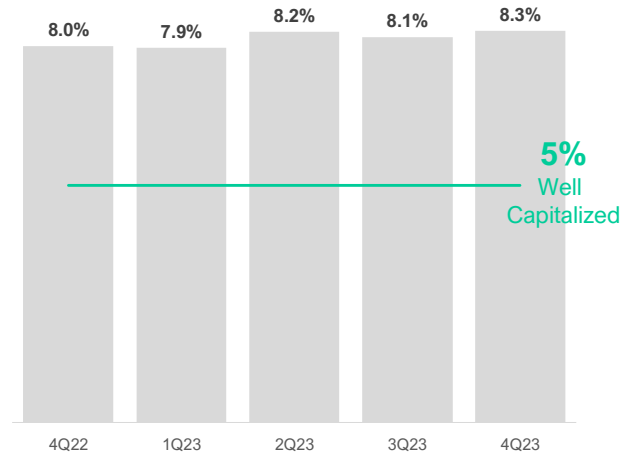
¹) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

CAPITAL: WELL CAPITALIZED – BUILDING BOOK VALUE

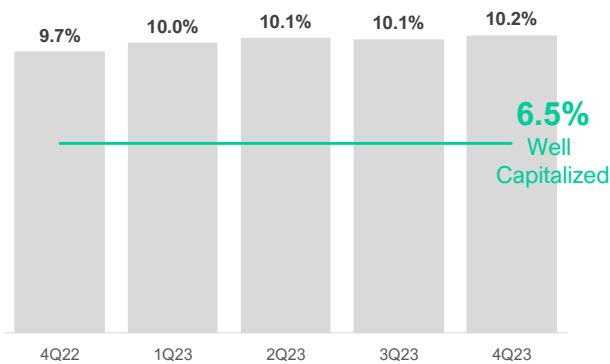
TCE / TA¹



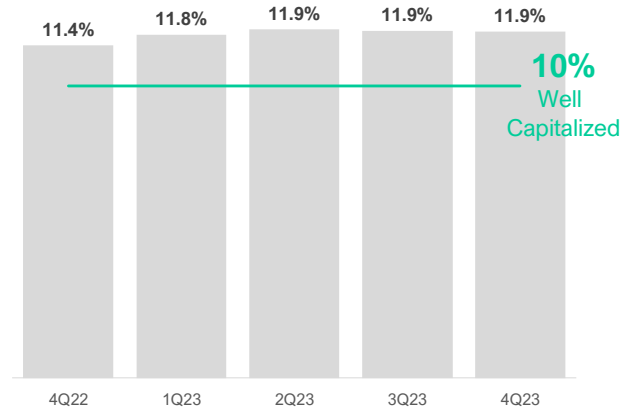
Leverage Ratio



CET1 Ratio



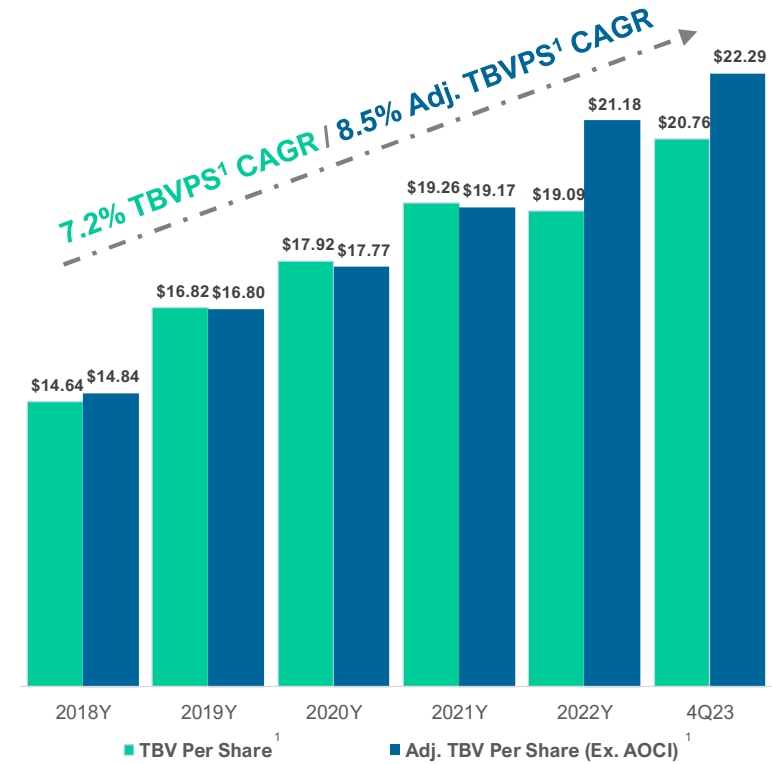
Total Capital Ratio



Basel III Regulatory Capital Minimum To Be Considered "Well Capitalized"

Building Shareholder Value

Tangible Book Value Per Share (TBVPS)¹



\$7.45 TBVPS¹ Created 2018 – 2023
(Excluding Accumulated Other Comprehensive Income)

\$0.08 2023 Per Share Quarterly Dividend

¹) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix
Note: Capital ratio data as of the most recent period ended 12/31/23

WHY SMARTBANK: *INVESTMENT HIGHLIGHTS*



Engaged Management Team



Valuable Deposit Base



Solid Credit Quality and Underwriting



Stable Markets Experiencing Population Expansion



Growing Business Lines with Revenue Diversification



Franchise Scarcity Value – Building Southeast Density



History of Defending Book Value and Delivering Shareholder Value



SmartFinancial

APPENDIX

INCOME STATEMENT: *DETAILED FOURTH QUARTER RESULTS*

(\$ in thousands, except per share data)	4Q23	3Q23	4Q22	4Q23 vs.	
				3Q23 % Chg.	4Q22 % Chg.
Net Interest Income	\$ 31,517	\$ 31,006	\$ 37,612	2%	(16%)
Provision for Loan & Lease losses	1,571	795	788		
Noninterest Income	7,579	691	7,125	997%	6%
Noninterest Expense	29,695	28,516	27,416	4%	8%
Income Tax Expense	1,640	319	3,529		
Net Income (GAAP)	\$ 6,190	\$ 2,067	\$ 13,004	199%	(52%)
Non-GAAP Reconciliations					
Noninterest Income	-	6,801	(144)		
Noninterest Expense	925	110	(45)		
Income Tax Effect Of Adjustments	(239)	(1,785)	49		
Operating Earnings (Non-GAAP)	\$ 6,876	\$ 7,193	\$ 12,864	(4%)	(47%)
Operating PPNR Earnings (Non-GAAP)	\$ 10,326	\$ 10,092	\$ 17,132	2%	(40%)

Non-GAAP Performance Metrics	4Q23	3Q23	4Q22	4Q23 vs.	
				3Q23 % Chg.	4Q22 % Chg.
Diluted Operating Earnings Per Share	\$ 0.41	\$ 0.43	\$ 0.76	(4%)	(47%)
Tangible Book Value Per Common Share	\$ 20.76	\$ 19.94	\$ 19.09	4%	9%
Operating Return on Average Assets	0.57%	0.60%	1.10%		
Operating PPNR Return on Average Assets	0.86%	0.84%	1.46%		
Operating Return on Average Tang. Common Equity	8.0%	8.5%	16.5%		
Operating Efficiency Ratio	73.4%	73.6%	61.4%		

Note: For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix; percentage change may differ due to rounding

Non-GAAP RECONCILIATION

\$ in Thousands, unless otherwise indicated

	2023Y	2022Y	2021Y	4Q23	3Q23	2Q23	1Q23	4Q22
Operating Earnings								
Net Income (GAAP)	\$ 28,593	\$ 43,022	\$ 34,790	\$ 6,190	\$ 2,067	\$ 8,836	\$ 11,500	\$ 13,004
<u>Noninterest Income:</u>								
Securities (Gains) Losses	6,801	(144)	(45)	-	6,801	-	-	(144)
<u>Noninterest Expenses:</u>								
Donation of a Former Branch Location	250	-	-	250	-	-	-	-
Accruals For Pending Litigation	675	-	-	675	-	-	-	-
Merger Related And Restructuring Expenses	110	562	3,701	-	110	-	-	(45)
<u>Income Taxes:</u>								
Income Tax Effect Of Adjustments	(2,024)	(108)	(944)	(239)	(1,785)	-	-	49
Operating Earnings (Non-GAAP)	\$ 34,405	\$ 43,332	\$ 37,502	\$ 6,876	\$ 7,193	\$ 8,836	\$ 11,500	\$ 12,864
Operating Earnings Per Common Share (Non-GAAP):								
Basic	\$ 2.05	\$ 2.59	\$ 2.41	\$ 0.41	\$ 0.43	\$ 0.53	\$ 0.69	\$ 0.77
Diluted	2.03	2.57	2.39	0.41	0.43	0.52	0.68	0.76
Operating Noninterest Income								
Noninterest Income (GAAP)	\$ 22,325	\$ 27,715	\$ 23,949	\$ 7,579	\$ 691	\$ 7,130	\$ 6,925	\$ 7,125
Securities (Gains) Losses	6,801	(144)	(45)	-	6,801	-	-	(144)
Operating Noninterest Income (Non-GAAP)	\$ 29,126	\$ 27,571	\$ 23,904	\$ 7,579	\$ 7,492	\$ 7,130	\$ 6,925	\$ 6,981
Mortgage Banking Income	(1,040)	(1,552)	(4,040)	(227)	(309)	(332)	(172)	(77)
Operating Noninterest Income Excluding Mtg. Banking (Non-GAAP)	\$ 28,086	\$ 26,019	\$ 19,864	\$ 7,352	\$ 7,183	\$ 6,798	\$ 6,753	\$ 6,904
Operating Noninterest Expense								
Noninterest Expense (GAAP)	\$ 113,150	\$ 106,290	\$ 91,391	\$ 29,695	\$ 28,516	\$ 27,410	\$ 27,529	\$ 27,416
Donation of a Former Branch Location	(250)	-	-	(250)	-	-	-	-
Accruals For Pending Litigation	(675)	-	-	(675)	-	-	-	-
Merger Related And Restructuring Expenses	(110)	(562)	(3,701)	-	(110)	-	-	45
Operating Noninterest Expense (Non-GAAP)	\$ 112,115	\$ 105,728	\$ 87,690	\$ 28,770	\$ 28,406	\$ 27,410	\$ 27,529	\$ 27,461
Operating Revenue								
Net Interest Income (GAAP)	\$ 130,080	\$ 137,501	\$ 113,394	\$ 31,517	\$ 31,006	\$ 31,575	\$ 35,982	\$ 37,612
Operating Noninterest Income (Non-GAAP)	29,126	27,571	23,904	7,579	7,492	7,130	6,925	6,981
Operating Revenue (Non-GAAP)	159,206	165,072	137,298	39,096	38,498	38,705	42,907	44,593
Operating Pre-Provision, Net Revenue ("PPNR") Earnings								
Operating Revenue (Non-GAAP)	\$ 159,206	\$ 165,072	\$ 137,298	\$ 39,096	\$ 38,498	\$ 38,705	\$ 42,907	\$ 44,593
Operating Noninterest Expense (Non-GAAP)	(112,115)	(105,728)	(87,690)	(28,770)	(28,406)	(27,410)	(27,529)	(27,461)
Operating PPNR Earnings (Non-GAAP)	\$ 47,091	\$ 59,344	\$ 49,608	\$ 10,326	\$ 10,092	\$ 11,295	\$ 15,378	\$ 17,132
Non-GAAP Return Ratios								
Operating Return On Average Assets (Non-GAAP) ⁽¹⁾	0.72%	0.92%	0.98%	0.57%	0.60%	0.75%	0.97%	1.10%
Operating PPNR Return On Average Assets (Non-GAAP) ⁽²⁾	0.99%	1.27%	1.29%	0.86%	0.84%	0.96%	1.30%	1.46%
Return On Average Tangible Common Equity (Non-GAAP) ⁽³⁾	8.55%	13.60%	11.84%	7.18%	2.43%	10.57%	14.45%	16.65%
Operating Return On Average Shareholders' Equity (Non-GAAP) ⁽⁴⁾	7.77%	10.24%	9.67%	6.07%	6.41%	7.98%	10.79%	12.15%
Operating Return On Average Tangible Common Equity (Non-GAAP) ⁽⁵⁾	10.29%	13.69%	12.77%	7.98%	8.46%	10.57%	14.45%	16.47%
Operating Efficiency Ratio								
Efficiency Ratio (GAAP)	74.24%	64.33%	66.54%	75.95%	89.96%	70.82%	64.16%	61.28%
Adjustment For Taxable Equivalent Yields	(0.18%)	(0.26%)	(0.29%)	(0.18%)	(0.27%)	(0.18%)	(0.14%)	(0.22%)
Adjustment For Securities (Gains) Losses	(3.17%)	0.06%	(0.02%)	-	(15.89%)	-	-	0.20%
Adjustment For Donation of a Former Branch Location	(0.16%)	-	-	(0.64%)	-	-	-	-
Adjustment For Accruals For Pending Litigation	(0.44%)	-	-	(1.72%)	-	-	-	-
Adjustment For Merger Expenses	(0.03%)	(0.34%)	(2.64%)	-	(0.20%)	-	-	0.10%
Operating Efficiency Ratio (Non-GAAP)	70.26%	63.79%	63.59%	73.41%	73.60%	70.64%	64.02%	61.36%

1. Operating return on average assets (Non-GAAP) is the annualized operating earnings (Non-GAAP) divided by average assets.

2. Operating PPNR return on average assets (Non-GAAP) is the annualized operating PPNR earnings (Non-GAAP) divided by average assets.

3. Return on average tangible common equity (Non-GAAP) is the annualized net income divided by average tangible common equity (Non-GAAP).

4. Operating return on average shareholders' equity (Non-GAAP) is the annualized operating earnings (Non-GAAP) divided by average shareholder equity.

5. Operating return on average tangible common equity (Non-GAAP) is the annualized operating earnings (Non-GAAP) divided by average tangible common equity (Non-GAAP).

Non-GAAP RECONCILIATION

\$ in Thousands, unless otherwise indicated

	4Q23	3Q23	2Q23	1Q23	4Q22
Tangible Common Equity:					
Shareholders' Equity (GAAP)	\$ 459,886	\$ 446,652	\$ 444,847	\$ 443,399	\$ 432,452
Less Goodwill And Other Intangible Assets	107,148	107,792	108,439	109,114	109,772
Tangible Common Equity (Non-GAAP)	\$ 352,738	\$ 338,860	\$ 336,408	\$ 334,285	\$ 322,680
Average Tangible Common Equity:					
Average Shareholders' Equity (GAAP)	\$ 449,526	\$ 445,432	\$ 444,283	\$ 432,382	\$ 420,037
Less Goodwill And Other Intangible Assets	107,551	108,194	108,851	109,537	110,206
Average Tangible Common Equity (Non-GAAP)	\$ 341,975	\$ 337,238	\$ 335,432	\$ 322,845	\$ 309,831
Tangible Book Value Per Common Share:					
Book Value Per Common Share (GAAP)	\$ 27.07	\$ 26.28	\$ 26.16	\$ 26.08	\$ 25.59
Adjustment Due To Goodwill And Other Intangible Assets	(6.31)	(6.34)	(6.38)	(6.42)	(6.50)
Tangible Book Value Per Common Share (Non-GAAP) ⁽¹⁾	\$ 20.76	\$ 19.94	\$ 19.78	\$ 19.66	\$ 19.09
Tangible Common Equity To Tangible Assets:					
Total Assets (GAAP)	\$ 4,829,387	\$ 4,797,171	\$ 4,745,800	\$ 4,769,805	\$ 4,637,498
Less Goodwill And Other Intangibles	107,148	107,792	108,439	109,114	109,772
Tangible Assets (Non-GAAP)	\$ 4,722,239	\$ 4,689,379	\$ 4,637,361	\$ 4,660,691	\$ 4,527,726
Tangible Common Equity To Tangible Assets (Non-GAAP):	7.47%	7.23%	7.25%	7.17%	7.13%
	4Q23	3Q23	2Q23	1Q23	4Q22
Tangible Common Equity (Excluding AOCI):					
Shareholders' Equity (GAAP)	\$ 459,886	\$ 446,652	\$ 444,847	\$ 443,399	\$ 432,452
Less Goodwill And Other Intangible Assets	107,148	107,792	108,439	109,114	109,772
Tangible Common Equity (Non-GAAP)	\$ 352,738	\$ 338,860	\$ 336,408	\$ 334,285	\$ 322,680
Less Adjustment Due to AOCI (Loss)	(25,907)	(34,156)	(35,017)	(28,620)	(35,324)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	\$ 378,645	\$ 373,016	\$ 371,425	\$ 362,905	\$ 358,004
Tangible Book Value Per Common Share (Excluding AOCI):					
Book Value Per Common Share (GAAP)	\$ 27.07	\$ 26.28	\$ 26.16	\$ 26.08	\$ 25.59
Adjustment Due To Goodwill And Other Intangible Assets	(6.31)	(6.34)	(6.38)	(6.42)	(6.50)
Tangible Book Value Per Common Share (Non-GAAP) ⁽¹⁾	\$ 20.76	\$ 19.94	\$ 19.78	\$ 19.66	\$ 19.09
Less Adjustment Due to AOCI (Loss)	(1.52)	(2.01)	(2.06)	(1.68)	(2.09)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP) ⁽¹⁾⁽²⁾	\$ 22.29	\$ 21.95	\$ 21.84	\$ 21.34	\$ 21.18
	2022Y	2021Y	2020Y	2019Y	2018Y
Tangible Common Equity (Excluding AOCI):					
Shareholders' Equity (GAAP)	\$ 432,452	\$ 429,430	\$ 357,168	\$ 312,747	\$ 283,011
Less Goodwill And Other Intangible Assets	109,772	105,852	86,471	77,193	79,034
Tangible Common Equity (Non-GAAP)	\$ 322,680	\$ 323,578	\$ 270,697	\$ 235,554	\$ 203,977
Less Adjustment Due to AOCI (Loss)	(35,324)	1,443	2,183	168	(2,765)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	\$ 358,004	\$ 322,135	\$ 268,514	\$ 235,386	\$ 206,742
Tangible Book Value Per Common Share (Excluding AOCI):					
Book Value Per Common Share (GAAP)	\$ 25.59	\$ 25.56	\$ 23.64	\$ 22.33	\$ 20.31
Adjustment Due To Goodwill And Other Intangible Assets	(6.50)	(6.30)	(5.72)	(5.51)	(5.67)
Tangible Book Value Per Common Share (Non-GAAP) ⁽¹⁾	\$ 19.09	\$ 19.26	\$ 17.92	\$ 16.82	\$ 14.64
Less Adjustment Due to AOCI (Loss)	(2.09)	0.09	0.14	0.01	(0.20)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP) ⁽¹⁾⁽²⁾	\$ 21.18	\$ 19.17	\$ 17.77	\$ 16.80	\$ 14.84

1. Tangible book value per share (Non-GAAP) is computed by dividing total stockholder's equity, less goodwill and other intangible assets, by common shares outstanding.

2. Totals may not add due to rounding

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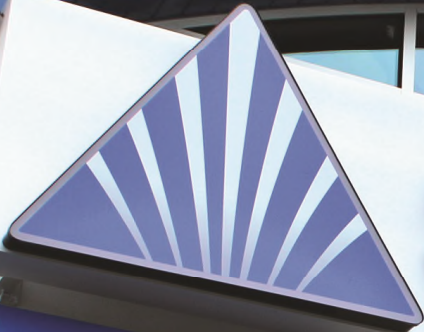


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