SmartFinancial

INVESTOR CALL

1Q 2024

April 23, 2024, 10:00am ET

Webcast: www.smartbank.com
(Investor Relations)
Audio Only: 1-833-470-1428
Access Code: 060240

Miller Welborn
Chairman of the Board

Billy Carroll
President & CEO

Ron Gorczynski
CFO



DISCLOSURES

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 and operating noninterest expense exclude non-operating related income and expense items. A detailed reconciliation of these items are available in the Non-GAAP reconciliations included in this presentation. 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.

Unless otherwise indicated, all financial data contained in this presentation is as of 3/31/24

QUARTERLY HIGHLIGHTS: *FIRST QUARTER 2024*

$0.49
Diluted Operating EPS[1]

$5.0
Billion in Total Assets

7.9%
QoQ[2] Annualized Tang. Book Value Per Share Growth (Excluding AOCI)[1,4]

3.8%
QoQ Annualized Organic Loan[3] Growth

0.69%
Operating Return on Average Assets[1]

11.8%
QoQ Annualized Deposit Growth

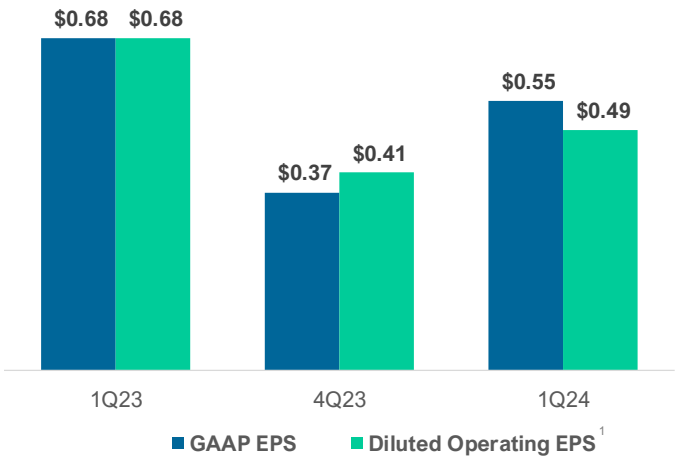
9.5%
Operating Return Average Tang. Common Equity[1]

79%
Loan / Deposit Ratio

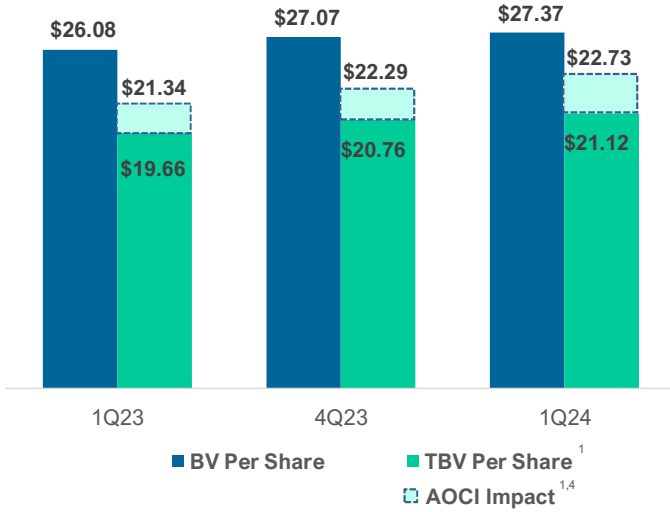
73%
Operating Efficiency Ratio[1]

0.18%
Non-Performing Assets / Assets

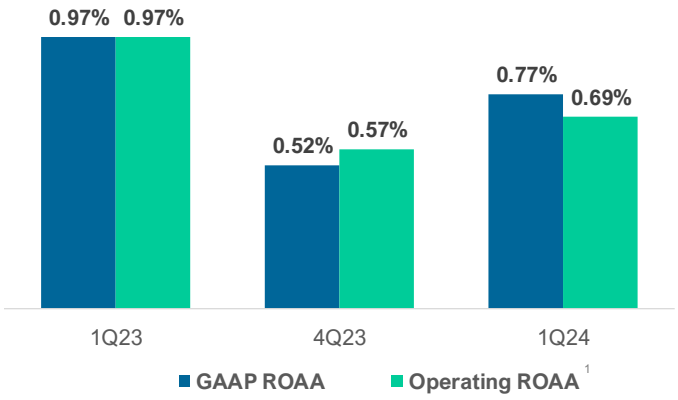
Diluted Earnings Per Share



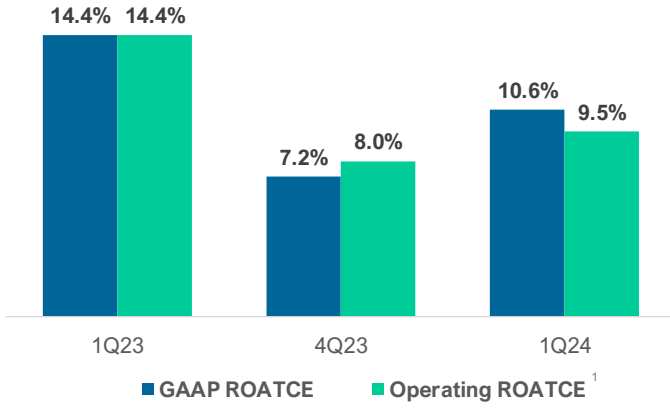
Book Value Per Share



Return on Average Assets



Return on Average Tangible Common Equity

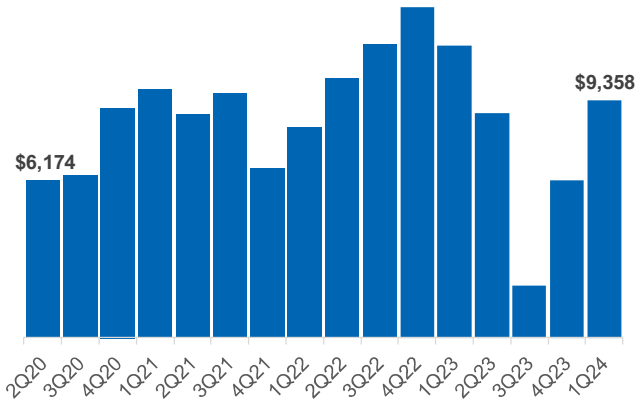


Unless otherwise indicated, financial data as of or for the three months ended 3/31/24
1) *Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix*
2) *QoQ: Quarter-over-Quarter*
3) *"Loans" for purposes of this presentation includes all SmartFinancial loans and leases*
4) *AOCI: Accumulated Other Comprehensive Income*

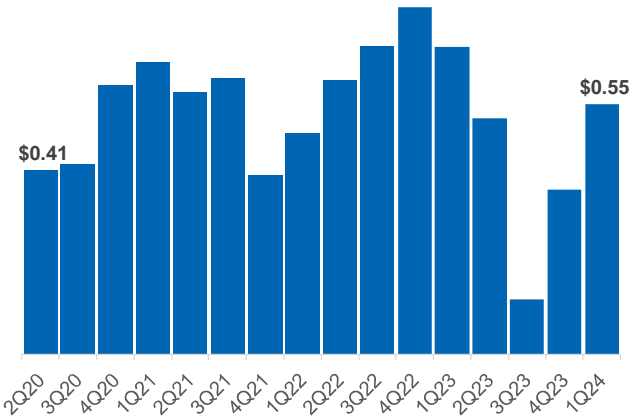
GAAP Key Measure Trends:

Net Income:

$ in Thousands



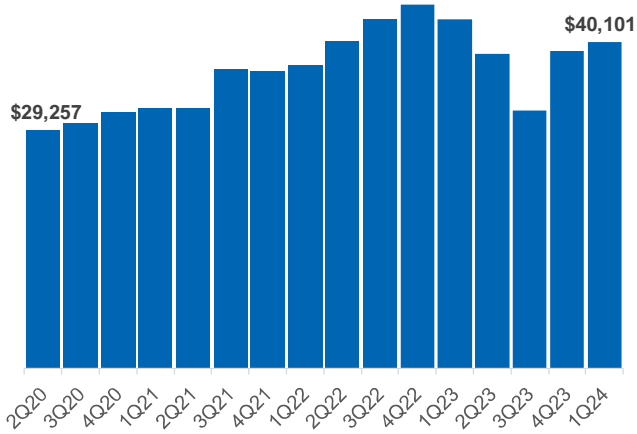
Diluted Earnings Per Share:



Diluted Earnings Per Share: Net Income / Diluted Common Shares Outstanding

Total Revenue:

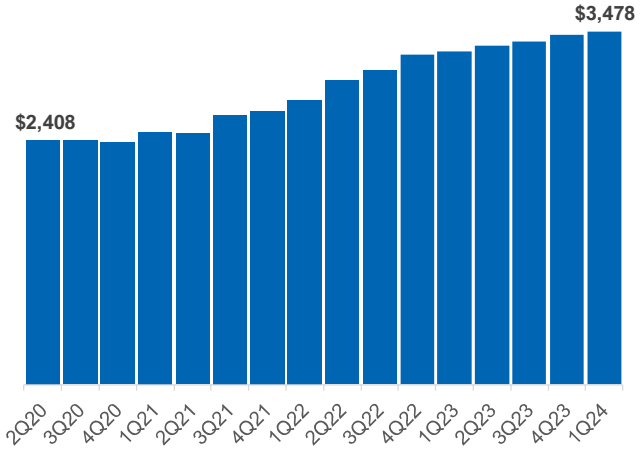
$ in Thousands



Total Revenue: Net Interest Income + Total Non-Interest Income

Loans HFI:

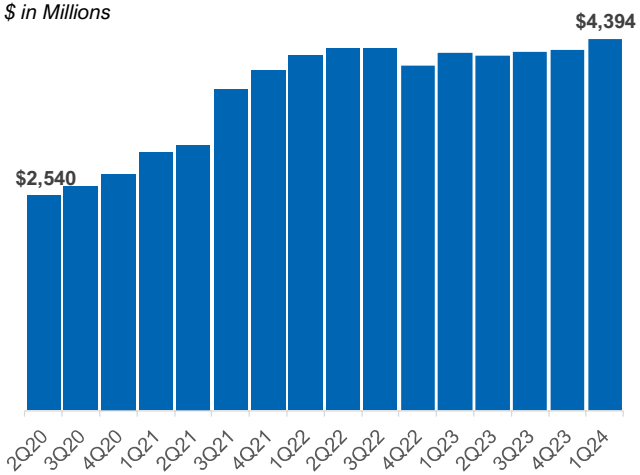
$ in Millions



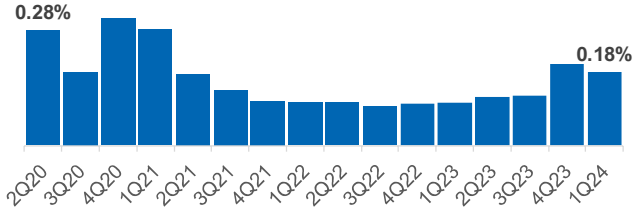
Loans HFI: Total Loans Held for Investment

Deposits:

$ in Millions



NPAs / Assets:

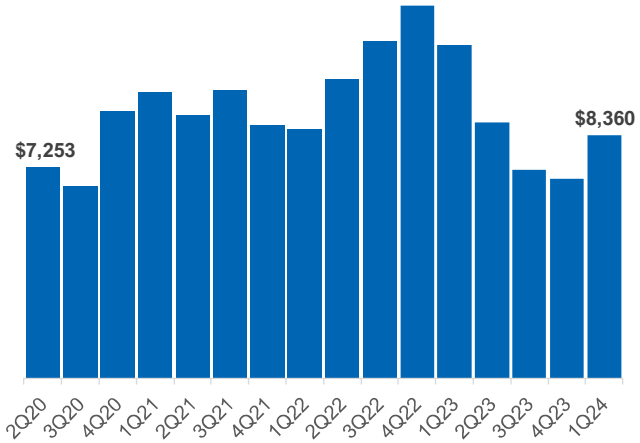


NPAs / Assets: Total Nonperforming Assets / Total Assets

Non-GAAP Key Measure Trends[1]:

Operating Earnings:

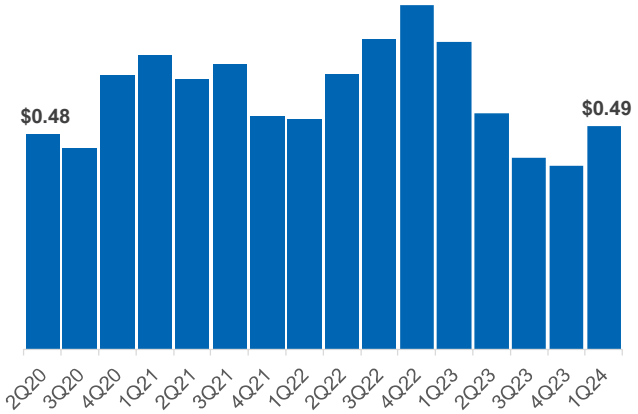
$ in Thousands



Operating Earnings: Net Income Adjusted for Non-Operating, Non-Recurring Items

Operating Diluted EPS:

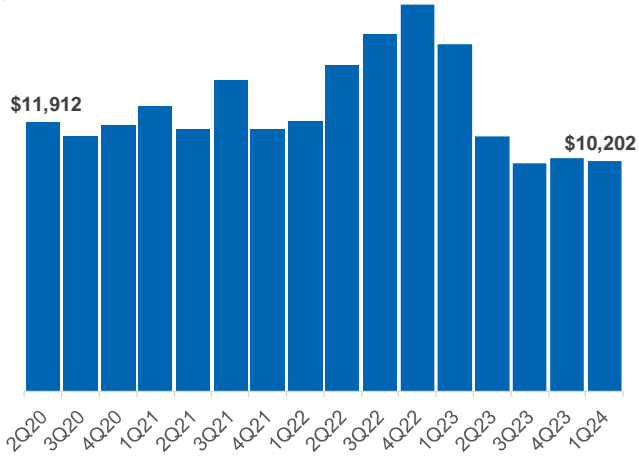
$ in Thousands



Operating Diluted Earnings Per Share: Operating Earnings / Diluted Common Shares Outstanding

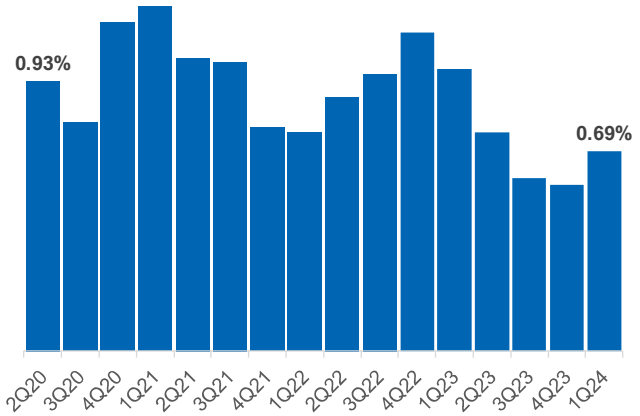
Operating PPNR:

$ in Thousands



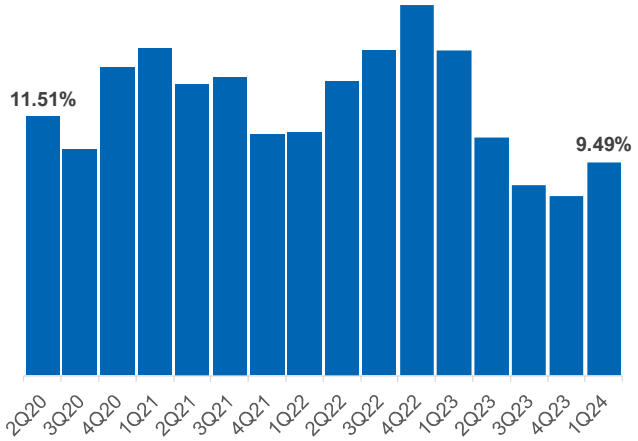
Operating Pre-Provision Net Revenue: Net Interest Income + Operating Non-Interest Income – Operating Non-Interest Expense
Operating Non-Interest Income: Non-Interest Income Adjusted for Non-Operating, Non-Recurring Items
Operating Non-Interest Expense: Non-Interest Expense Adjusted for Non-Operating, Non-Recurring Items

Operating ROAA:



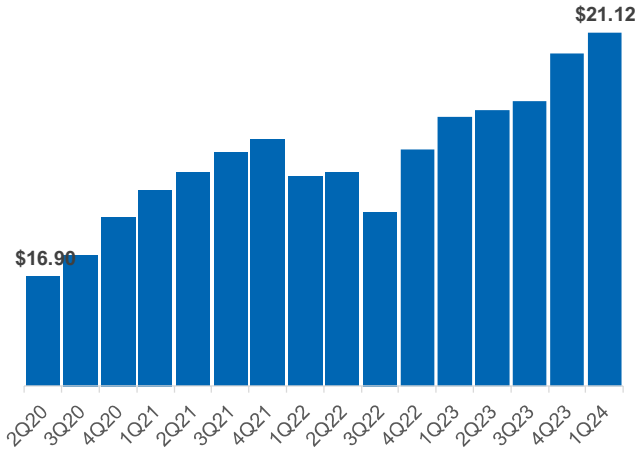
Operating Return on Average Assets: Operating Earnings / Average Assets

Operating ROATCE:



Operating Return on Average Tangible Common Equity: Operating Earnings / Average Tangible Common Equity
Tangible Common Equity: Total Common Equity Less Goodwill, Core Deposit and Other Intangibles

Tangible Book Value Per Share:



Tangible Book Value Per Share: Tangible Common Equity / Total Common Shares Outstanding
Tangible Common Equity: Total Common Equity Less Goodwill, Core Deposit and Other Intangibles

1) *Operating Earnings, Operating Diluted EPS, Operating PPNR, Operating ROAA, Operating ROATCE, and Tangible Book Value Per Share are all Non-GAAP financial measures. For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix*

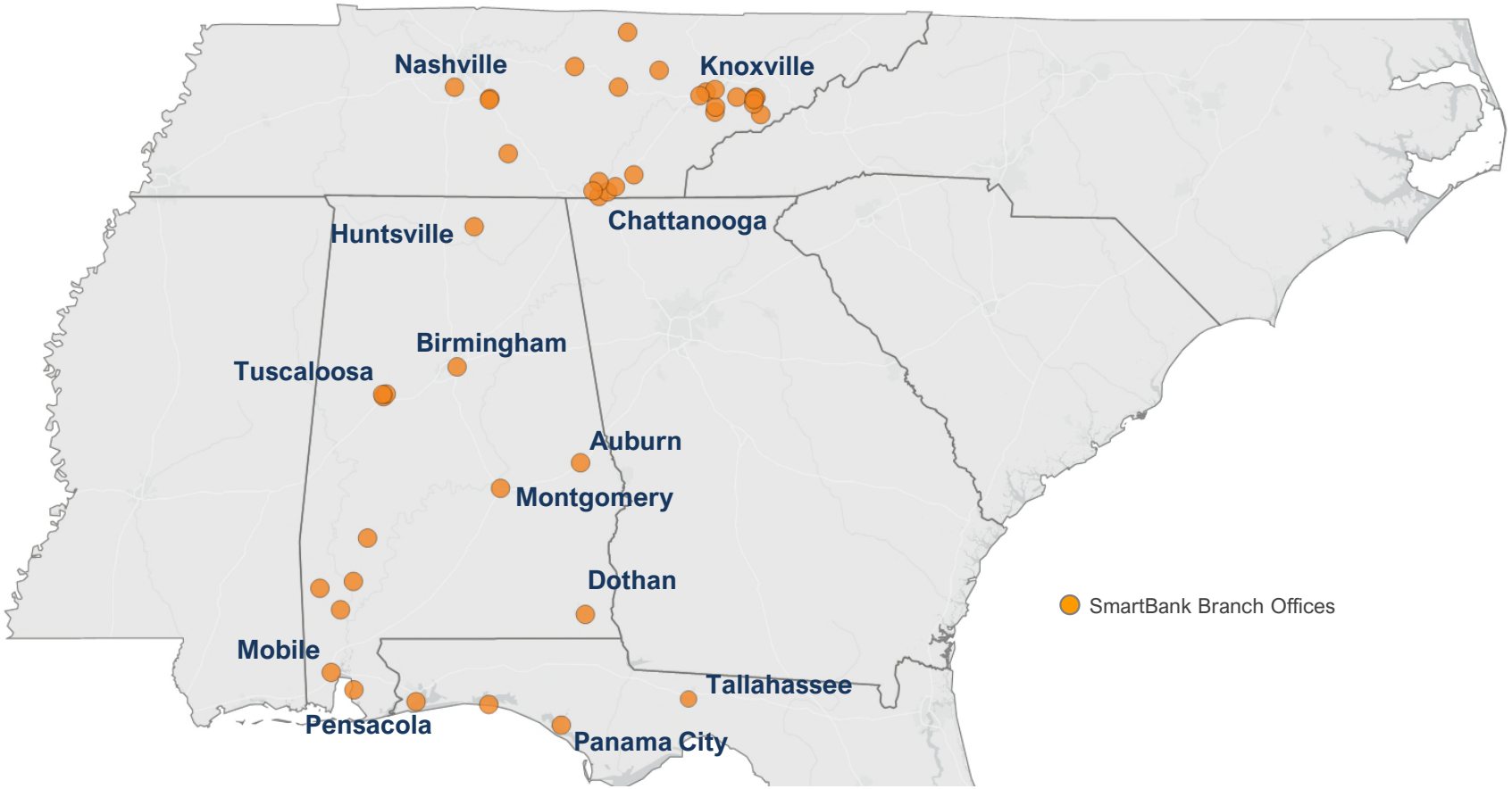
SMARTFINANCIAL: *EXPANDING SOUTHEAST FRANCHISE*

$5.0
Billion in Total Assets

$3.5
Billion in Total Loans

$4.4
Billion in Total Deposits

42
Total Branches



Act with integrity **Be enthusiastic** **Create positivity** **Demonstrate accountability** **Embrace 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]



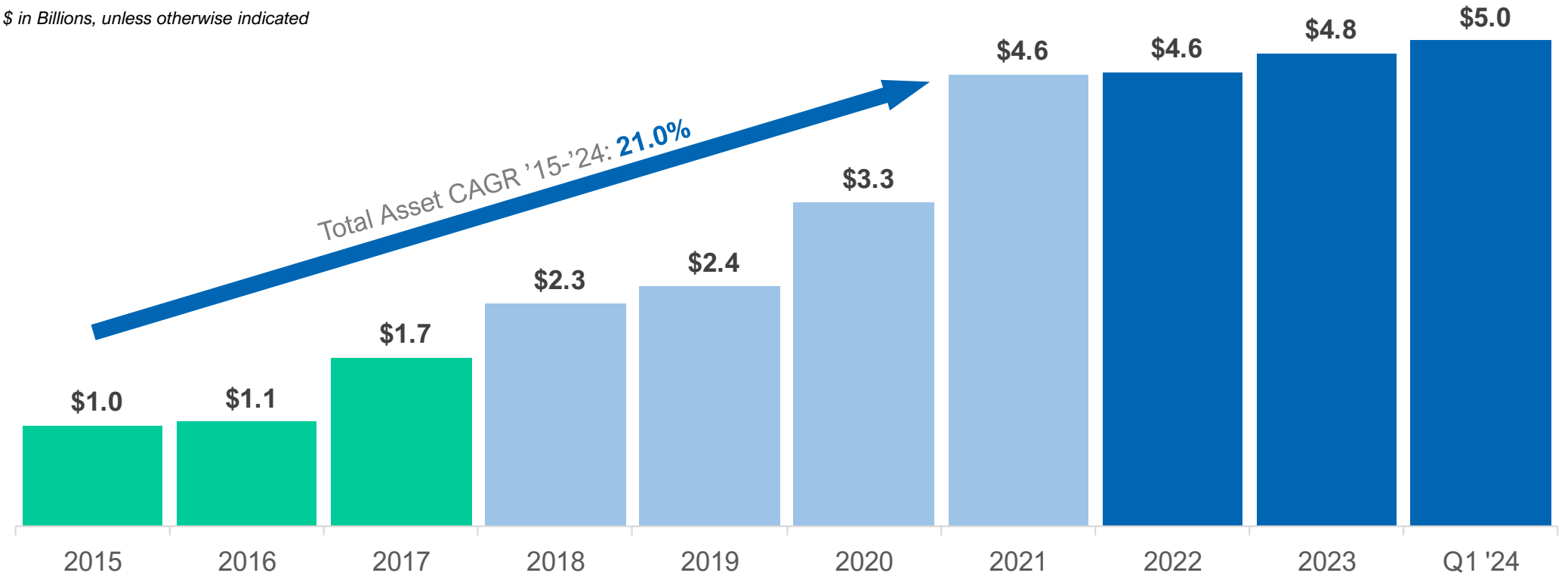
Balance sheet and branch count represent 6/30/23 balances
1) Knox News Sentinel Top Workplaces survey

SMARTBANK JOURNEY: *LOOKING AHEAD*

SmartFinancial

Strategic Focus: Leverage Existing Infrastructure Investments to Drive Profitability and Optimize Efficiency

$ in Billions, unless otherwise indicated



Validation:

- Focused on validating platform and substantiating market need
- Completed Cornerstone merger-of-equals
- Completed functional initial public offering
- Began expanding commercial banking product offering
- Quickly recognized the need for scale to spread operating cost over larger asset base

Scaling:

- Focused on building scale through asset growth with emphasis on fee revenue drivers
- Completed four bank acquisitions
- Acquired Fountain Equipment Finance
- Started dealer floor plan lending unit
- Expanded into seven new DeNovo markets
- Broadened Treasury Management and commercial banking product package
- Implemented several multi-year IT infrastructure projects
- Consolidated inconsistent legacy products, services and operational procedures

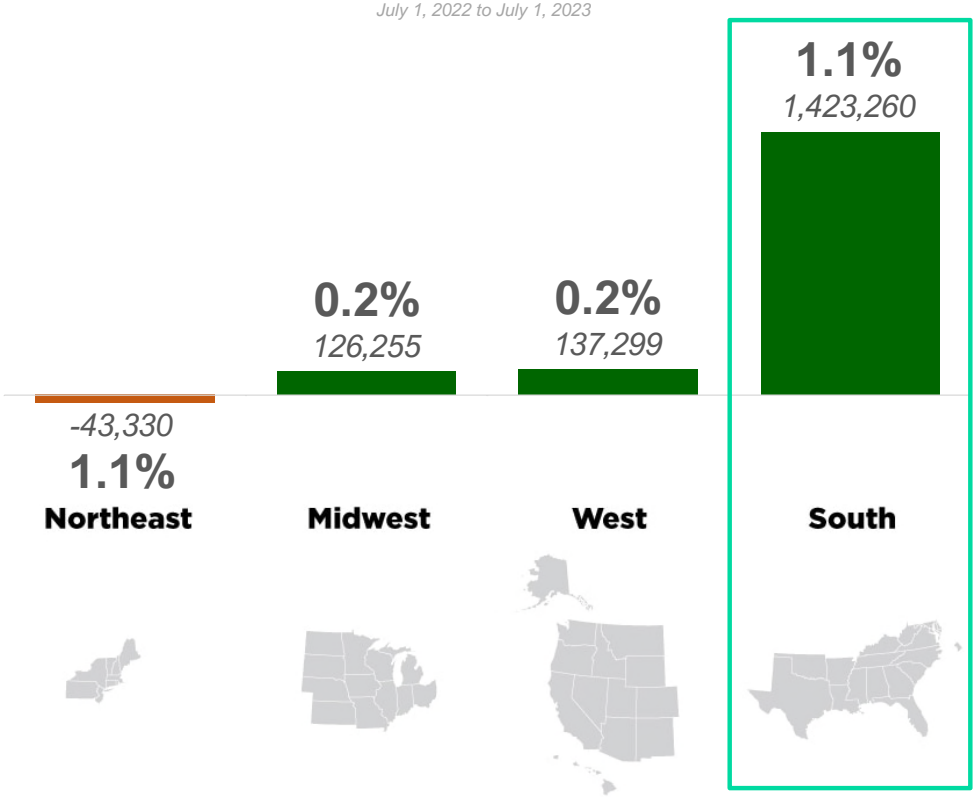
Leveraging:

- Focus on leveraging existing investments to efficiently deploy capital and enhance EPS and ROATCE
- Strategic hiring supported by existing infrastructure
- Further investment in commercial banking business
- Heightened focus on commercial sales process
- Targeted business relationship generation and client profitability profiles
- Operational and product enhancement in key areas (Treasury Management, digital capabilities, etc.)
- M&A focus shifted to strategics and/or "needle moving" opportunities

MARKET AREA: *BUILDING DENSITY IN ATTRACTIVE SOUTHEAST MARKETS*

US Population Migration: Strong Migration into Great Markets

July 1, 2022 to July 1, 2023

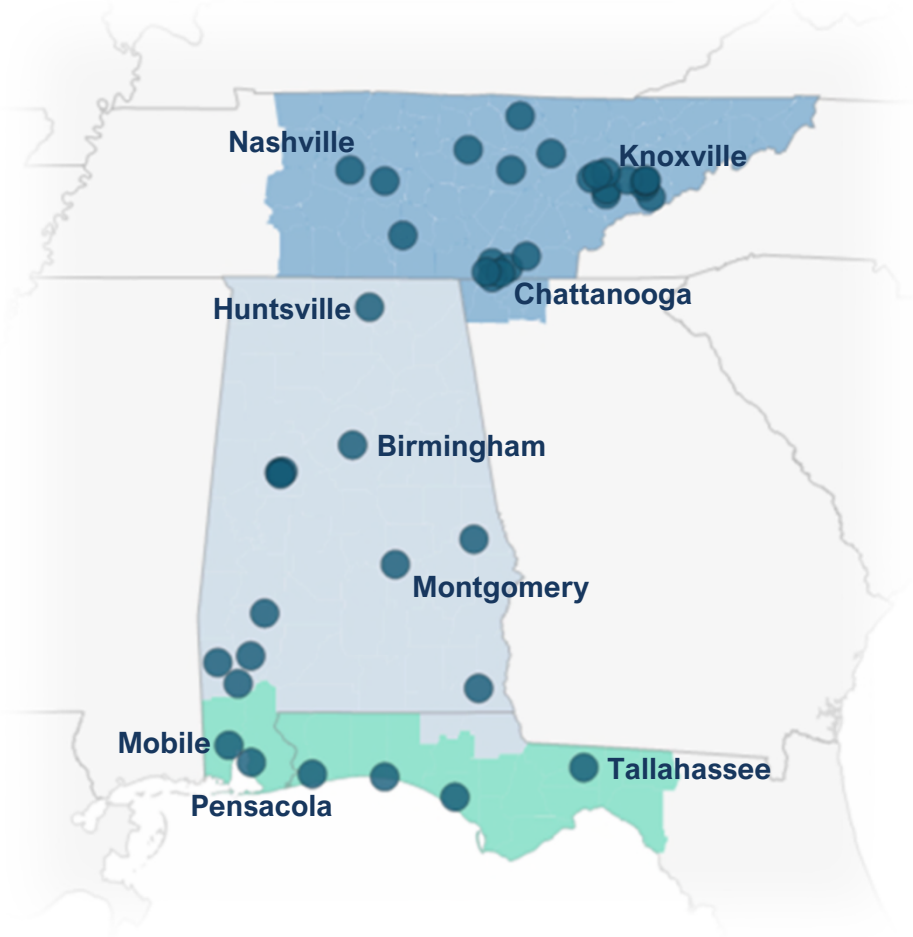


Forbes

Top 200 Best Places for Business and Careers

Nashville: #15
Knoxville: #86
Huntsville: #93
Tallahassee: #103
Pensacola: #105
Chattanooga: #116
Birmingham: #165
Mobile: #184
Montgomery: #191

Profile by Market Area: Abundant Organic Opportunity[1,2,3]



Tennessee

- Producers: **44**
- Loans: **61%**
- Deposits: **66%**
- '21-'24 CAGR: **8%**

Alabama

- Producers: **29**
- Loans: **21%**
- Deposits: **26%**
- '21-'24 Growth: **23%**

Coastal

- Producers: **9**
- Loans: **18%**
- Deposits: **8%**
- '21-'24 Growth: **18%**

Source: S&P Market Intelligence; U.S. Census; https://www.forbes.com/best-places-for-business

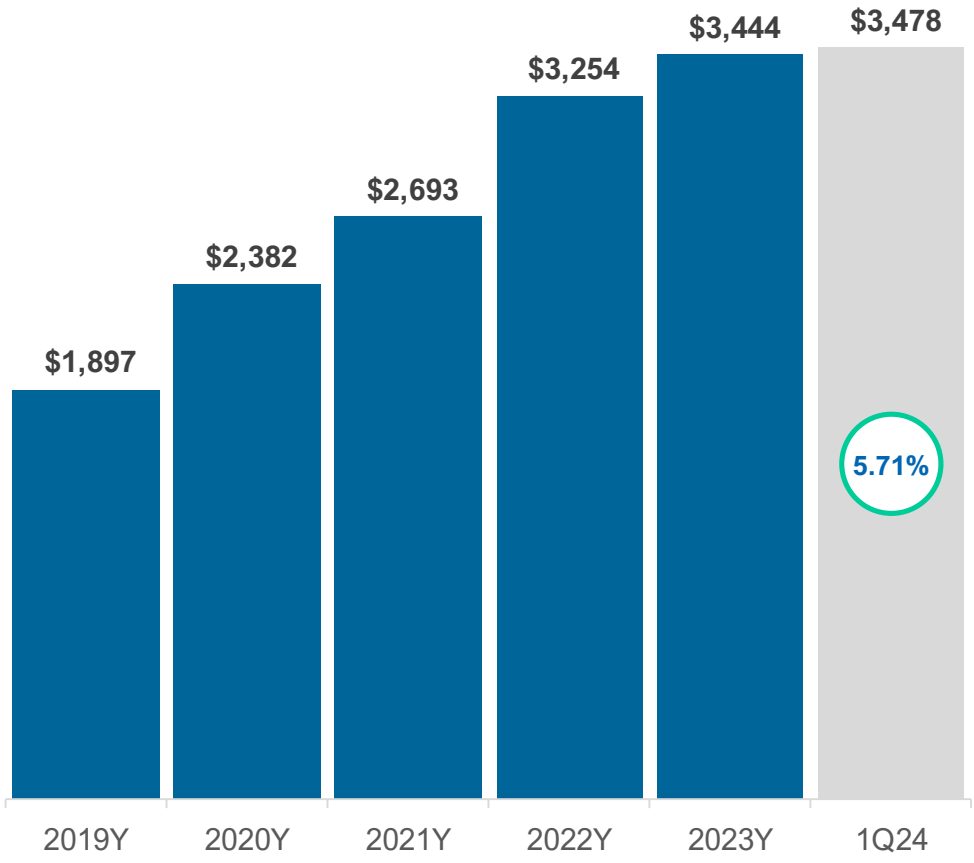
1) *Market loan and deposit percentages shown as a percentage of the total loans and deposits of SmartBank as of 3/31/24, respectively*
2) *Producers includes relationship managers, market leaders and regional presidents responsible for meeting business production goals*
3) *12/31/21 – 3/31/24 Compound Annualized Growth Rate based on market loan growth over the time period*

LOAN PORTFOLIO: *SOLID MARKETS PROVIDING OPPORTUNITY*

$ in Millions, unless otherwise indicated

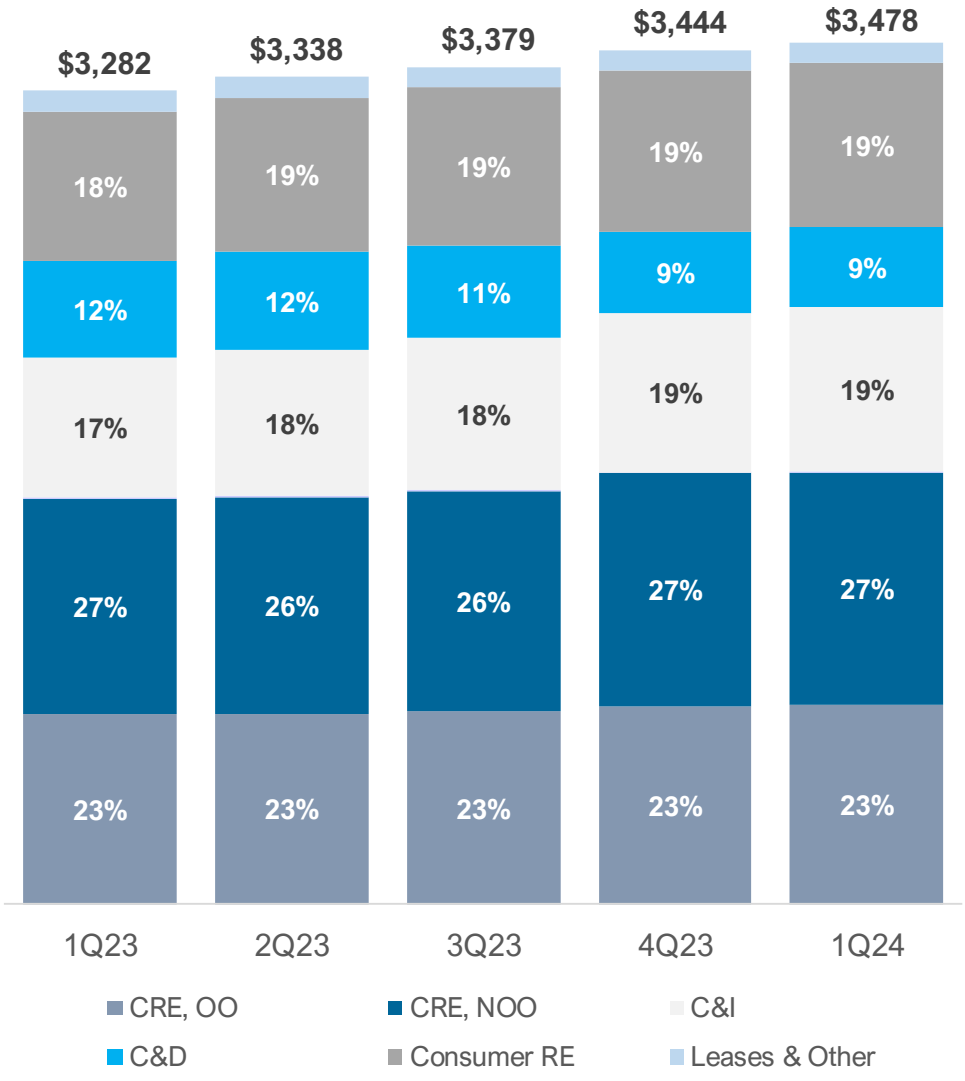
Total Loans

CAGR of 15% Since 2019



Loan Composition

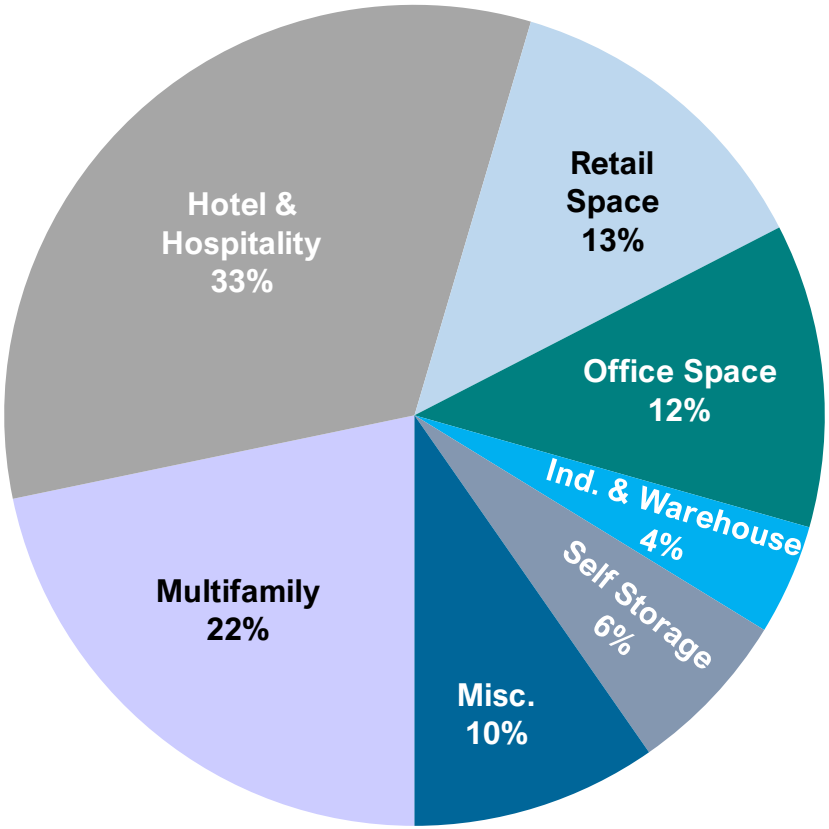
History of Consistent Organic Growth



LOAN CONCENTRATION: *WELL BALANCED EXPOSURE*

Non-Owner Occupied CRE Exposure By Segment

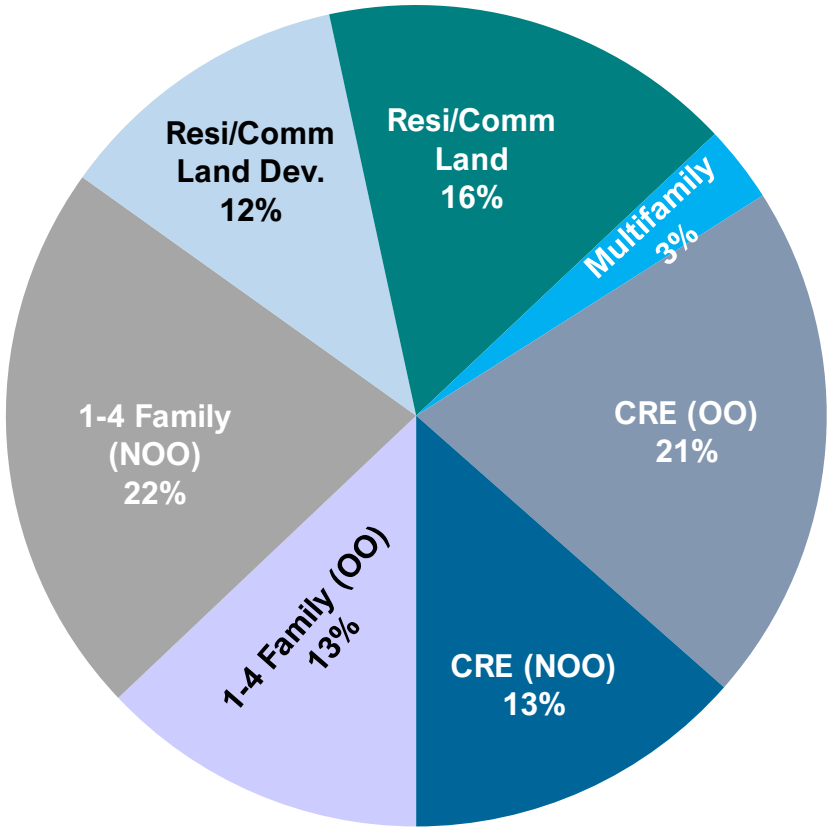
Highly Diversified with Seasoned Client Base



$950 Million[2] - **27%** of Total Loans

Construction & Development Exposure By Type[1]

Closely Monitored with No Concentration Concerns



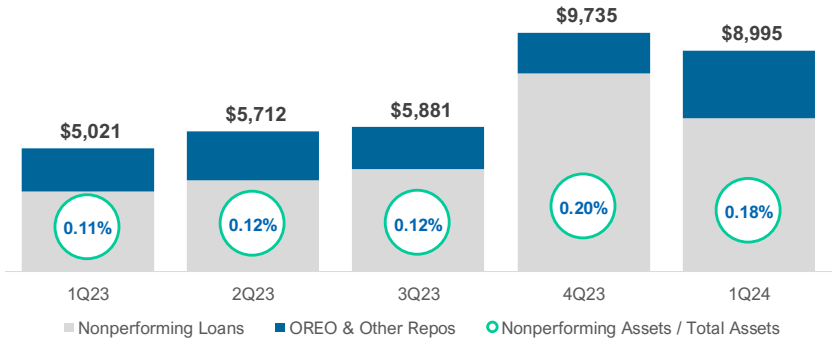
$323 Million[2] - **9%** of Total Loans

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*

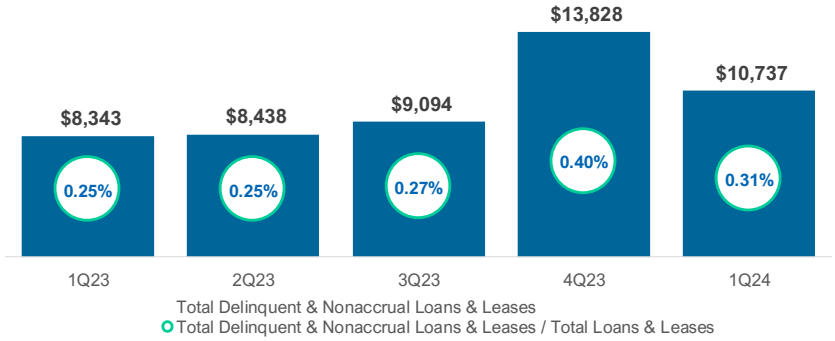
ASSET QUALITY: *STRONG UNDERWRITING PAYS DIVIDENDS*

$ in Thousands, unless otherwise indicated

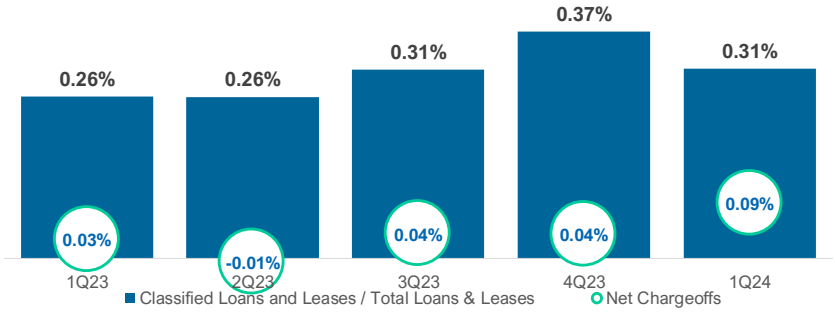
Nonperforming Assets



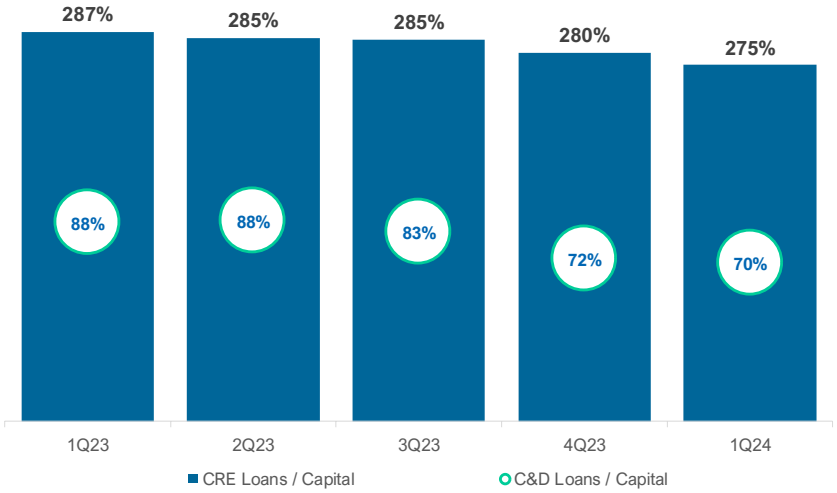
Delinquent and Nonaccruals / Total Loans



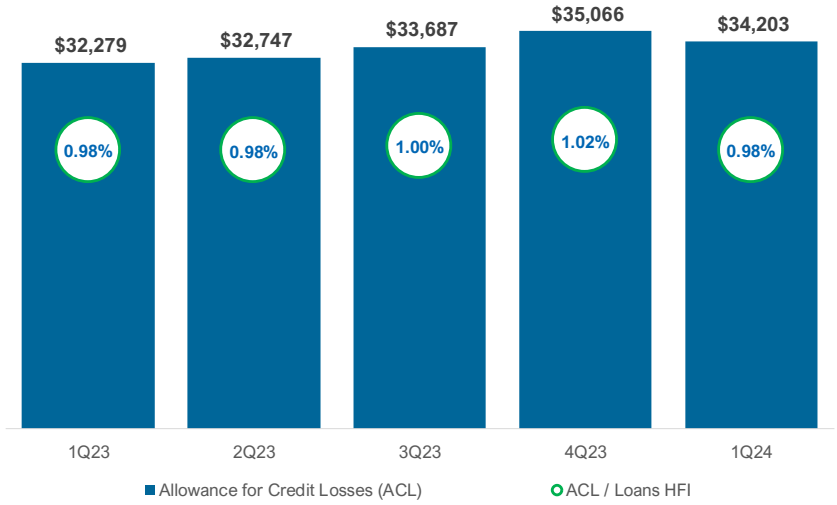
Credit Quality



Commercial Real Estate Concentration



Allowance Reconciliation



DEPOSIT PORTFOLIO: *DEFENDING DEPOSIT MARKET SHARE*

$ in Millions, unless otherwise indicated

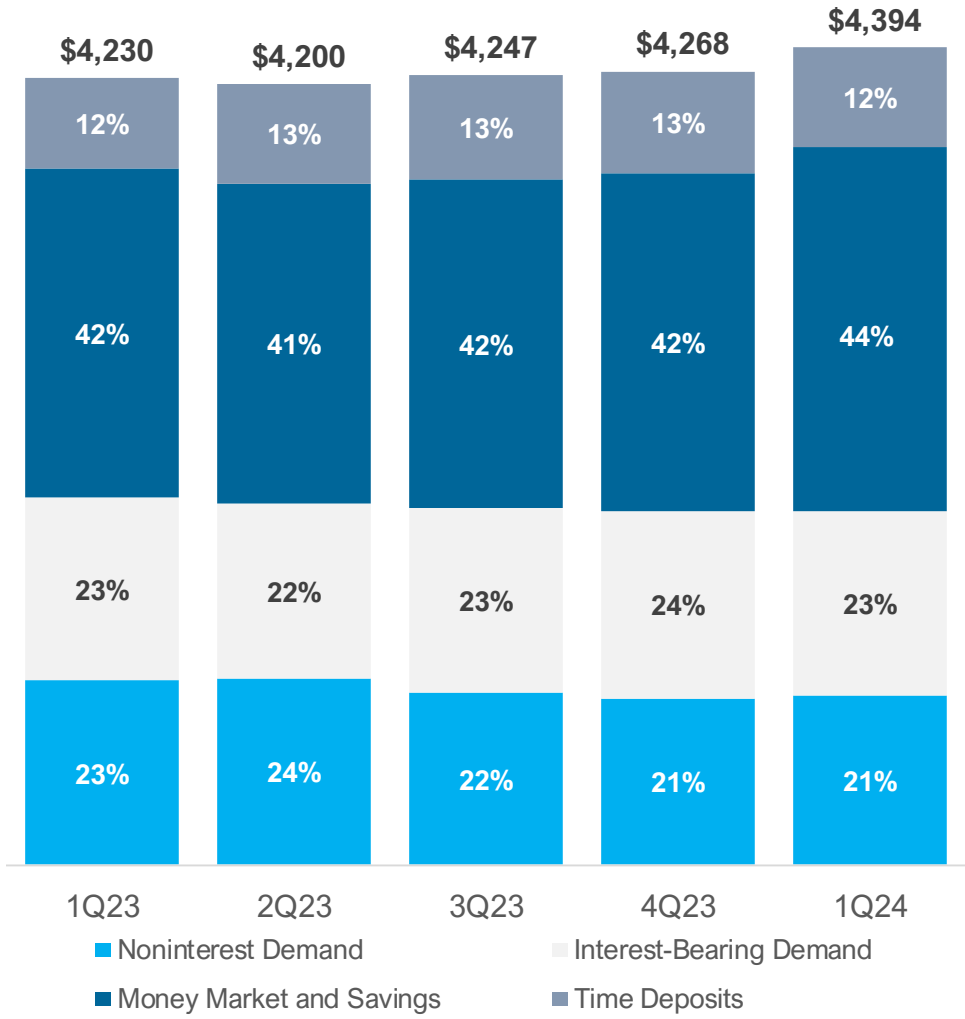
Total Deposits

Loans to Deposits Ratio of 79%



Deposit Composition

Overall Stability Despite Some Mix Shift



SECURITIES DETAIL: *SIGNIFICANT CASHFLOW RETURN 1H '24*

$ in Millions, unless otherwise indicated

Portfolio Summary

$688 Million Book Value

5.4 Year Average Life

3.38% Book Yield

3.3 Year Effective Duration

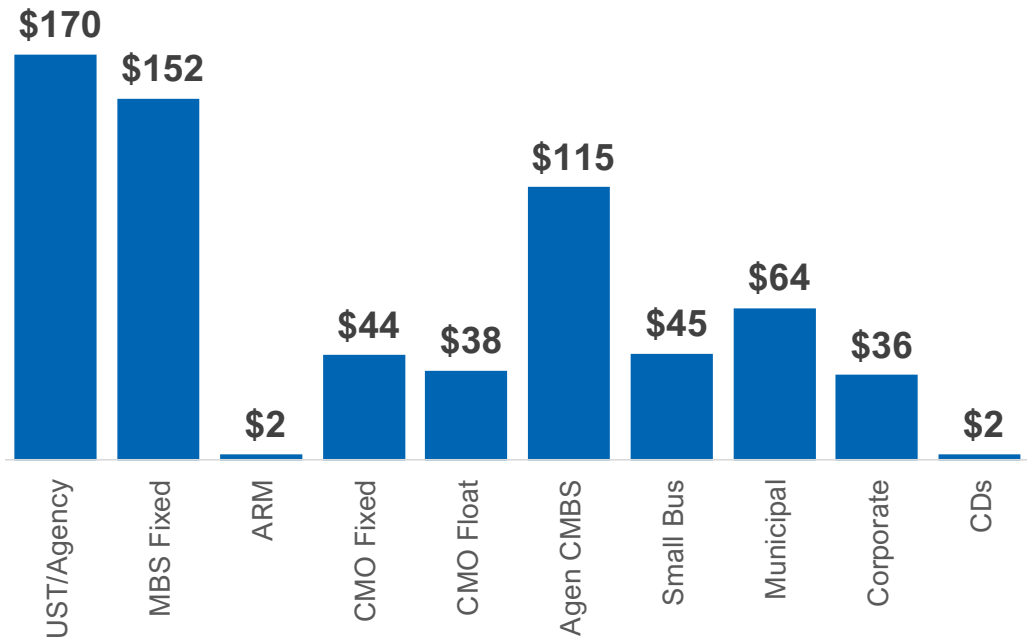
($54) Million Unrealized Loss

- **($35)** Million in Available-for-Sale Securities (AFS)
- **($19)** Million in Held-to-Maturity (HTM)

75% / 25% (AFS / HTM)

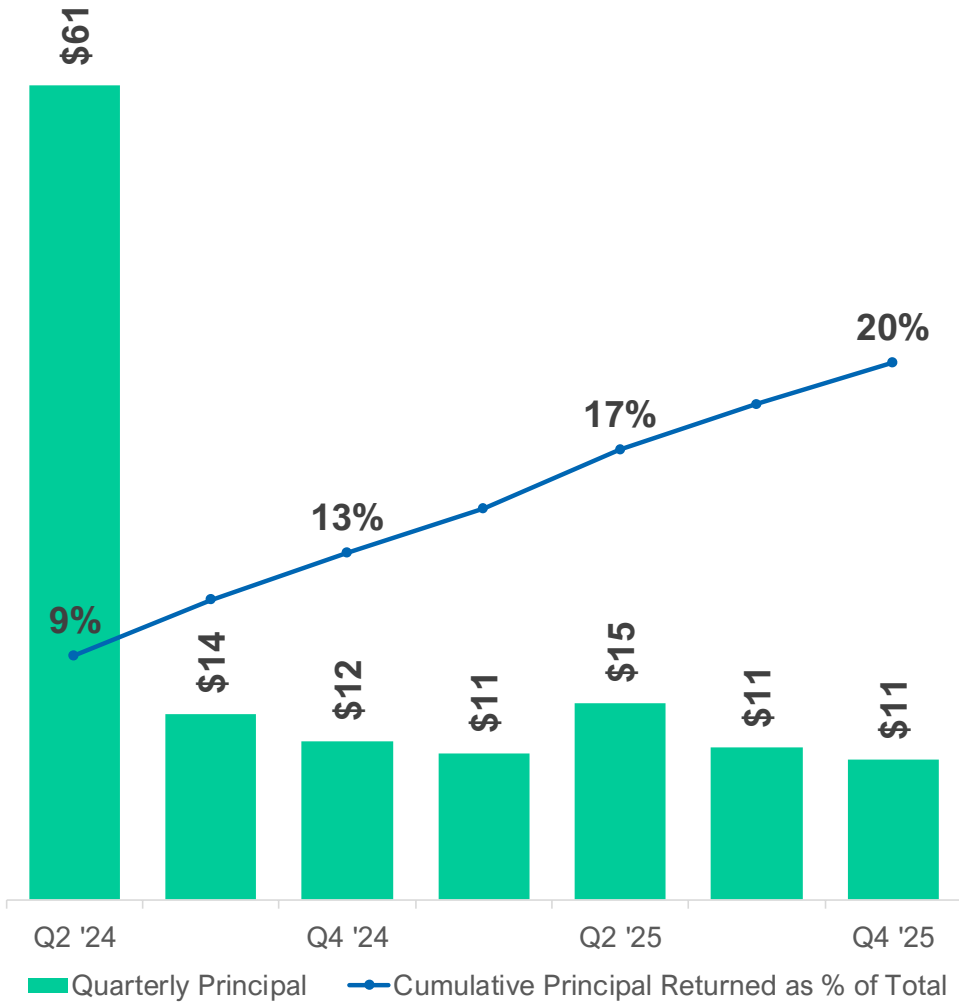
Portfolio Mix by Par Value

Risk Adverse Portfolio Designed for Liquidity



Principal Cashflow Schedule

~$61 Million Maturing in Q2 '24



REPRICING SCHEDULE: *YIELD ENHANCEMENT ON HORIZON*

($ in millions)	2Q24	3Q24	4Q24	FYE 2025	2026 & Beyond
Loan Repricing Schedule:					
Fixed Rate Loans	**$ 32**	**$ 32**	**$ 26**	**$ 177**	**$ 1,726**
Weighted Average Yield	*5.78%*	*5.53%*	*5.26%*	*4.44%*	*4.96%*
Adjustable Rate Loans	**$ 46**	**$ 24**	**$ 25**	**$ 69**	**$ 498**
Weighted Average Yield	*4.73%*	*6.57%*	*6.31%*	*5.57%*	*4.97%*
Investment Cashflow Schedule:					
Principal Cashflow	**$ 61**	**$ 14**	**$ 12**	**$ 48**	**$ 533**
Yield Roll-Off	*2.07%*	*4.02%*	*3.98%*	*4.05%*	*3.41%*

$90 Million in Fixed Rate Loans Yielding **5.54%** Maturing by 2024 Year End

$95 Million in Adjustable-Rate Loans Yielding **5.60%** Maturing or Repricing by 2024 Year End

$838 Million in Variable Floating Rate Loans Yielding **7.82%** Repricing Monthly

$87 Million in Investment Portfolio Principal Cash Flow Yielding **2.65%** 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

$633 Million in On-Balance Sheet Liquidity

1.4x Liquidity to Uninsured Deposit Ratio

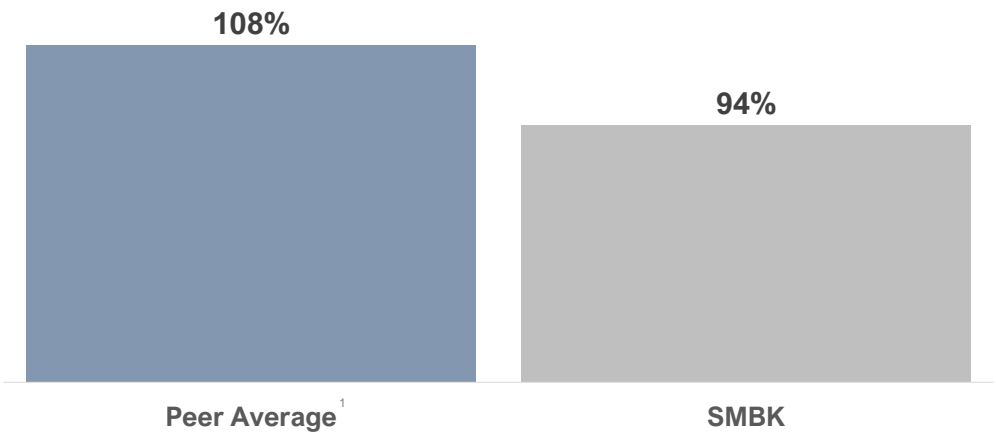
Other Liquidity Sources

Ample Access to a Variety of Funding

	Total Available	Amount Used	Net Availability
Current On-Balance Sheet:			
Cash & Cash Equiv.	$478	$0	$478
Unpledged Securities	155	0	155
Available Sources of Liquidity:			
Fed Funds	98	0	98
FHLB	581	154	427
FRB	352	0	352
HC LoC	35	6	29
Total Liquidity	**$1,699**	**$160**	**$1,539**

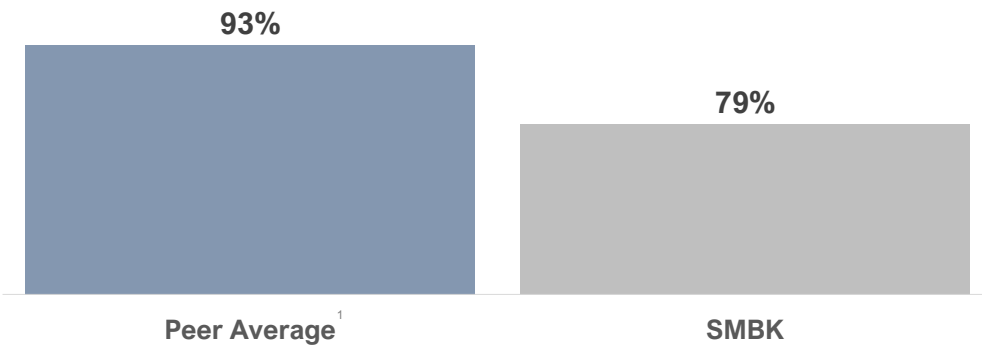
Loan + Securities / Deposit Ratio

(Most Recent Quarter Period End)



Loan / Deposit Ratio

(Most Recent Quarter Period End)

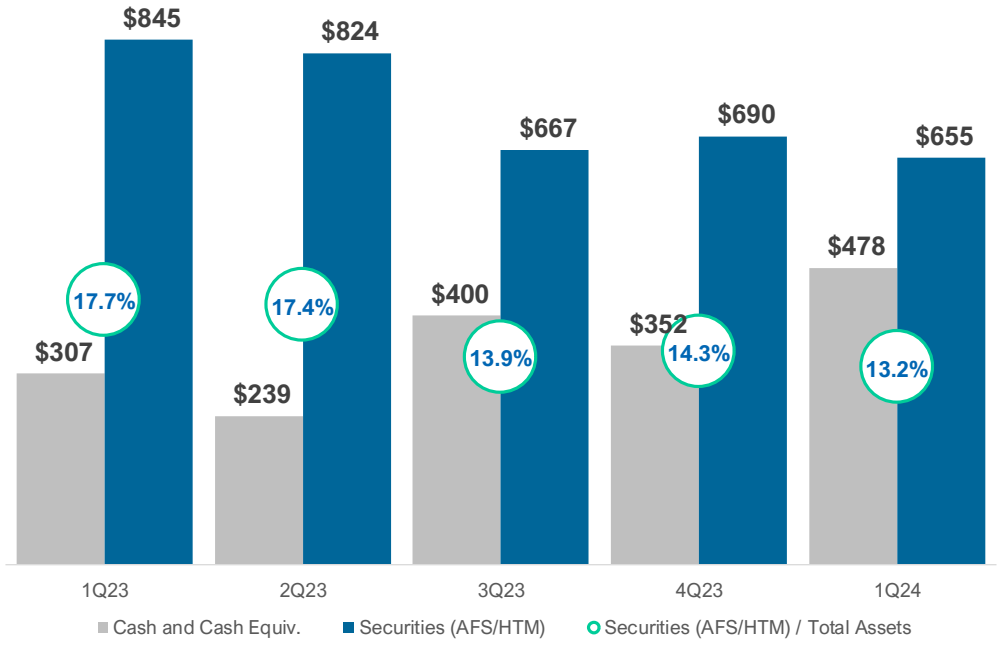


1) Peer average based on most recently reported period results for each peer; peers include major exchange traded banks in the Southeast with assets between $2.0 billion and $8.0 billion
2) FRB discount window and Bank Term Funding Program borrowing capacity shown as of March 31, 2024
Source: S&P Global

LIQUIDITY MANAGEMENT: *NAVIGATING MARGIN PRESSURE*

$ in Millions, unless otherwise indicated

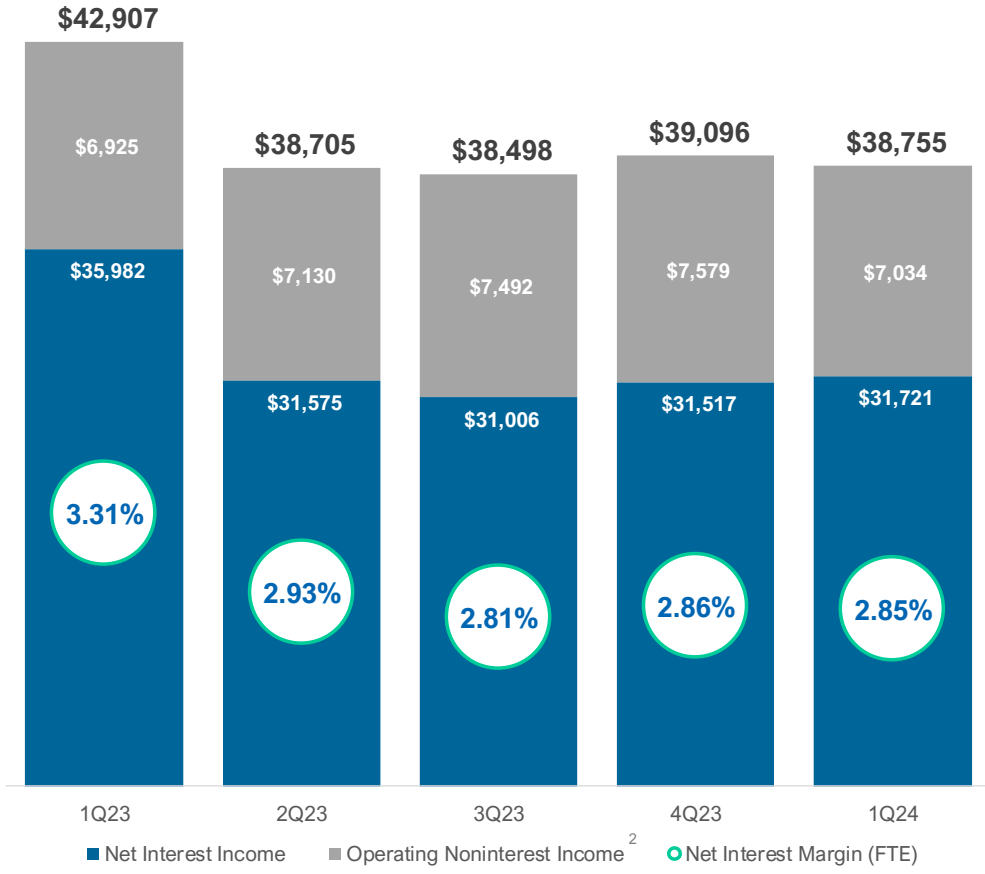
Cash and Securities



	1Q23	2Q23	3Q23	4Q23	1Q24
Cash Yield	4.77%	4.02%	5.26%	5.52%	5.53%
Sec. Yield (AFS/HTM)[1]	2.11%	2.30%	2.35%	2.79%	2.94%
Loans (less Accr. & Fees)	5.20%	5.39%	5.52%	5.61%	5.71%
Loan Accr. & Fees	0.37%	0.12%	0.10%	0.07%	0.11%
Loan Yield (incl. Accr. & Fees)	5.57%	5.51%	5.61%	5.68%	5.82%
IE Asset Yield	4.88%	4.82%	4.99%	5.22%	5.36%
NIM (FTE)	3.31%	2.93%	2.81%	2.86%	2.85%

$ in Thousands, unless otherwise indicated

Margin / Operating Revenue[2]



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

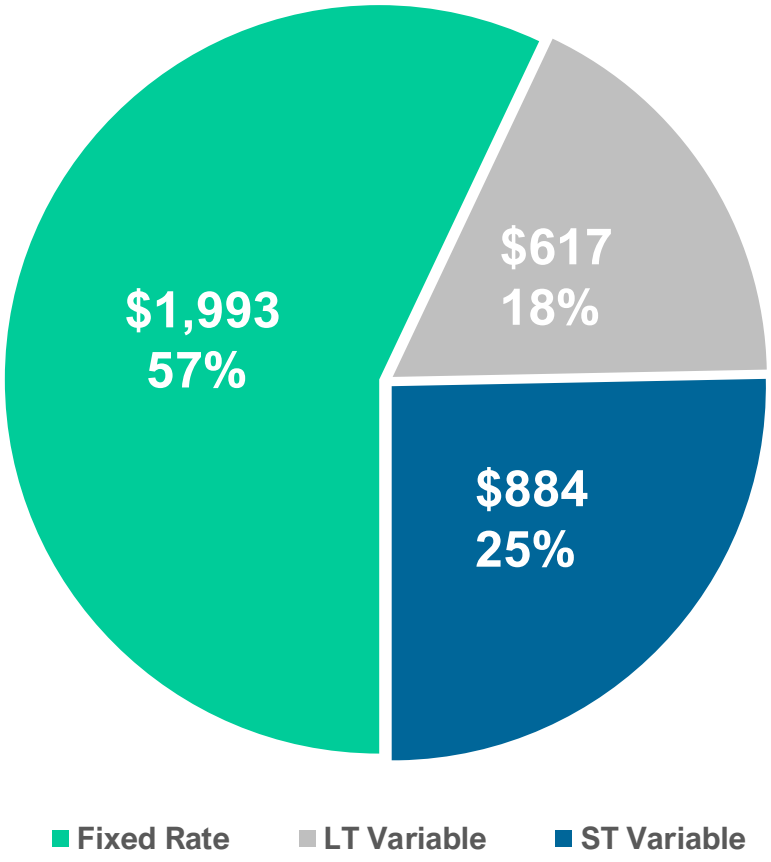
$ in Millions, unless otherwise indicated

Fixed vs. Variable Rate Loans

$2.0 Billion Fixed Rate Loans

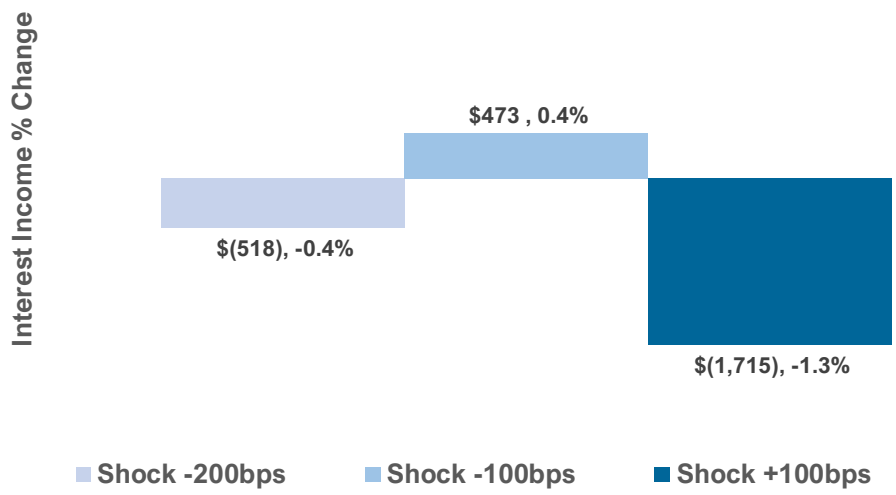
$1.4 Billion Variable Rate Loans

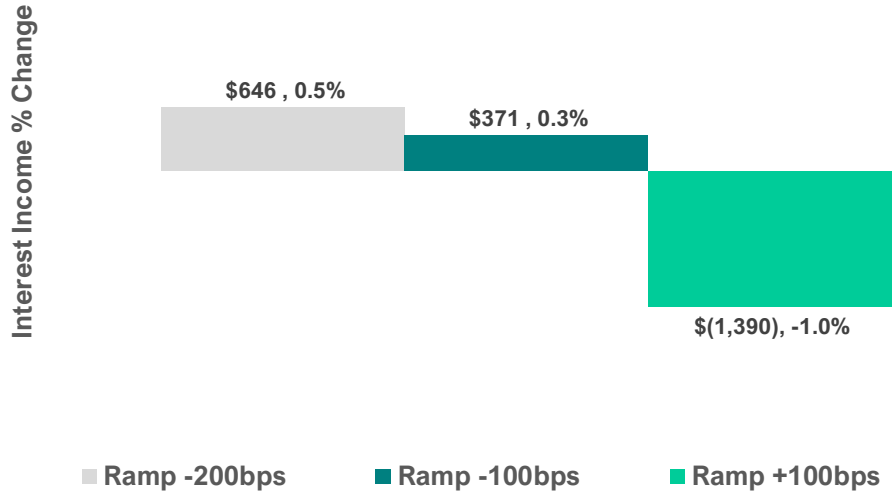
- **$884** Million Short-Term Variable Rate (Resetting within 1 - 3 Months)
- **$617** Million Long-Term Variable Rate (Resets > 3 Months)



$ in Thousands, unless otherwise indicated

Static Shock / Rate Ramp Analysis[1]





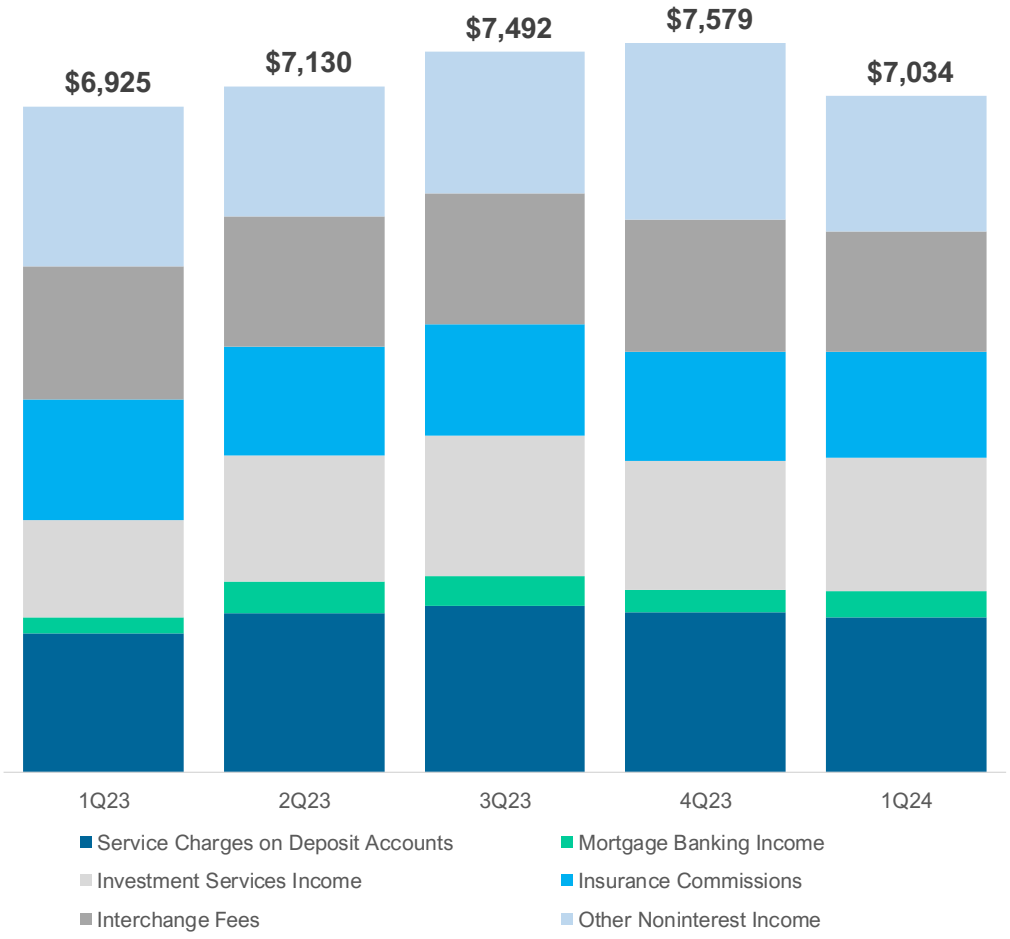
1) *Based on 12-month static rate shock and ramp analysis as of 3/31/24. These estimates of changes in SmartFinancial's net interest income require us to make certain assumptions including loan and mortgage-related investment prepayment speeds, reinvestment rate, deposit maturities and decay rates. These 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 Income[1]

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

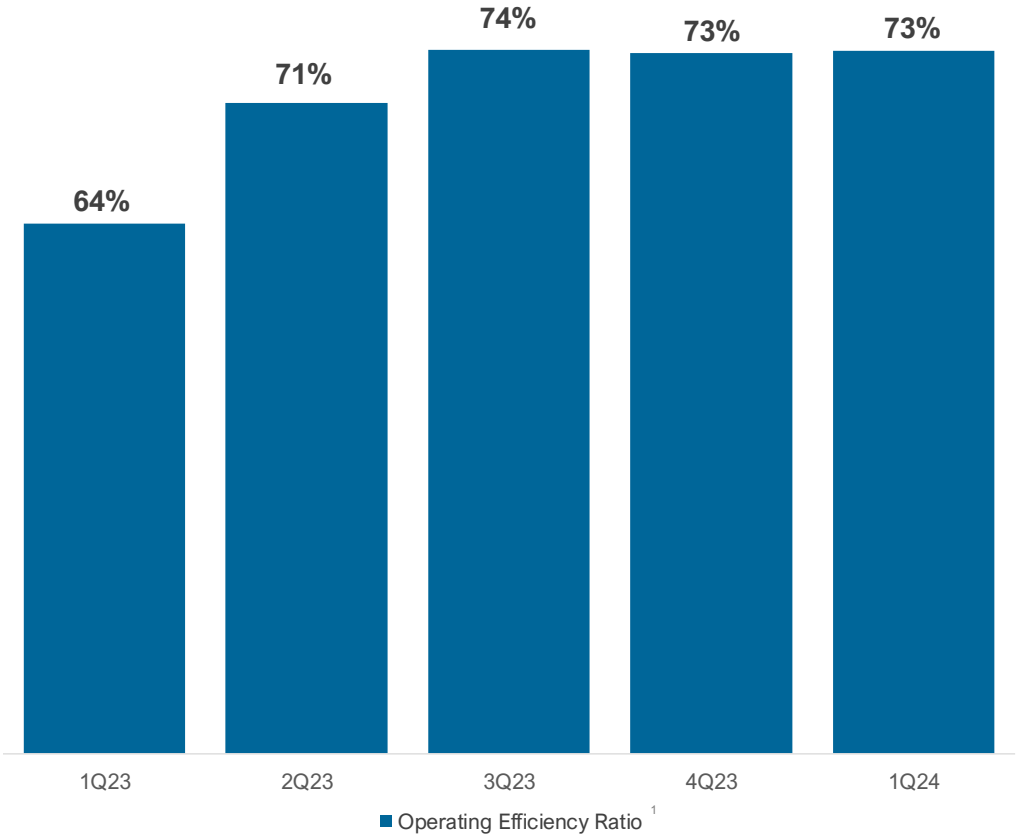
FOUNTAIN EQUIPMENT FINANCE

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

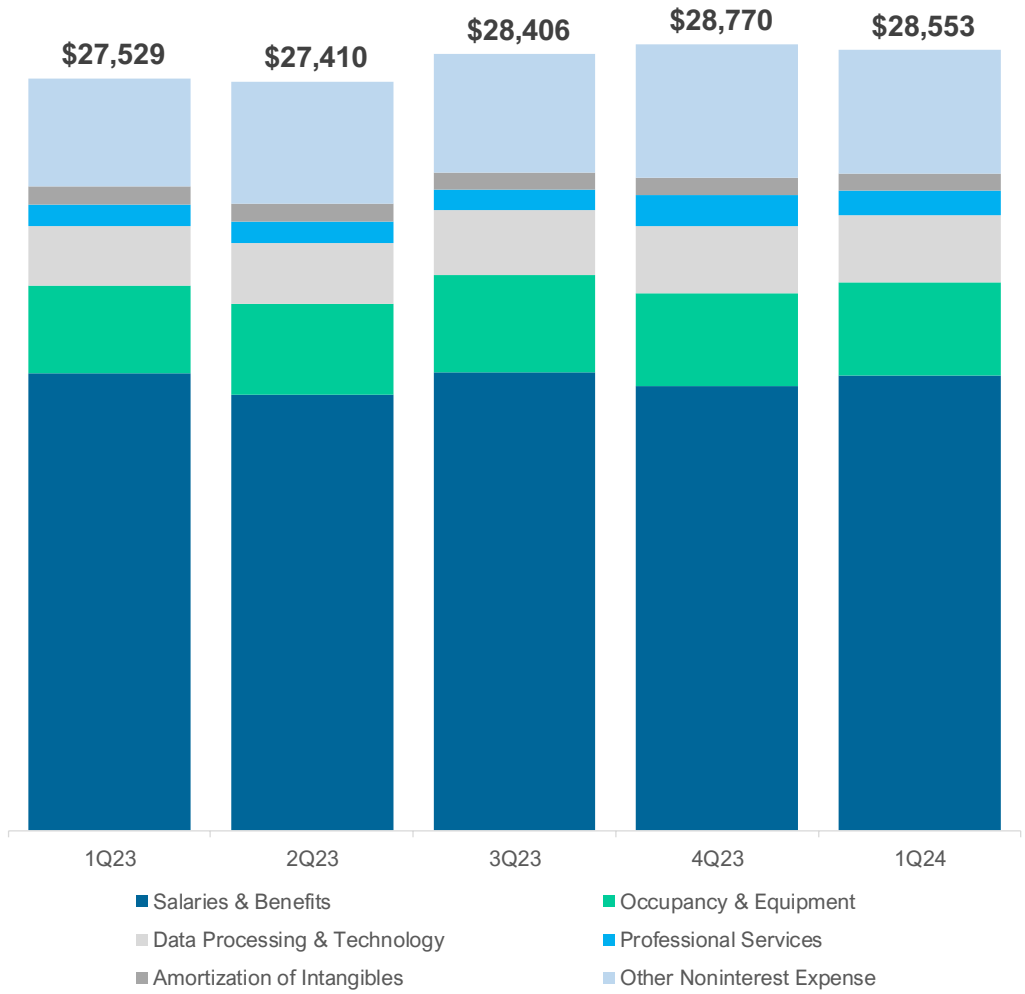
OPERATING EXPENSE: *FOCUS ON EXPENSE CONTAINMENT*

$ in Thousands, unless otherwise indicated

Operating Efficiency Ratio[1]



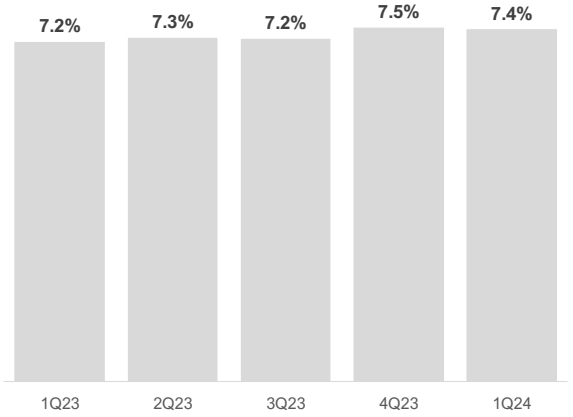
Operating Noninterest Expense[1]



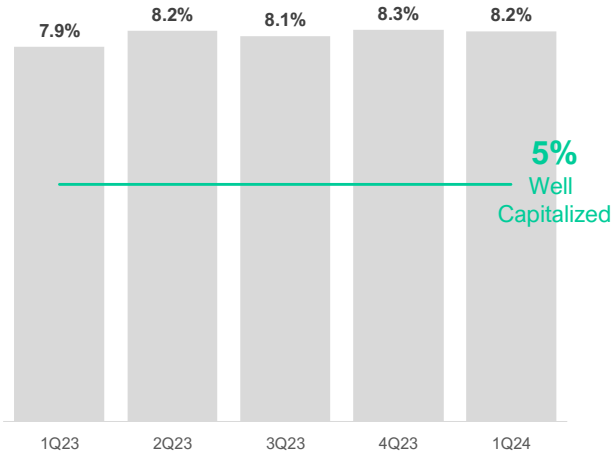
1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

CAPITAL: *WELL CAPITALIZED – BUILDING BOOK VALUE*

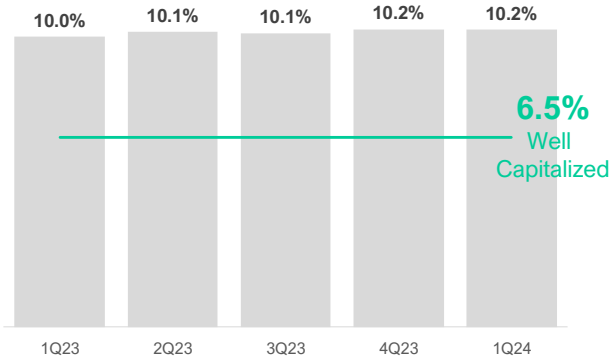
TCE / TA[1]



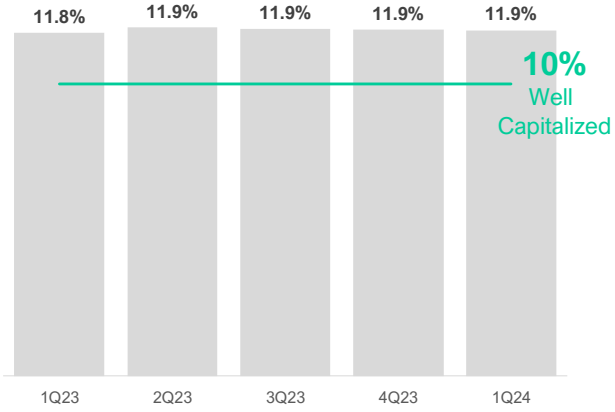
Leverage Ratio



CET1 Ratio



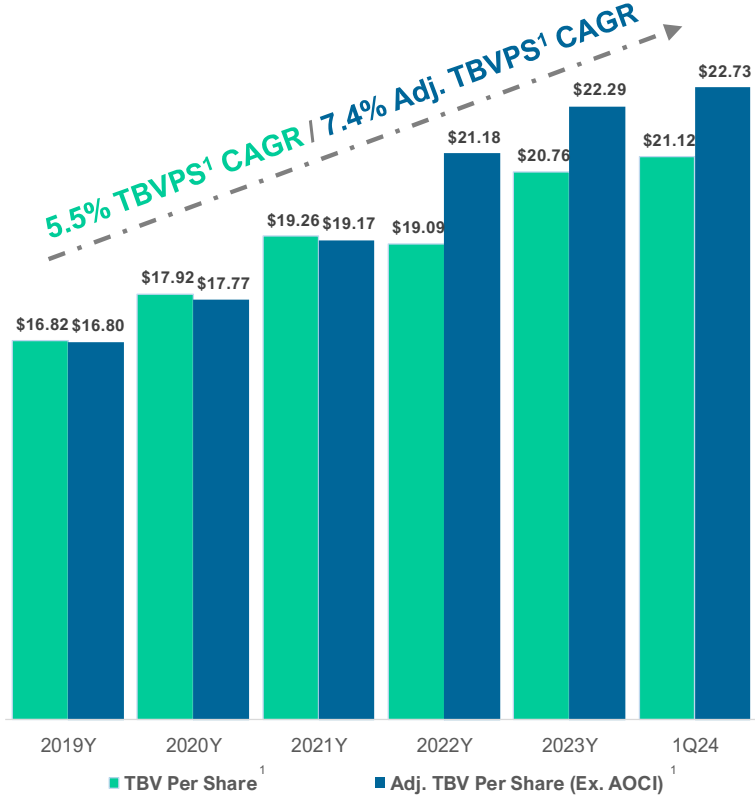
Total Capital Ratio



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

Building Shareholder Value

Tangible Book Value Per Share (TBVPS)[1]



$5.93 TBVPS[1] Created 2019 – Q1 2024

(Excluding Accumulated Other Comprehensive Income)

$0.08 2024 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 3/31/24

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 FIRST QUARTER RESULTS*

($ in thousands, except per share data)	1Q24	4Q23	1Q23	1Q24 vs. 4Q23 % Chg.	1Q24 vs. 1Q23 % Chg.
Net Interest Income	$ 31,721	$ 31,517	$ 35,982	1%	(12%)
Provision for Credit Losses	(440)	1,571	550		
Noninterest Income	8,380	7,579	6,925	11%	21%
Noninterest Expense	28,553	29,695	27,529	(4%)	4%
Income Tax Expense	2,630	1,640	3,328		
Net Income (GAAP)	$ 9,358	$ 6,190	$ 11,500	51%	(19%)
Non-GAAP Reconciliations					
Noninterest Income	(1,346)	-	-		
Noninterest Expense	-	925	-		
Income Tax Effect Of Adjustments	348	(239)	-		
Operating Earnings (Non-GAAP)	$ 8,360	$ 6,876	$ 11,500	22%	(27%)
Operating PPNR Earnings (Non-GAAP)	$ 10,202	$ 10,326	$ 15,378	(1%)	(34%)

Non-GAAP Performance Metrics	1Q24	4Q23	1Q23	1Q24 vs. 4Q23 % Chg.	1Q24 vs. 1Q23 % Chg.
Diluted Operating Earnings Per Share	$ 0.49	$ 0.41	$ 0.68	22%	(27%)
Tangible Book Value Per Common Share	$ 21.12	$ 20.76	$ 19.66	2%	7%
Operating Return on Average Assets	0.69%	0.57%	0.97%		
Operating PPNR Return on Average Assets	0.84%	0.86%	1.30%		
Operating Return on Average Tang. Common Equity	9.5%	8.0%	14.4%		
Operating Efficiency Ratio	73.5%	73.4%	64.0%		

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

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22
Operating Earnings								
Net Income (GAAP)	$ 9,358	$ 6,190	$ 2,067	$ 8,836	$ 11,500	$ 13,004	$ 11,543	$ 10,215
Noninterest Income:								
Securities (Gains) Losses	-	-	6,801	-	-	(144)	-	-
Gain on Sale of Branch Building / ADECA Termination Proceeds	(1,346)	-	-	-	-	-	-	-
Noninterest Expenses:								
Donation of a Former Branch Location	-	250	-	-	-	-	-	-
Accruals For Pending Litigation	-	675	-	-	-	-	-	-
Merger Related And Restructuring Expenses	-	-	110	-	-	(45)	87	81
Income Taxes:								
Income Tax Effect Of Adjustments	348	(239)	(1,785)	-	-	49	(22)	(21)
Operating Earnings (Non-GAAP)	$ 8,360	$ 6,876	$ 7,193	$ 8,836	$ 11,500	$ 12,864	$ 11,608	$ 10,275
Operating Earnings Per Common Share (Non-GAAP):								
Basic	$ 0.50	$ 0.41	$ 0.43	$ 0.53	$ 0.69	$ 0.77	$ 0.69	$ 0.61
Diluted	0.49	0.41	0.43	0.52	0.68	0.76	0.69	0.61
Operating Noninterest Income								
Noninterest Income (GAAP)	$ 8,380	$ 7,579	$ 691	$ 7,130	$ 6,925	$ 7,125	$ 6,250	$ 7,229
Securities (Gains) Losses	-	-	6,801	-	-	(144)	-	-
Gain on Sale of Branch Building / ADECA Termination Proceeds	(1,346)	-	-	-	-	-	-	-
Operating Noninterest Income (Non-GAAP)	$ 7,034	$ 7,579	$ 7,492	$ 7,130	$ 6,925	$ 6,981	$ 6,250	$ 7,229
Operating Noninterest Expense								
Noninterest Expense (GAAP)	$ 28,553	$ 29,695	$ 28,516	$ 27,410	$ 27,529	$ 27,416	$ 27,230	$ 25,926
Donation of a Former Branch Location	-	(250)	-	-	-	-	-	-
Accruals For Pending Litigation	-	(675)	-	-	-	-	-	-
Merger Related And Restructuring Expenses	-	-	(110)	-	-	45	(87)	(81)
Operating Noninterest Expense (Non-GAAP)	$ 28,553	$ 28,770	$ 28,406	$ 27,410	$ 27,529	$ 27,461	$ 27,143	$ 25,845
Operating Revenue								
Net Interest Income (GAAP)	$ 31,721	$ 31,517	$ 31,006	$ 31,575	$ 35,982	$ 37,612	$ 36,708	$ 33,062
Operating Noninterest Income (Non-GAAP)	7,034	7,579	7,492	7,130	6,925	6,981	6,250	7,229
Operating Revenue (Non-GAAP)	38,755	39,096	38,498	38,705	42,907	44,593	42,958	40,291
Operating Pre-Provision, Net Revenue ("PPNR") Earnings								
Operating Revenue (Non-GAAP)	$ 38,755	$ 39,096	$ 38,498	$ 38,705	$ 42,907	$ 44,593	$ 42,958	$ 40,291
Operating Noninterest Expense (Non-GAAP)	(28,553)	(28,770)	(28,406)	(27,410)	(27,529)	(27,461)	(27,143)	(25,845)
Operating PPNR Earnings (Non-GAAP)	$ 10,202	$ 10,326	$ 10,092	$ 11,295	$ 15,378	$ 17,132	$ 15,815	$ 14,446
Non-GAAP Return Ratios								
Operating Return On Average Assets (Non-GAAP)[1]	0.69%	0.57%	0.60%	0.75%	0.97%	1.10%	0.96%	0.88%
Operating PPNR Return On Average Assets (Non-GAAP)[2]	0.84%	0.86%	0.84%	0.96%	1.30%	1.46%	1.30%	1.23%
Return On Average Tangible Common Equity (Non-GAAP)[3]	10.62%	7.18%	2.43%	10.57%	14.45%	16.65%	14.36%	13.02%
Operating Return On Average Shareholders' Equity (Non-GAAP)[4]	7.29%	6.07%	6.41%	7.98%	10.79%	12.15%	10.83%	9.82%
Operating Return On Average Tangible Common Equity (Non-GAAP)[5]	9.49%	7.98%	8.46%	10.57%	14.45%	16.47%	14.44%	13.09%
Operating Efficiency Ratio								
Efficiency Ratio (GAAP)	71.20%	75.95%	89.96%	70.82%	64.16%	61.28%	63.39%	64.35%
Adjustment For Taxable Equivalent Yields	(0.17%)	(0.18%)	(0.27%)	(0.18%)	(0.14%)	(0.22%)	(0.25%)	(0.27%)
Adjustment For Securities (Gains) Losses	-	-	(15.89%)	-	-	0.20%	-	-
Adjustment For Sale of Branch Building	2.46%	-	-	-	-	-	-	-
Adjustment For Donation of a Former Branch Location	-	(0.64%)	-	-	-	-	-	-
Adjustment For Accruals For Pending Litigation	-	(1.72%)	-	-	-	-	-	-
Adjustment For Merger Expenses	-	-	(0.20%)	-	-	0.10%	(0.21%)	(0.20%)
Operating Efficiency Ratio (Non-GAAP)	73.50%	73.41%	73.60%	70.64%	64.02%	61.36%	62.93%	63.88%

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

	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20
Operating Earnings								
Net Income (GAAP)	$ 8,259	$ 6,655	$ 9,600	$ 8,778	$ 9,756	$ 9,030	$ 6,395	$ 6,174
Noninterest Income:								
Securities (Gains) Losses	-	-	(45)	-	-	-	9	(16)
Gain on Sale of Branch Building / ADECA Termination Proceeds	-	-	-	-	-	(465)	-	-
Noninterest Expenses:								
Donation of a Former Branch Location	-	-	-	-	-	-	-	-
Accruals For Pending Litigation	-	-	-	-	-	-	-	-
Merger Related And Restructuring Expenses	439	2,762	464	372	103	702	290	1,477
Income Taxes:								
Income Tax Effect Of Adjustments	(113)	(713)	(108)	(96)	(27)	(62)	(77)	(382)
Operating Earnings (Non-GAAP)	$ 8,585	$ 8,704	$ 9,911	$ 9,054	$ 9,832	$ 9,205	$ 6,617	$ 7,253
Operating Earnings Per Common Share (Non-GAAP):								
Basic	$ 0.51	$ 0.52	$ 0.64	$ 0.60	$ 0.65	$ 0.61	$ 0.44	$ 0.48
Diluted	0.51	0.52	0.63	0.60	0.65	0.61	0.44	0.48
Operating Noninterest Income								
Noninterest Income (GAAP)	$ 7,111	$ 6,806	$ 6,309	$ 5,143	$ 5,691	$ 4,976	$ 4,121	$ 3,511
Securities (Gains) Losses	-	-	(45)	-	-	-	9	(16)
Gain on Sale of Branch Building / ADECA Termination Proceeds	-	-	-	-	-	(465)	-	-
Operating Noninterest Income (Non-GAAP)	$ 7,111	$ 6,806	$ 6,264	$ 5,143	$ 5,691	$ 4,511	$ 4,130	$ 3,495
Operating Noninterest Expense								
Noninterest Expense (GAAP)	$ 25,718	$ 27,823	$ 23,309	$ 20,797	$ 19,464	$ 19,953	$ 19,167	$ 18,806
Donation of a Former Branch Location	-	-	-	-	-	-	-	-
Accruals For Pending Litigation	-	-	-	-	-	-	-	-
Merger Related And Restructuring Expenses	(439)	(2,762)	(464)	(372)	(103)	(702)	(290)	(1,477)
Operating Noninterest Expense (Non-GAAP)	$ 25,279	$ 25,061	$ 22,845	$ 20,425	$ 19,361	$ 19,251	$ 18,877	$ 17,329
Operating Revenue								
Net Interest Income (GAAP)	$ 30,118	$ 29,855	$ 30,382	$ 26,897	$ 26,260	$ 26,506	$ 26,043	$ 25,746
Operating Noninterest Income (Non-GAAP)	7,111	6,806	6,264	5,143	5,691	4,511	4,130	3,495
Operating Revenue (Non-GAAP)	37,229	36,661	36,646	32,040	31,951	31,017	30,173	29,241
Operating Pre-Provision, Net Revenue ("PPNR") Earnings								
Operating Revenue (Non-GAAP)	$ 37,229	$ 36,661	$ 36,646	$ 32,040	$ 31,951	$ 31,017	$ 30,173	$ 29,241
Operating Noninterest Expense (Non-GAAP)	(25,279)	(25,061)	(22,845)	(20,425)	(19,361)	(19,251)	(18,877)	(17,329)
Operating PPNR Earnings (Non-GAAP)	$ 11,950	$ 11,600	$ 13,801	$ 11,615	$ 12,590	$ 11,766	$ 11,296	$ 11,912
Non-GAAP Return Ratios								
Operating Return On Average Assets (Non-GAAP)[1]	0.76%	0.77%	1.00%	1.01%	1.19%	1.14%	0.79%	0.93%
Operating PPNR Return On Average Assets (Non-GAAP)[2]	1.05%	1.03%	1.39%	1.30%	1.52%	1.45%	1.35%	1.53%
Return On Average Tangible Common Equity (Non-GAAP)[3]	10.39%	8.18%	12.84%	12.54%	14.41%	13.43%	9.72%	9.80%
Operating Return On Average Shareholders' Equity (Non-GAAP)[4]	8.14%	8.09%	10.01%	9.83%	11.05%	10.34%	7.57%	8.58%
Operating Return On Average Tangible Common Equity (Non-GAAP)[5]	10.80%	10.70%	13.26%	12.93%	14.53%	13.69%	10.06%	11.51%
Operating Efficiency Ratio								
Efficiency Ratio (GAAP)	69.08%	75.89%	63.53%	64.91%	60.92%	63.38%	63.54%	64.28%
Adjustment For Taxable Equivalent Yields	(0.31%)	(0.32%)	(0.25%)	(0.30%)	(0.28%)	(0.30%)	(0.32%)	(0.34%)
Adjustment For Securities (Gains) Losses	-	-	(0.08%)	-	-	-	0.02%	(0.04%)
Adjustment For Sale of Branch Building	-	-	-	-	-	-	-	-
Adjustment For Donation of a Former Branch Location	-	-	-	-	-	-	-	-
Adjustment For Accruals For Pending Litigation	-	-	-	-	-	-	-	-
Adjustment For Merger Expenses	(1.17%)	(7.50%)	(1.10%)	(1.15%)	(0.32%)	(2.22%)	(0.99%)	(4.95%)
Operating Efficiency Ratio (Non-GAAP)	67.60%	68.07%	62.09%	63.46%	60.32%	60.86%	62.25%	58.95%

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

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22
Tangible Common Equity:								
Shareholders' Equity (GAAP)	$ 466,796	$ 459,886	$ 446,652	$ 444,847	$ 443,399	$ 432,452	$ 414,711	$ 420,427
Less Goodwill And Other Intangible Assets	106,537	107,148	107,792	108,439	109,114	109,772	110,460	104,582
Tangible Common Equity (Non-GAAP)	$ 360,259	$ 352,738	$ 338,860	$ 336,408	$ 334,285	$ 322,680	$ 304,251	$ 315,845
Average Tangible Common Equity:								
Average Shareholders' Equity (GAAP)	$ 461,148	$ 449,526	$ 445,432	$ 444,283	$ 432,382	$ 420,037	$ 425,365	$ 419,726
Less Goodwill And Other Intangible Assets	106,920	107,551	108,194	108,851	109,537	110,206	106,483	104,986
Average Tangible Common Equity (Non-GAAP)	$ 354,228	$ 341,975	$ 337,238	$ 335,432	$ 322,845	$ 309,831	$ 318,882	$ 314,740
Tangible Book Value Per Common Share:								
Book Value Per Common Share (GAAP)	$ 27.37	$ 27.07	$ 26.28	$ 26.16	$ 26.08	$ 25.59	$ 24.56	$ 24.88
Adjustment Due To Goodwill And Other Intangible Assets	(6.25)	(6.31)	(6.34)	(6.38)	(6.42)	(6.50)	(6.54)	(6.19)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 21.12	$ 20.76	$ 19.94	$ 19.78	$ 19.66	$ 19.09	$ 18.02	$ 18.69
Tangible Common Equity To Tangible Assets:								
Total Assets (GAAP)	$ 4,954,690	$ 4,829,387	$ 4,797,171	$ 4,745,800	$ 4,769,805	$ 4,637,498	$ 4,796,911	$ 4,788,113
Less Goodwill And Other Intangibles	106,537	107,148	107,792	108,439	109,114	109,772	110,460	104,582
Tangible Assets (Non-GAAP)	$ 4,848,153	$ 4,722,239	$ 4,689,379	$ 4,637,361	$ 4,660,691	$ 4,527,726	$ 4,686,451	$ 4,683,531
Tangible Common Equity To Tangible Assets (Non-GAAP):	7.43%	7.47%	7.23%	7.25%	7.17%	7.13%	6.49%	6.74%

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*

NON-GAAP RECONCILIATION

$ in Thousands, unless otherwise indicated

	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20
Tangible Common Equity:								
Shareholders' Equity (GAAP)	$ 420,042	$ 429,430	$ 424,720	$ 373,393	$ 364,058	$ 357,168	$ 349,789	$ 343,488
Less Goodwill And Other Intangible Assets	105,215	105,852	104,930	90,966	86,350	86,471	86,710	86,327
Tangible Common Equity (Non-GAAP)	$ 314,827	$ 323,578	$ 319,790	$ 282,427	$ 277,708	$ 270,697	$ 263,079	$ 257,161
Average Tangible Common Equity:								
Average Shareholders' Equity (GAAP)	$ 427,945	$ 426,808	$ 392,798	$ 369,325	$ 360,919	$ 354,026	$ 347,907	$ 339,861
Less Goodwill And Other Intangible Assets	105,617	104,193	96,250	88,551	86,424	86,561	86,206	86,484
Average Tangible Common Equity (Non-GAAP)	$ 322,328	$ 322,615	$ 296,548	$ 280,774	$ 274,495	$ 267,465	$ 261,701	$ 253,377
Tangible Book Value Per Common Share:								
Book Value Per Common Share (GAAP)	$ 24.86	$ 25.56	$ 25.28	$ 24.71	$ 24.10	$ 23.64	$ 22.96	$ 22.57
Adjustment Due To Goodwill And Other Intangible Assets	(6.23)	(6.30)	(6.25)	(6.02)	(5.71)	(5.72)	(5.69)	(5.67)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 18.64	$ 19.26	$ 19.03	$ 18.69	$ 18.39	$ 17.92	$ 17.27	$ 16.90
Tangible Common Equity To Tangible Assets:								
Total Assets (GAAP)	$ 4,718,579	$ 4,611,579	$ 4,384,031	$ 3,654,356	$ 3,557,203	$ 3,304,949	$ 3,387,588	$ 3,265,985
Less Goodwill And Other Intangibles	105,215	105,852	104,930	90,966	86,350	86,471	86,710	86,327
Tangible Assets (Non-GAAP)	$ 4,613,364	$ 4,505,727	$ 4,279,101	$ 3,563,390	$ 3,470,853	$ 3,218,478	$ 3,300,878	$ 3,179,658
Tangible Common Equity To Tangible Assets (Non-GAAP):	6.82%	7.18%	7.47%	7.93%	8.00%	8.41%	7.97%	8.09%

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*

NON-GAAP RECONCILIATION

$ in Thousands, unless otherwise indicated

	2023Y	2022Y	2021Y	2020Y	2019Y	2018Y
Tangible Common Equity (Excluding AOCI):						
Shareholders' Equity (GAAP)	$ 459,886	$ 432,452	$ 429,430	$ 357,168	$ 312,747	$ 283,011
Less Goodwill And Other Intangible Assets	107,148	109,772	105,852	86,471	77,193	79,034
Tangible Common Equity (Non-GAAP)	$ 352,738	$ 322,680	$ 323,578	$ 270,697	$ 235,554	$ 203,977
Less Adjustment Due to AOCI (Loss)	(25,907)	(35,324)	1,443	2,183	168	(2,765)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	$ 378,645	$ 358,004	$ 322,135	$ 268,514	$ 235,386	$ 206,742
Tangible Book Value Per Common Share (Excluding AOCI):						
Book Value Per Common Share (GAAP)	$ 27.07	$ 25.59	$ 25.56	$ 23.64	$ 22.33	$ 20.31
Adjustment Due To Goodwill And Other Intangible Assets	(6.31)	(6.50)	(6.30)	(5.72)	(5.51)	(5.67)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 20.76	$ 19.09	$ 19.26	$ 17.92	$ 16.82	$ 14.64
Less Adjustment Due to AOCI (Loss)	(1.52)	(2.09)	0.09	0.14	0.01	(0.20)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP)[1][2]	$ 22.29	$ 21.18	$ 19.17	$ 17.77	$ 16.80	$ 14.84

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22
Tangible Common Equity (Excluding AOCI):						
Shareholders' Equity (GAAP)	$ 466,796	$ 459,886	$ 446,652	$ 444,847	$ 443,399	$ 432,452
Less Goodwill And Other Intangible Assets	106,537	107,148	107,792	108,439	109,114	109,772
Tangible Common Equity (Non-GAAP)	$ 360,259	$ 352,738	$ 338,860	$ 336,408	$ 334,285	$ 322,680
Less Adjustment Due to AOCI (Loss)	(27,425)	(25,907)	(34,156)	(35,017)	(28,620)	(35,324)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	$ 387,684	$ 378,645	$ 373,016	$ 371,425	$ 362,905	$ 358,004
Tangible Book Value Per Common Share (Excluding AOCI):						
Book Value Per Common Share (GAAP)	$ 27.37	$ 27.07	$ 26.28	$ 26.16	$ 26.08	$ 25.59
Adjustment Due To Goodwill And Other Intangible Assets	(6.25)	(6.31)	(6.34)	(6.38)	(6.42)	(6.50)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 21.12	$ 20.76	$ 19.94	$ 19.78	$ 19.66	$ 19.09
Less Adjustment Due to AOCI (Loss)	(1.61)	(1.52)	(2.01)	(2.06)	(1.68)	(2.09)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP)[1][2]	$ 22.73	$ 22.29	$ 21.95	$ 21.84	$ 21.34	$ 21.18

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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