SmartFinancial

INVESTOR CALL

1Q 2023

April 25, 2023, 10:00am ET

Webcast: www.smartbank.com
(Investor Relations)
Audio Only: 1-833-470-1428
Access Code: 320998

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, high unemployment rates, 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) a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, or uncertainties surrounding the debt ceiling and the federal budget; (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 the Company's participation in and execution of government programs related to the COVID-19 pandemic and related variants; (14) potential impacts of the recent adverse developments in the banking industry highlighted by high-profile 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; 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-tax pre-provision 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-tax pre-provision 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.

QUARTERLY HIGHLIGHTS: *FIRST QUARTER 2023*

$0.68
Diluted Operating EPS[1]

$4.8
Billion in Total Assets

3%
QoQ[2] Annualized Tang. Book Value Per Share Growth (Excluding AOCI)[1]

7%
QoQ Annualized Organic Loan[3] Growth[4,6]

0.97%
Operating Return on Average Assets[1]

15%
QoQ Annualized Deposit Growth

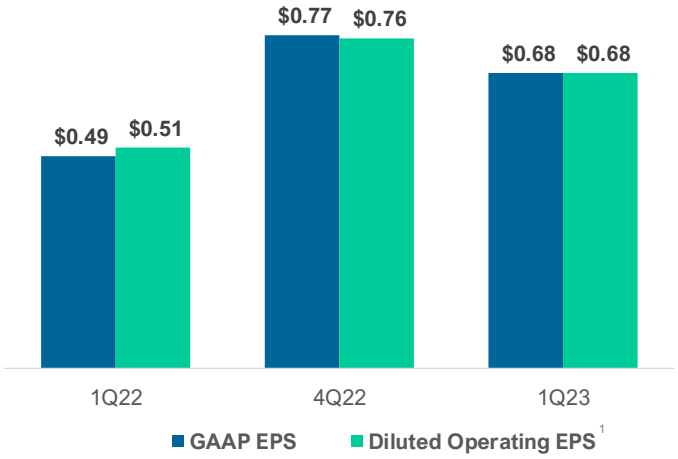
14.4%
Operating Return Average Tang. Common Equity[1]

78%
Loan / Deposit Ratio

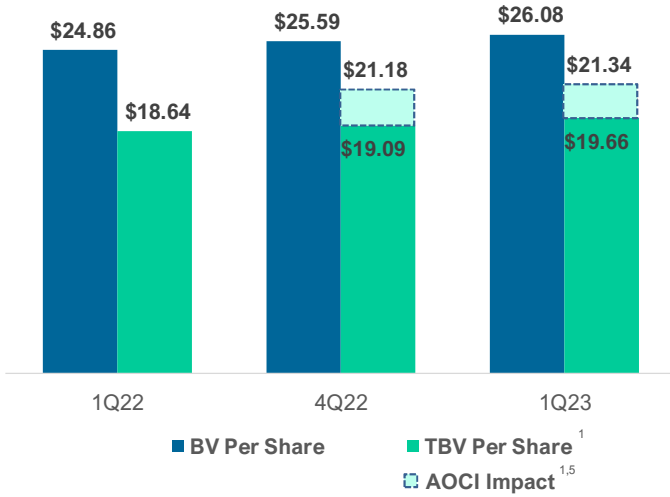
64%
Operating Efficiency Ratio[1]

0.11%
Non-Performing Assets / Assets

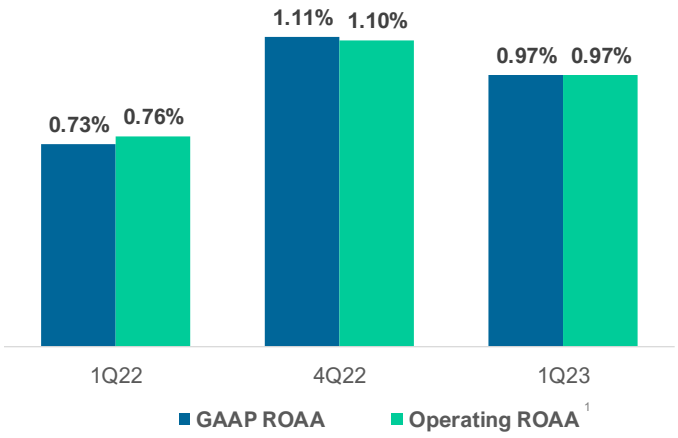
Diluted Earnings Per Share



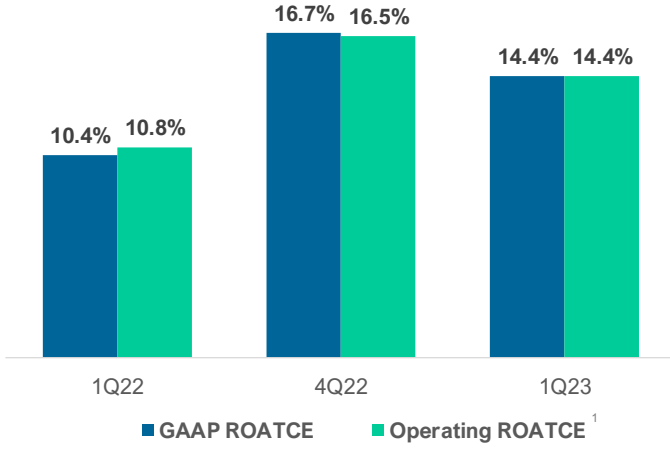
Book Value Per Share



Return on Average Assets



Return on Average Tangible Common Equity



Unless otherwise indicated, financial data as of or for the three months ended 3/31/23

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) *Organic loan growth excludes Paycheck Protection Program (PPP) Loans*
5) *AOCI: Accumulated Other Comprehensive Income*
6) *7% annualized organic loan growth based on Q1 '23 net balance loan growth of $53 million divided by Q4 '22 loans of $3.25 billion less a $24.6 million loan participation included in the Q4 '22 loan balance that was subsequently removed on 1/1/23*

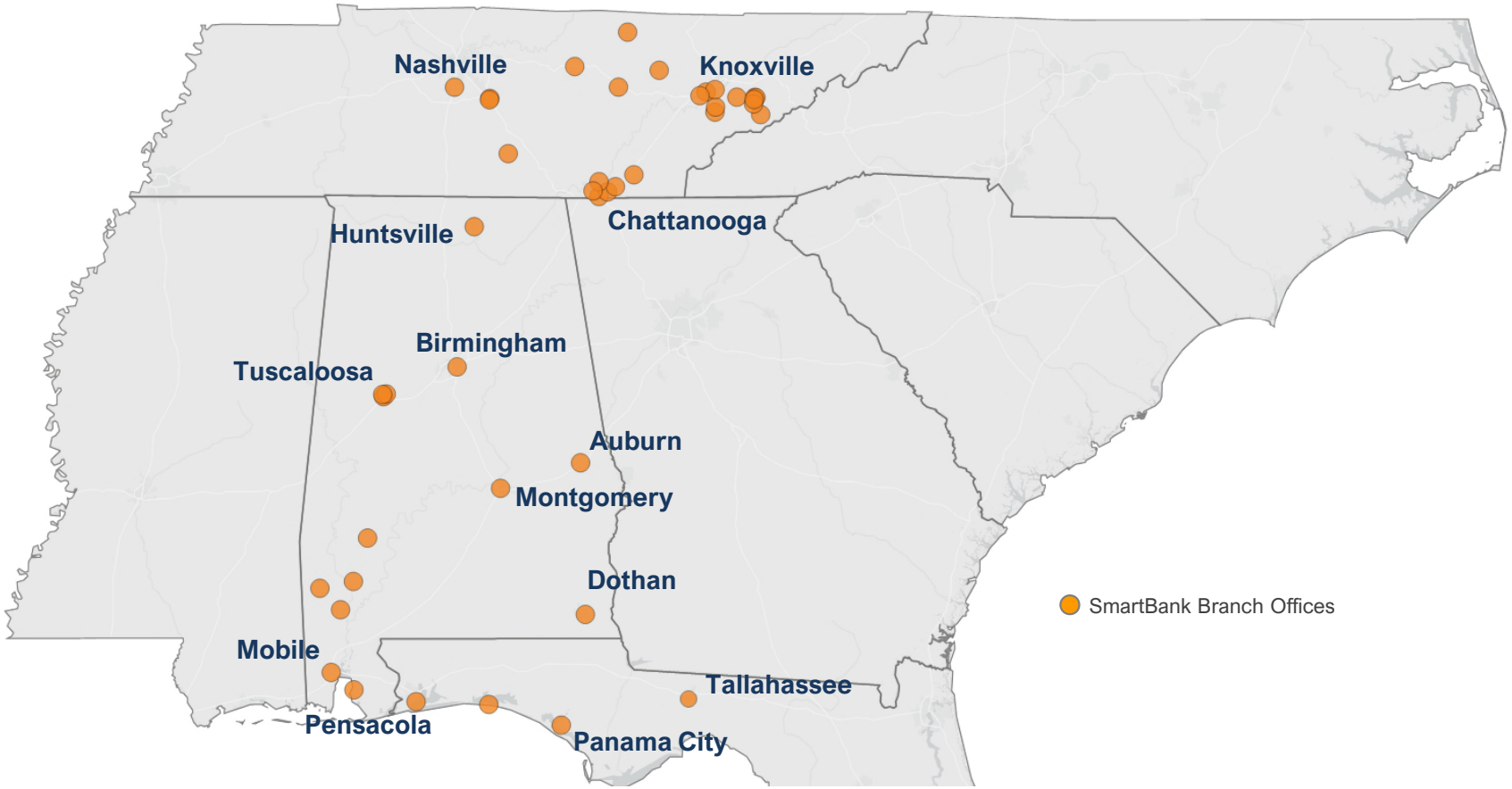
SMARTFINANCIAL: *EXPANDING SOUTHEAST FRANCHISE*

$4.8
Billion in Total Assets

$3.3
Billion in Total Loans

$4.2
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.

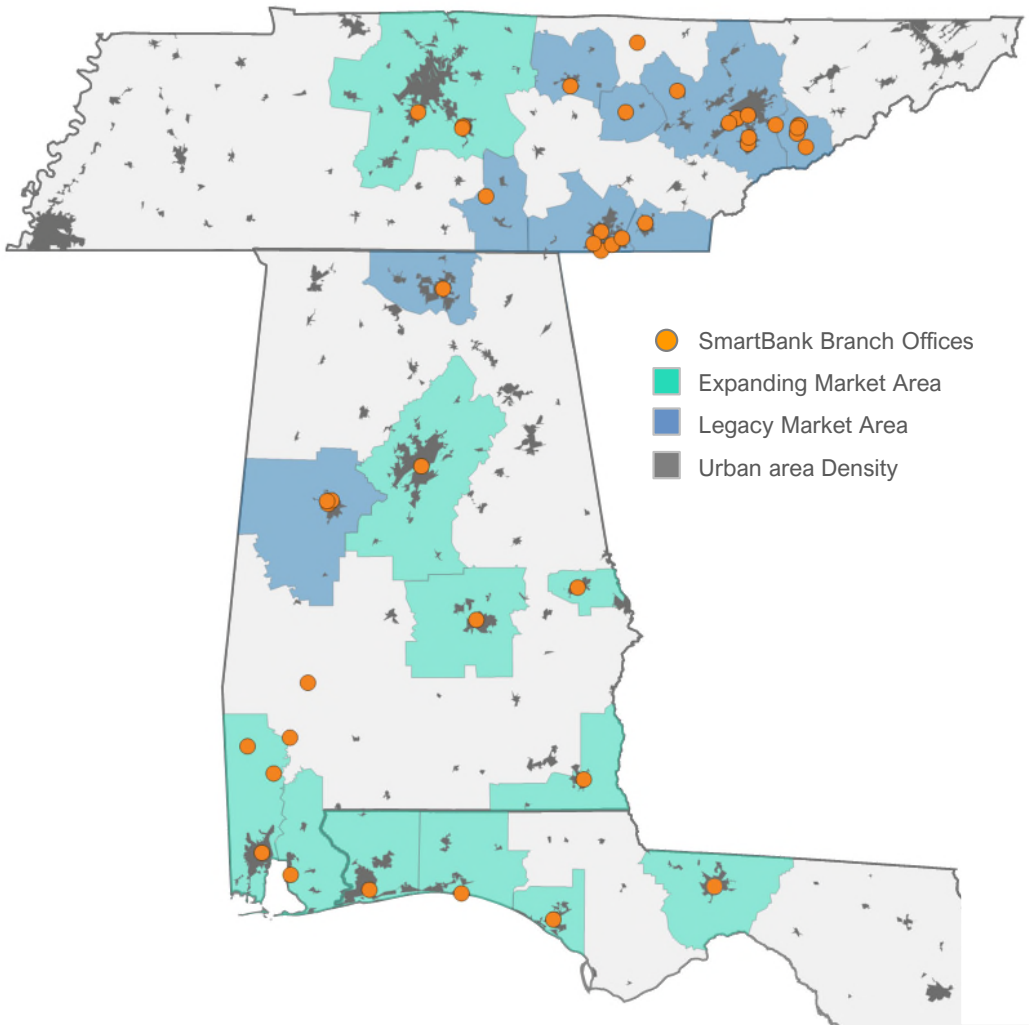




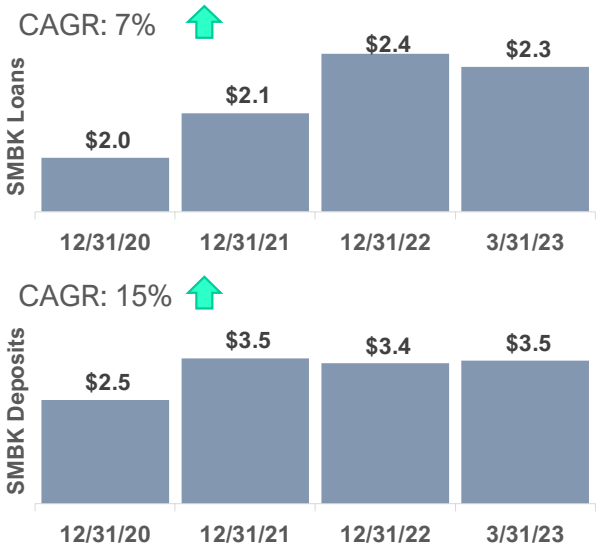
Balance sheet and branch count represent 3/31/23 balances
1) Knox News Sentinel Top Workplaces survey

MARKET AREA: *TARGETING INDUSTRY RICH GROWTH MARKETS*

$ in Billions, unless otherwise indicated



Legacy Markets[1]: Strong Relationships / Deep Market Penetration

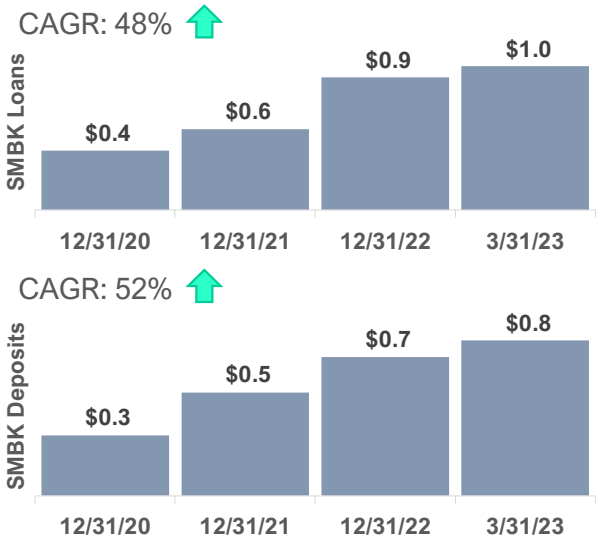


Forbes

Top 200 Best Places for Business and Careers

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

Expanding Markets[2]: Building Talent / Growing Brand Awareness



Forbes

Top 200 Best Places for Business and Careers

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

Expanding Markets

- Total Population: **5.9** Million
- Total Deposits: **$211** Billion
- Median Income: **$68** Thousand

Legacy Markets

- Total Population: **2.8** Million
- Total Deposits: **$72** Billion
- Median Income: **$63** Thousand

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

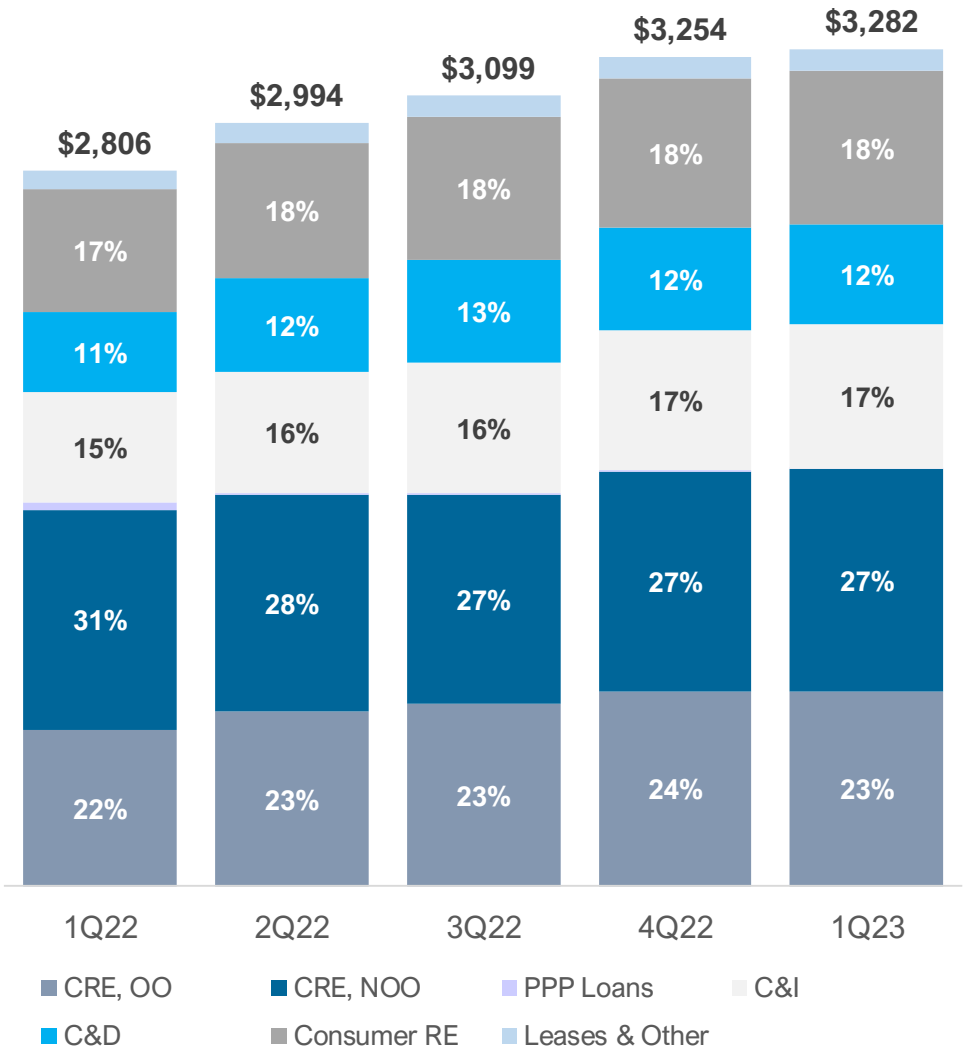
Total Loans

CAGR of 16% Since 2018



Loan Composition

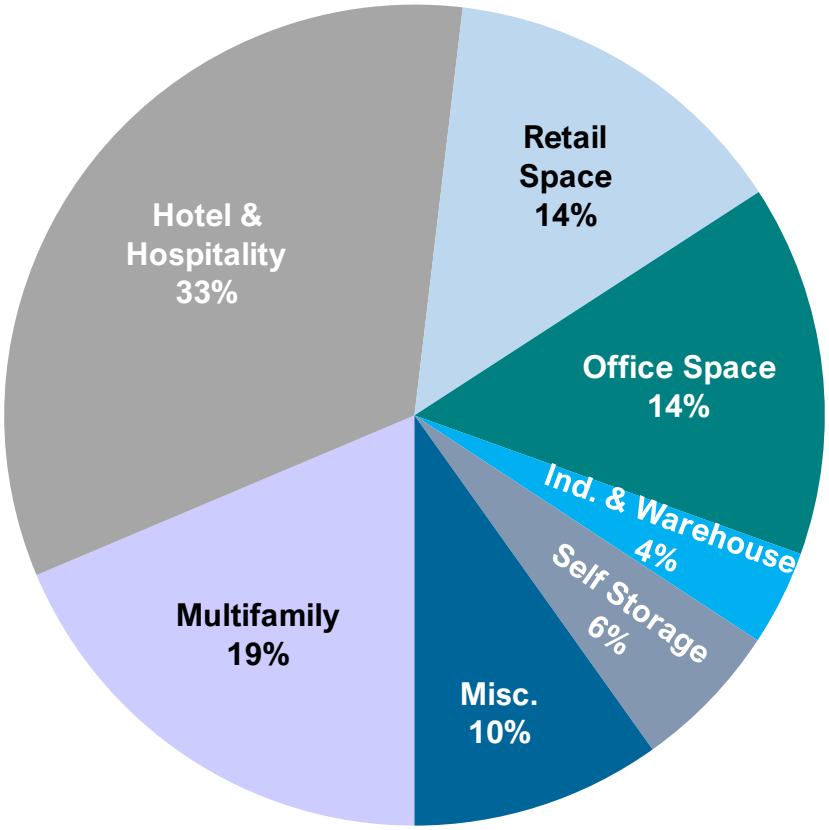
History of Driving Strong Organic Growth



LOAN CONCENTRATION: *WELL BALANCED EXPOSURE*

Non-Owner Occupied CRE Exposure By Segment

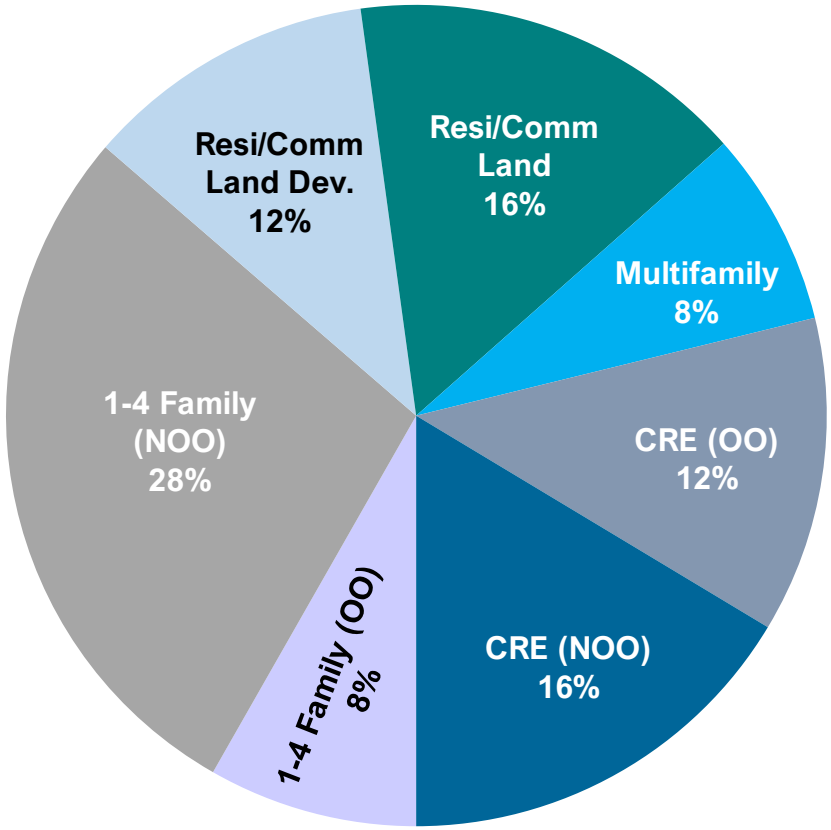
Highly Diversified with Seasoned Client Base



$883 Million - **27%** of Total Loans

Construction &Development Exposure By Type[1]

Closely Monitored with No Concentration Concerns



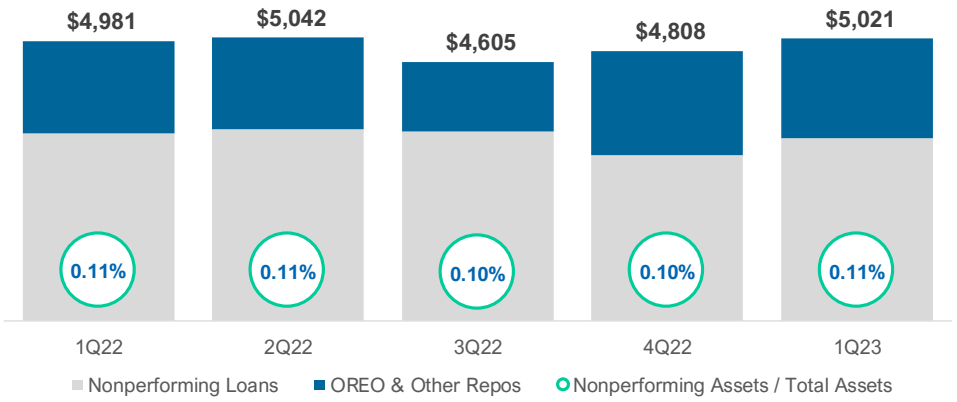
$389 Million - **12%** of Total Loans

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

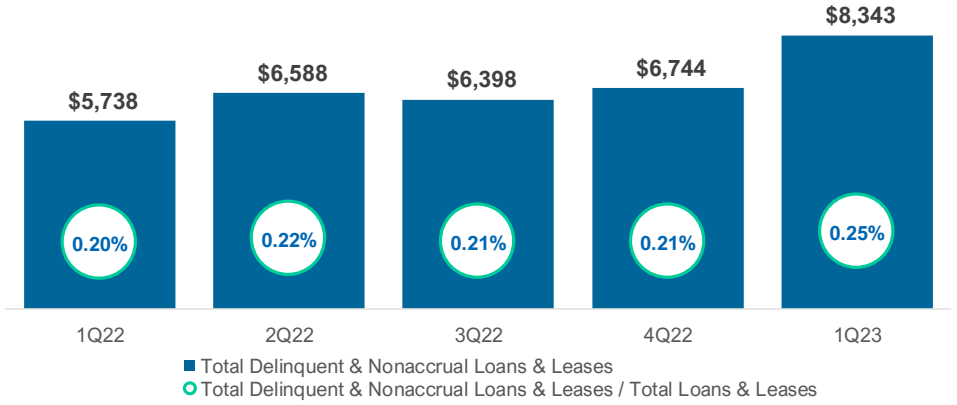
ASSET QUALITY: *STRONG UNDERWRITING PAYS DIVIDENDS*

$ in Thousands, unless otherwise indicated

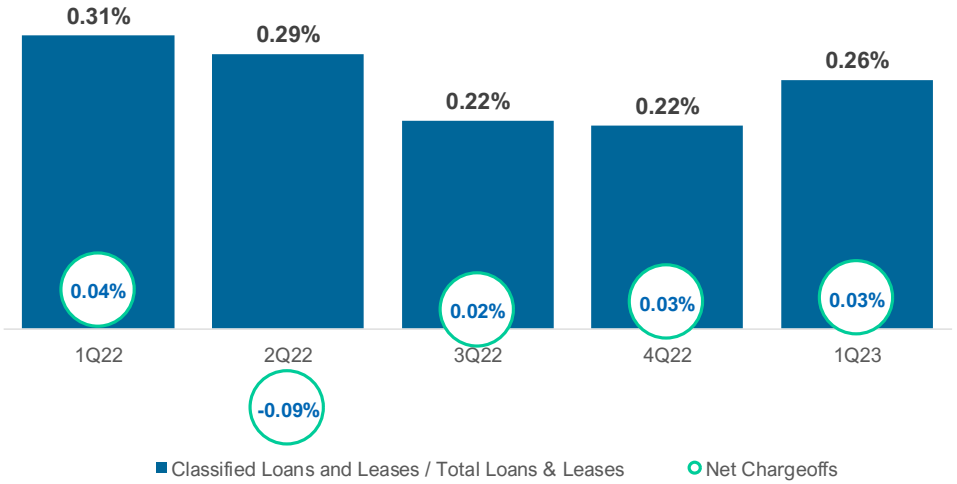
Nonperforming Assets



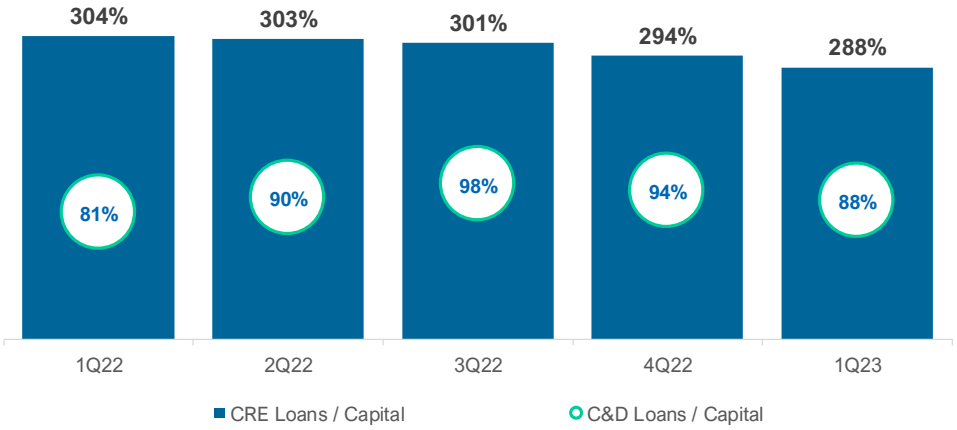
Delinquent and Nonaccruals / Total Loans



Credit Quality



Commercial Real Estate Concentration



ALLOWANCE FOR CREDIT LOSSES: *Q1 '23 CECL ADOPTION*

$ in Thousands, unless otherwise indicated

Current Expected Credit Loss (CECL)

Assumptions and Impact

FNMA / FOMC[1] 3-Year Forecast / 2-Year Unemployment

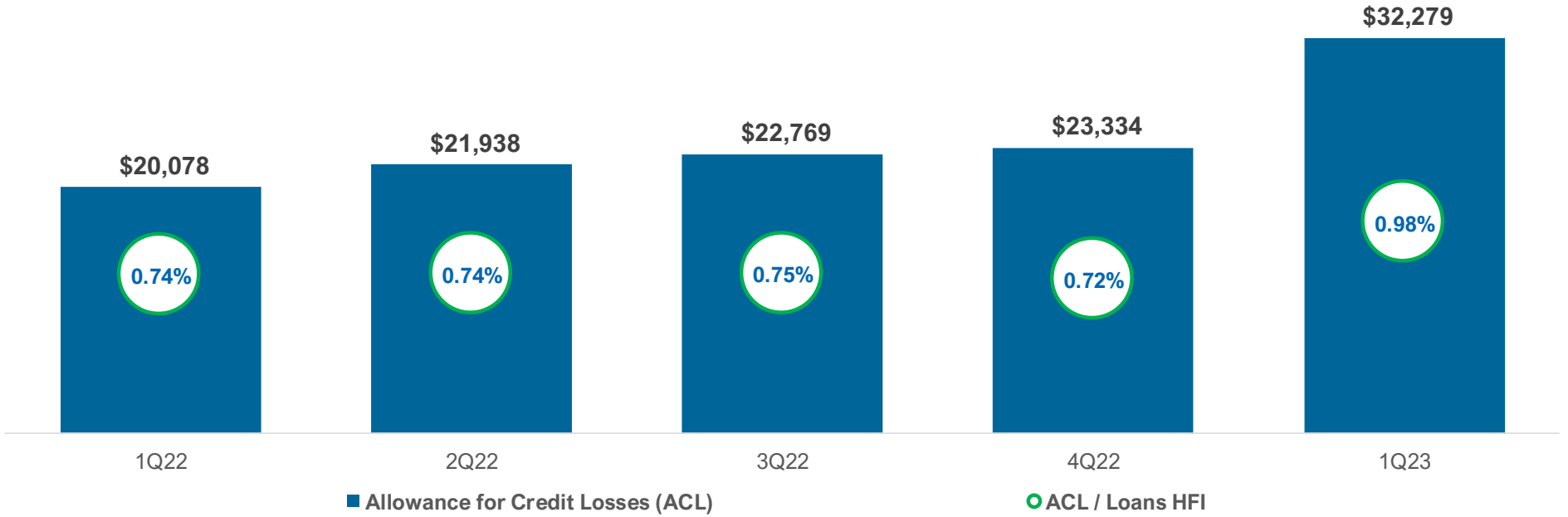
$8.7 Million Day 1 Impact

$0 Economic / Mix Adjustment During Q1 '23

0.98% ACL / Loans Held for Investment (HFI)

Allowance Reconciliation

	Allowance	% of Loans
12/31/22 Balance	$23,334	0.72%
+ Day 1 CECL Impact	8,655	0.27%
Beginning 1/1/23 Balance	$31,989	0.99%
- Net Charge-Offs	260	0.01%
+ Q1 Provision	550	0.02%
3/31/23 Balance	**$32,279**	**0.98%**



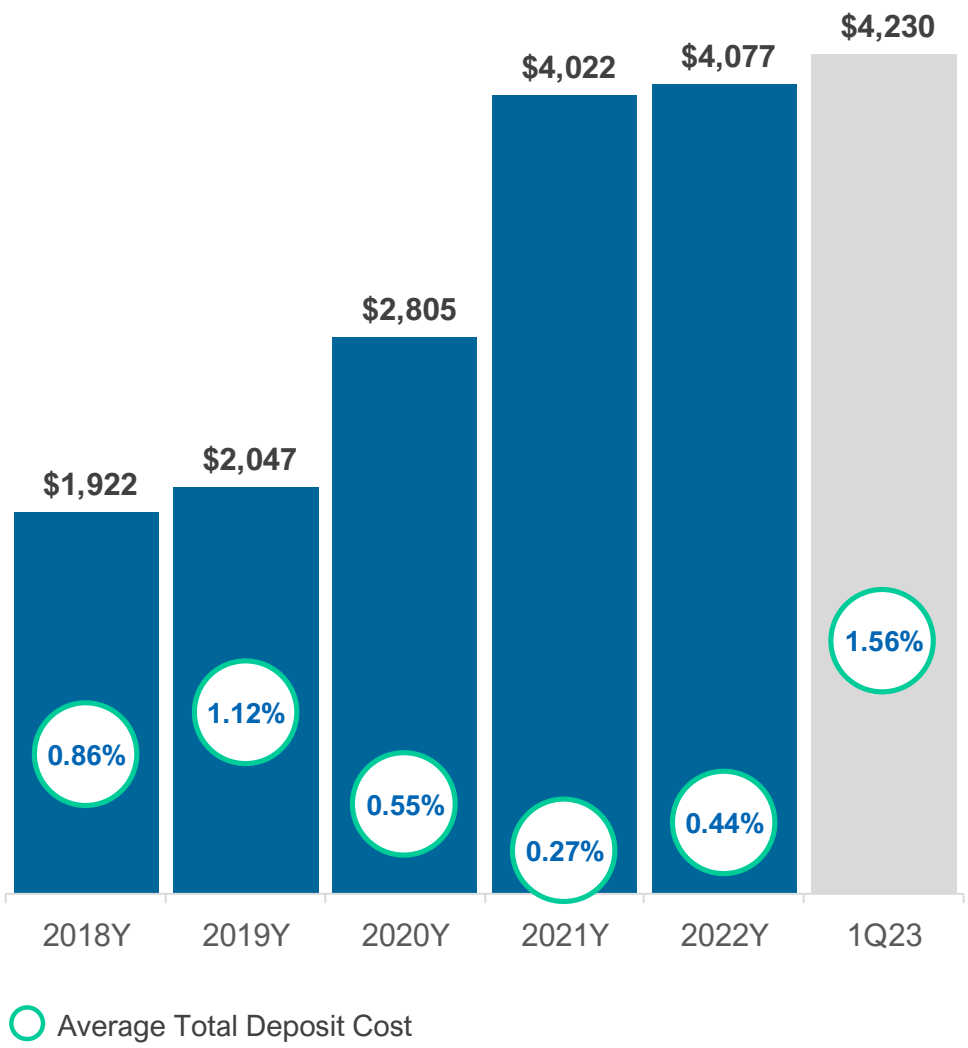
1) Fannie Mae (FNMA) / Federal Open Market Committee (FOMC)

DEPOSIT PORTFOLIO: *DEFENDING DEPOSIT MARKET SHARE*

$ in Millions, unless otherwise indicated

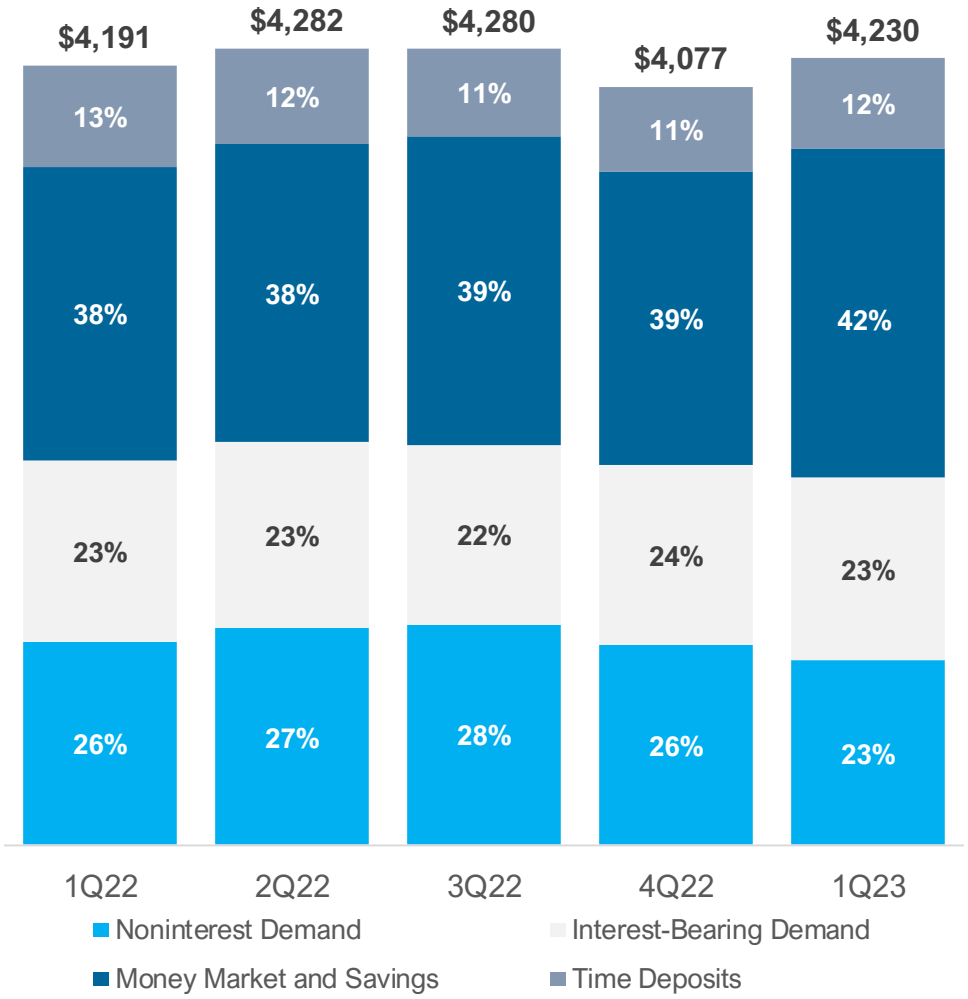
Total Deposits

Loans to Deposits Ratio of 78%



Deposit Composition

Higher Rates Driving Mix Shift

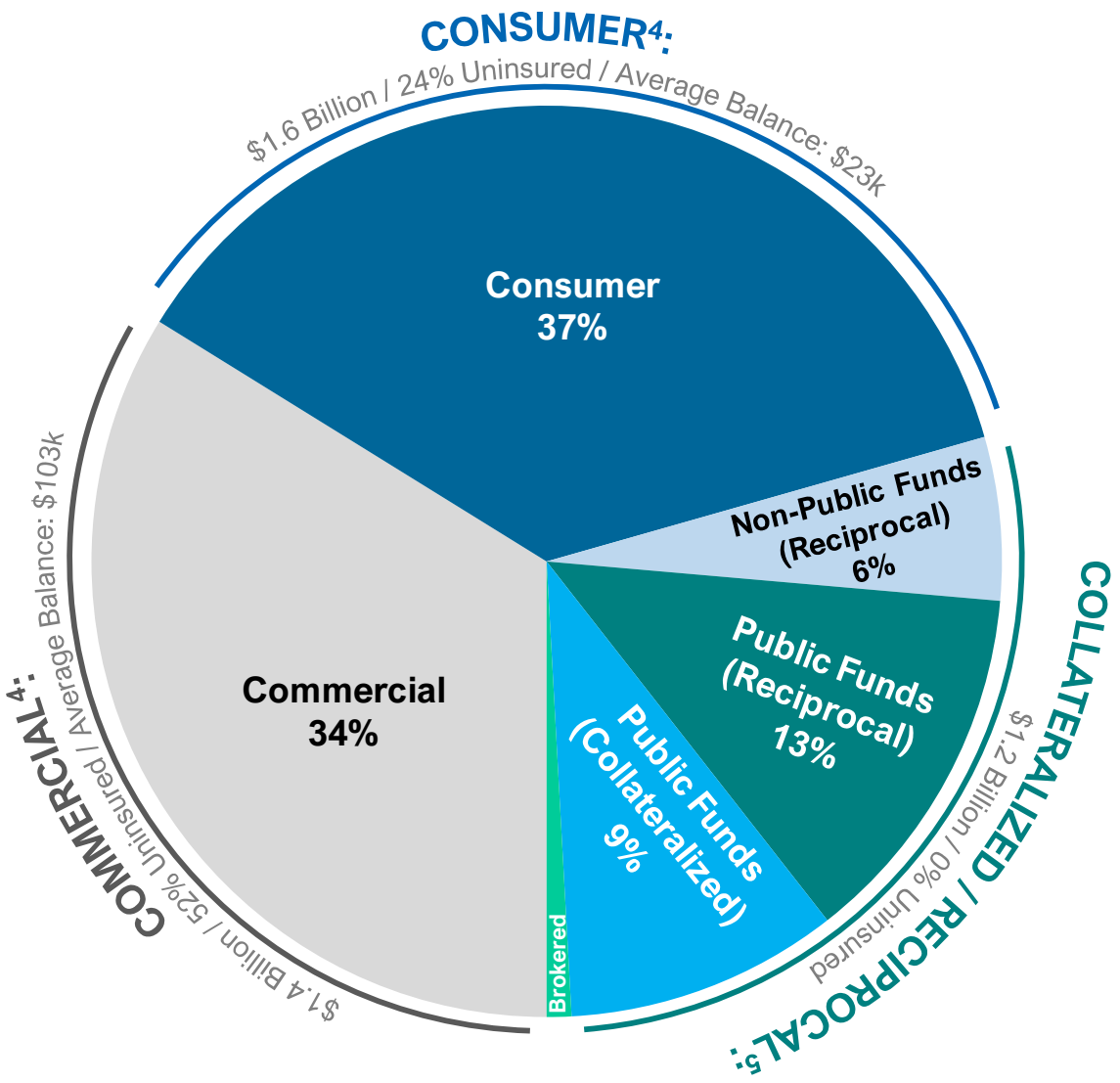


DEPOSIT GRANULARITY: *DIVERSIFIED CLIENT BASE*

Deposit Portfolio Statistics

Deposits:	**$4.2** Billion
Uninsured[1]:	**26%**
Avg. Balance[2]:	**$39** Thousand
Public Funds[3]:	**$964** Million
Consumer Accts:	**~69** Thousand
Commercial Accts:	**~18** Thousand

Deposit Portfolio Segmentation



1) *Uninsured deposits includes all deposit balances greater than $250 thousand excluding public funds secured by pledged collateral, reciprocal deposits and brokered CDs*
2) *Average account balances exclude reciprocal deposits and brokered CDs*
3) *$964 million Includes all public funds including those placed in a reciprocal deposit program*
4) *Commercial and consumer portfolios exclude deposits from public funds sources and exclude reciprocal deposits and brokered CDs*
5) *Reciprocal deposits include those utilizing the CDARS and ICS programs. CDARS: Certificate of Deposit Account Registry Service, ICS: IntraFi Cash Service*

LIQUIDITY OVERVIEW: *PRUDENTLY MANAGING LIQUIDITY*

$ in Millions, unless otherwise indicated

Robust Liquidity on Hand

Methodical Cash Deployment Now Proving Sensible

$1.6 Billion in Untapped Liquidity Sources

$701 Million in Cash Equivalents on Hand

1.4x Liquidity to Uninsured Deposit Ratio

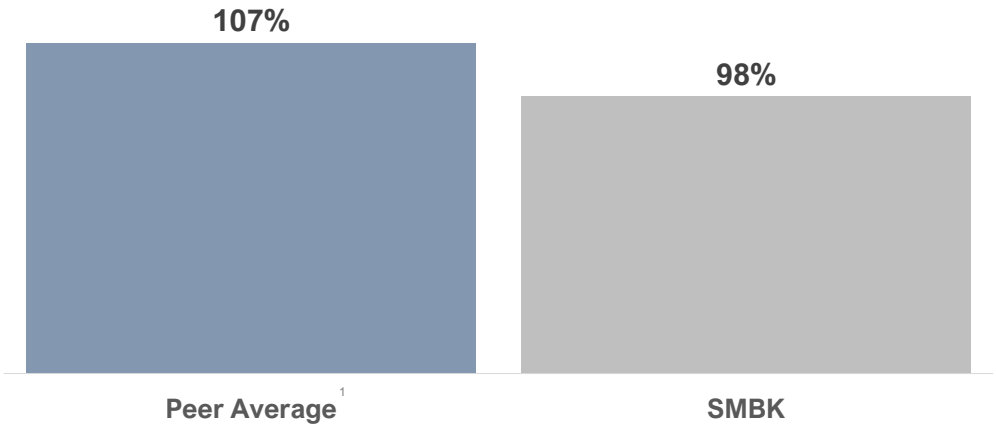
Other Liquidity Sources

Ample Access to a Variety of Funding

	Total Available	Amount Used	Net Availability
Current On-Balance Sheet:			
Cash & Cash Equiv.	$307	$0	$307
Unpledged Securities	394	0	394
Available Sources of Liquidity:			
Fed Funds	89	0	89
FHLB	592	4	588
FRB Disc. Window[2]	181	0	181
HC LoC	35	13	23
Total Liquidity	**$1,598**	**$16**	**$1,582**

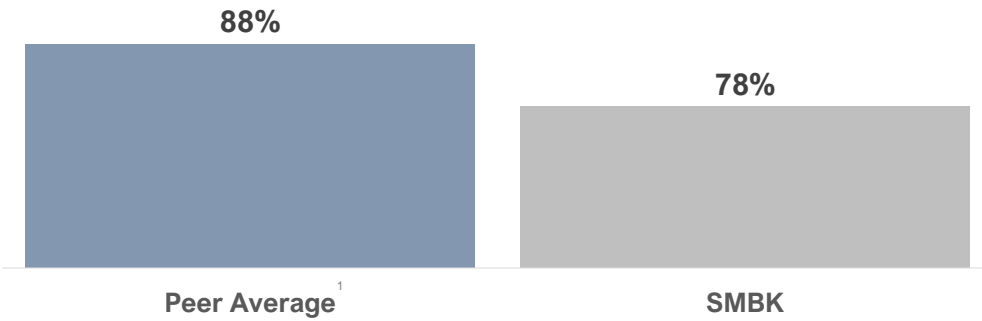
Loan + Securities / Deposit Ratio

(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 borrowing amount shown as of April 12, 2023
Source: S&P Global

SECURITIES DETAIL: *STRUCTURED FOR LIQUIDITY*

$ in Millions, unless otherwise indicated

Portfolio Summary

$880 Million Book Value

4.6 Year Average Life

2.34% Book Yield

3.1 Year Effective Duration

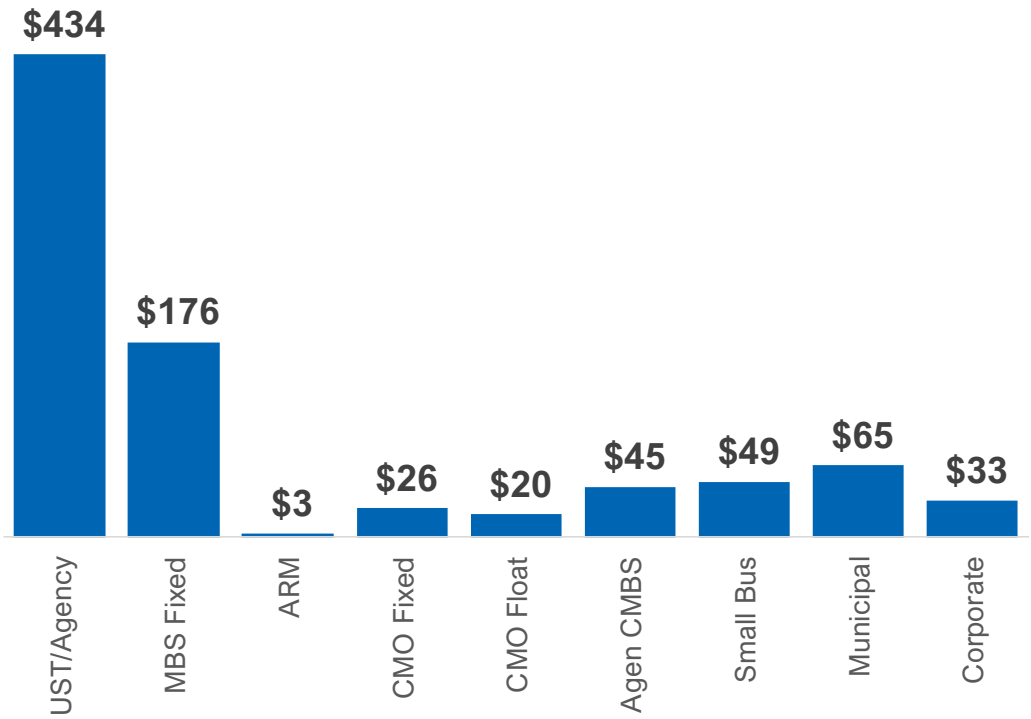
($59) Million Unrealized Loss

- **($37)** Million in Available-for-Sale Securities (AFS)
- **($22)** Million in Held-to-Maturity (HTM)

69% / 31% (AFS / HTM)

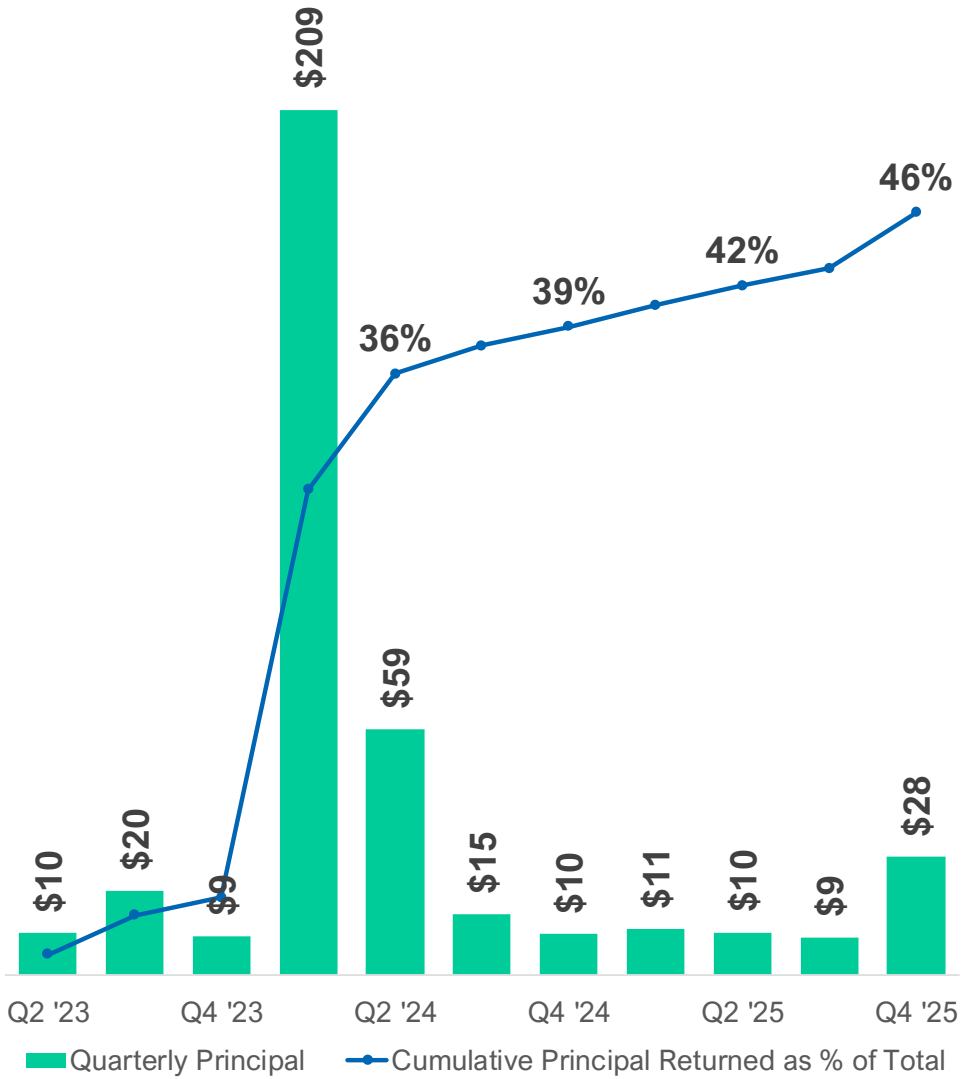
Portfolio Mix by Par Value

Risk Adverse Portfolio Designed for Liquidity



Principal Cashflow Schedule

$307 Million Maturing by Q2 '24

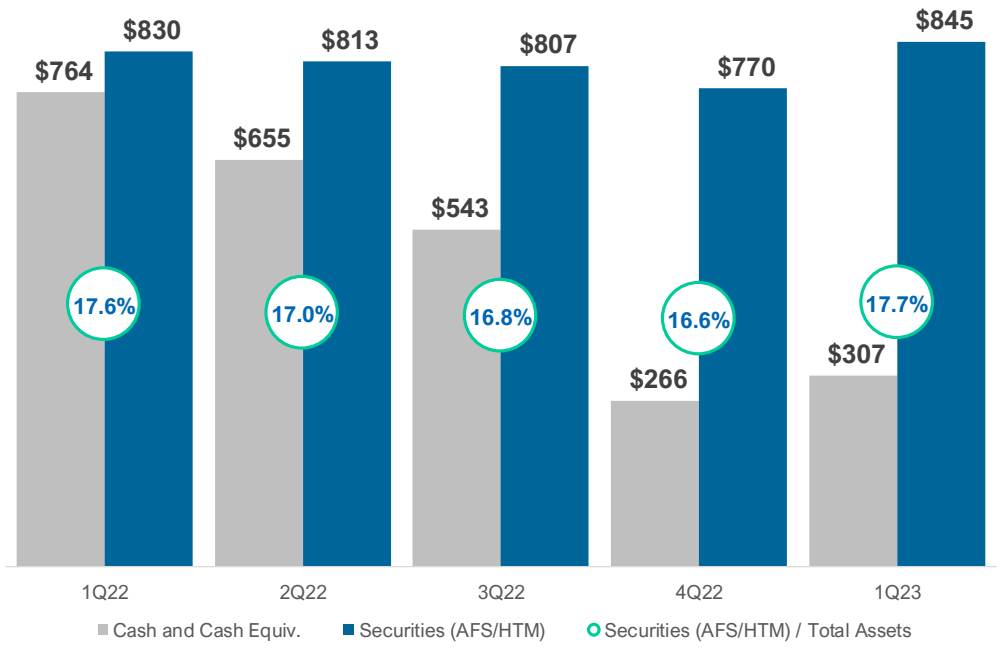


LIQUIDITY MANAGEMENT: *MANAGING MARGIN PRESSURE*

$ in Millions, unless otherwise indicated

Cash and Securities

Strong Cash & Liquid Securities Position

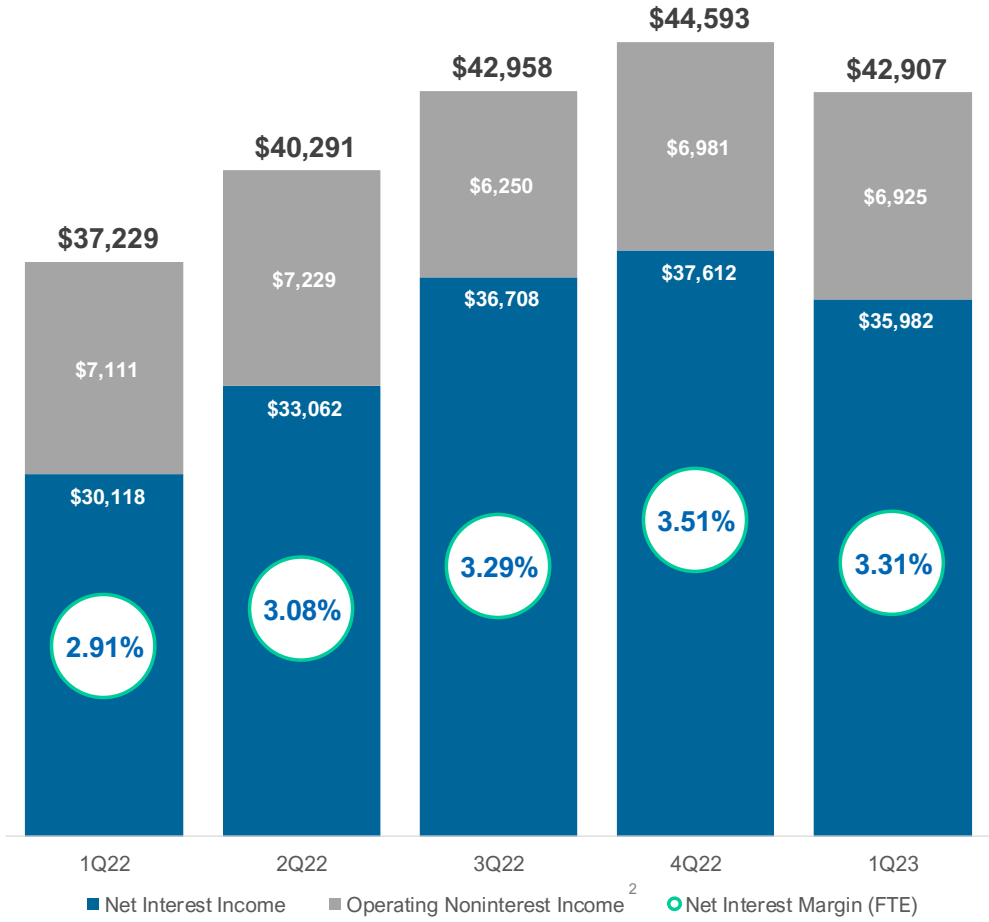


	1Q22	2Q22	3Q22	4Q22	1Q23
Cash Yield	0.25%	0.91%	2.34%	3.81%	4.77%
Sec. Yield (AFS/HTM)[1]	1.67%	1.73%	1.87%	2.15%	2.11%
Loans (less Accr./PPP Fees)	4.18%	4.27%	4.55%	4.86%	5.20%
Loan Fees	0.22%	0.13%	0.04%	0.19%	0.37%
Loan Yield (incl. Fees)	4.40%	4.40%	4.59%	5.05%	5.57%
IE Asset Yield	3.18%	3.39%	3.79%	4.41%	4.88%
NIM (FTE)	2.91%	3.08%	3.29%	3.51%	3.31%

$ in Thousands

Margin / Operating Revenue[2]

Maintaining Revenue Despite Challenging Margin Environment



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

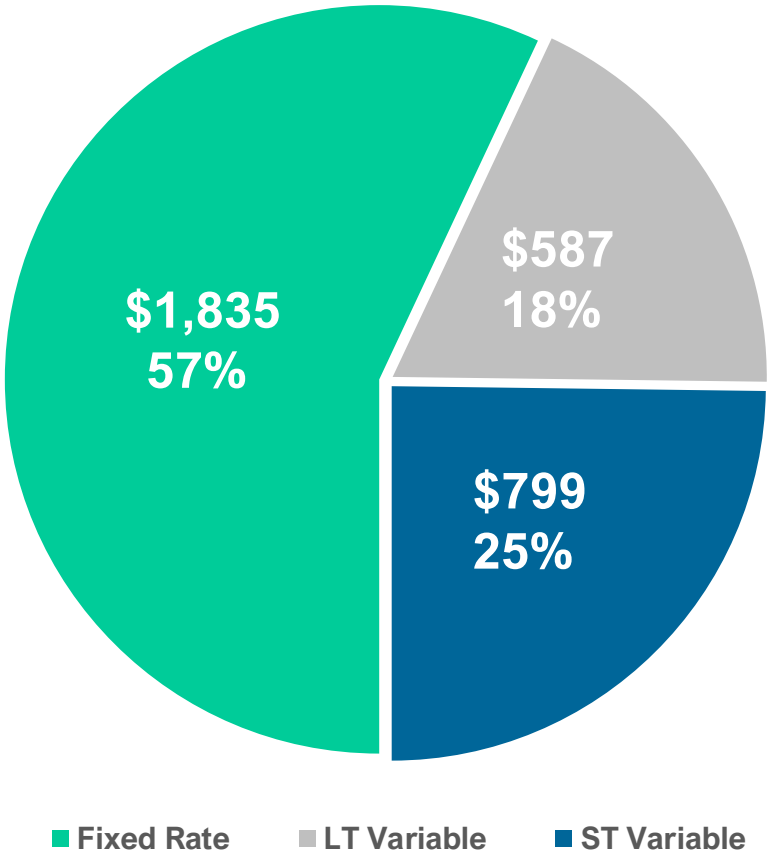
$ in Millions, unless otherwise indicated

Fixed vs. Variable Rate Loans

$1.8 Billion Fixed Rate Loans

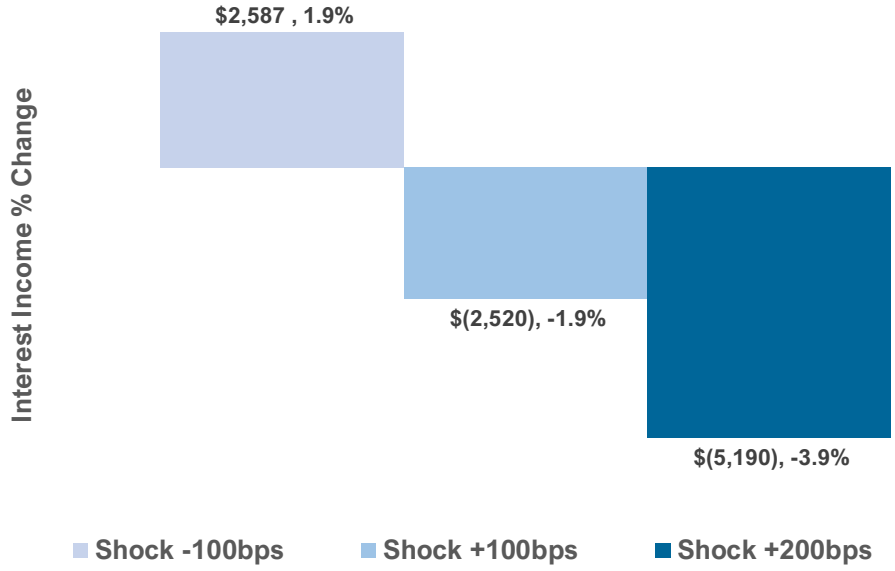
$1.4 Billion Variable Rate Loans

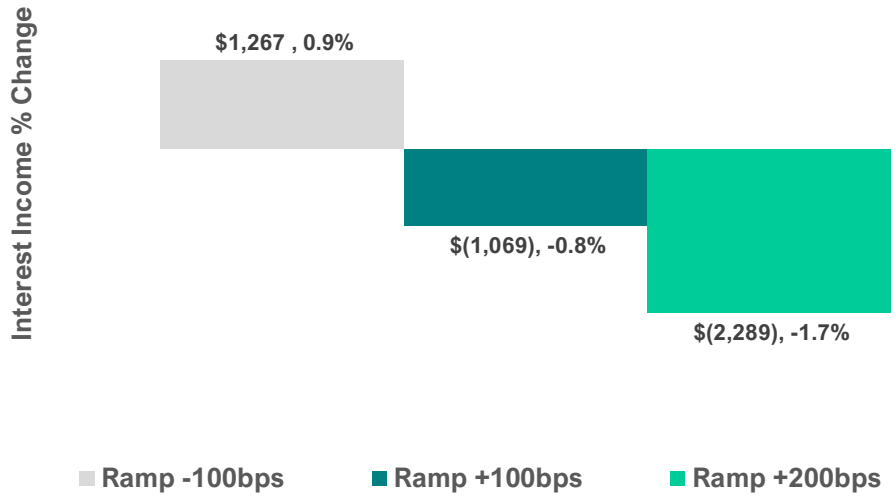
- **$799** Million Short-Term Variable Rate (1 - 3 Month Reset)
- **$587** Million Long-Term Variable Rate (> 3 Month Reset)



$ in Thousands

Static Shock / Rate Ramp Analysis[1]





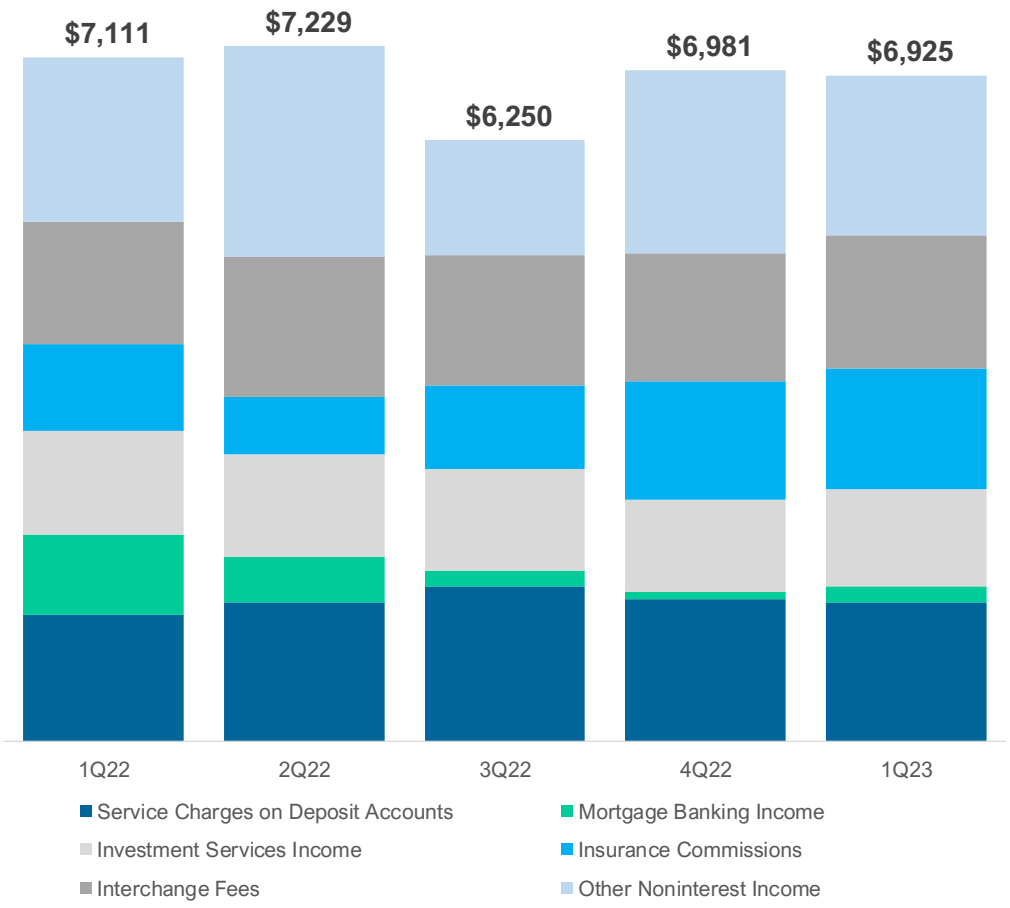
1) *Based on 12-month static rate shock and ramp analysis as of 3/31/23. These estimates of changes in SmartFinancial's net interest income require us to make certain assumptions including loan and mortgage-related investment prepayment speeds, reinvestment rate, deposit maturities and decay rates. These 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 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

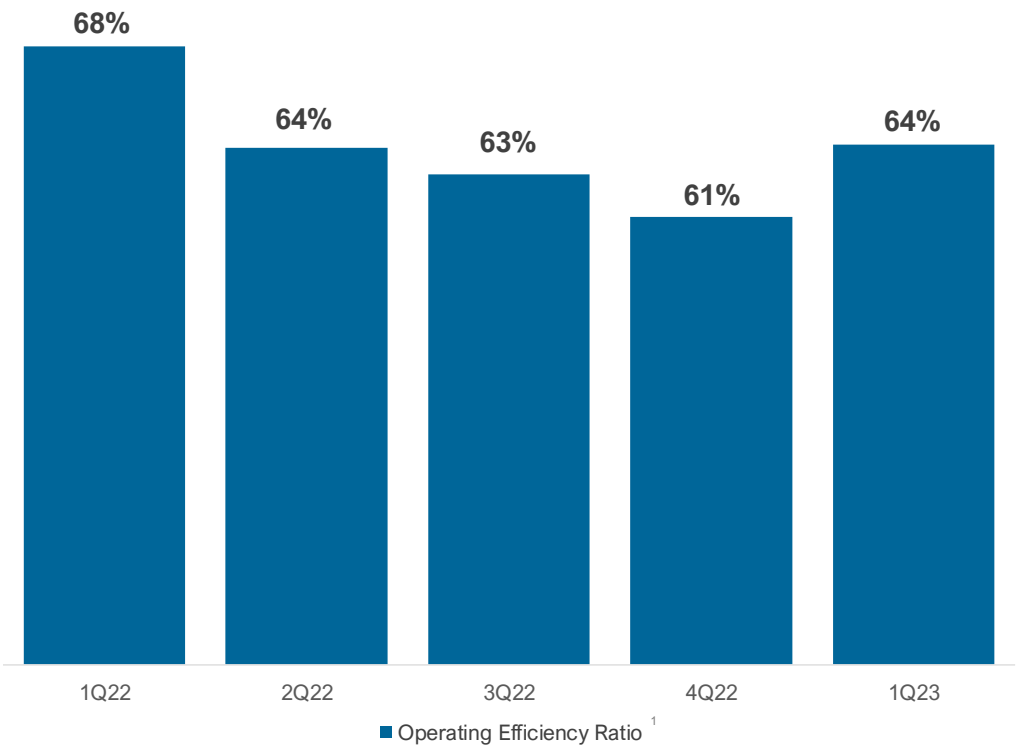
1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

OPERATING EXPENSE: *INVESTING WITH AN EYE ON EFFICIENCIES*

$ in Thousands, unless otherwise indicated

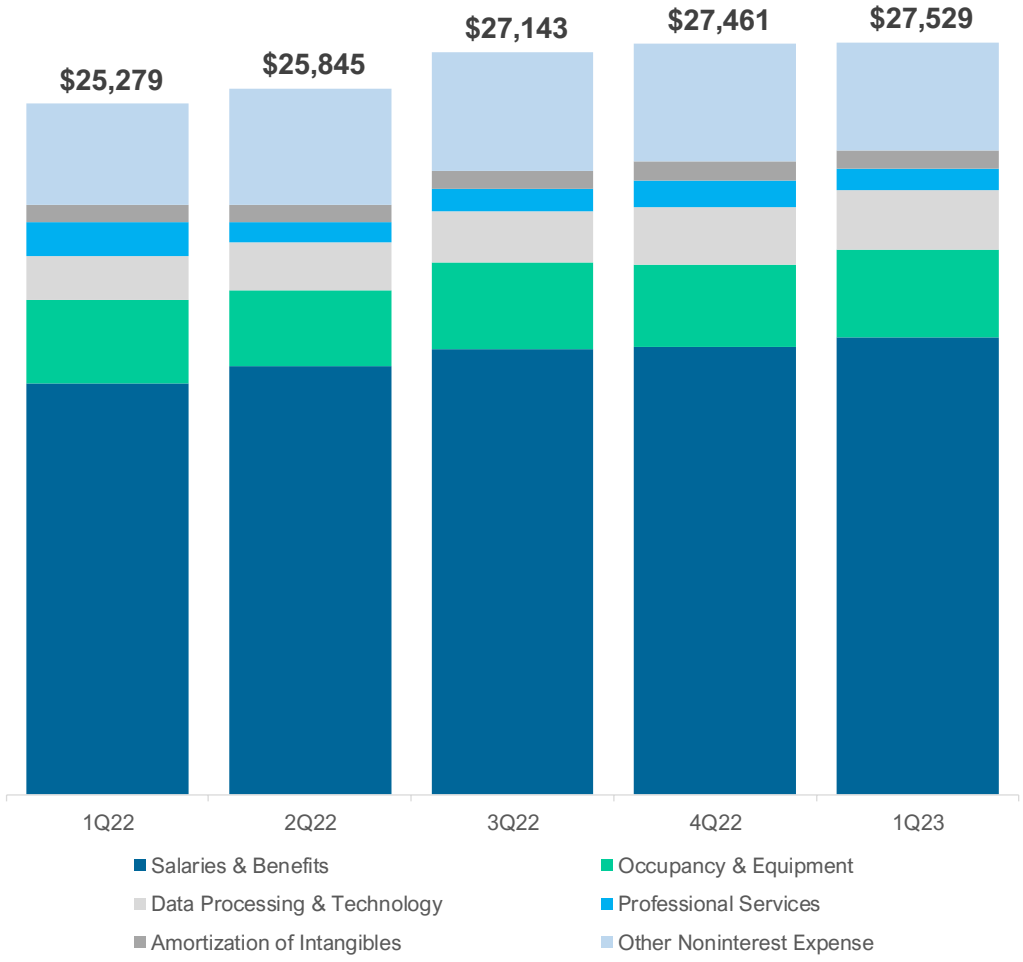
Operating Efficiency Ratio[1]

Executing on Expansion Opportunities



Operating Noninterest Expense[1]

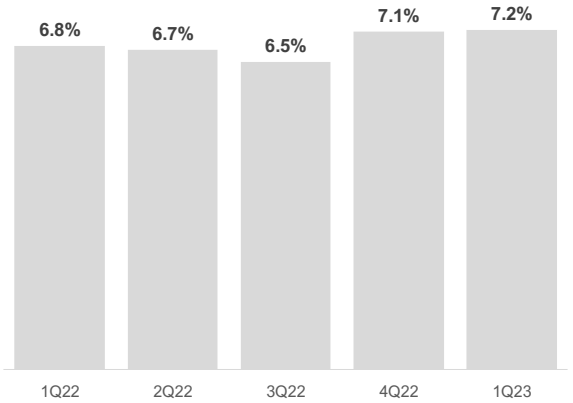
Disciplined Focus on Expense Containment



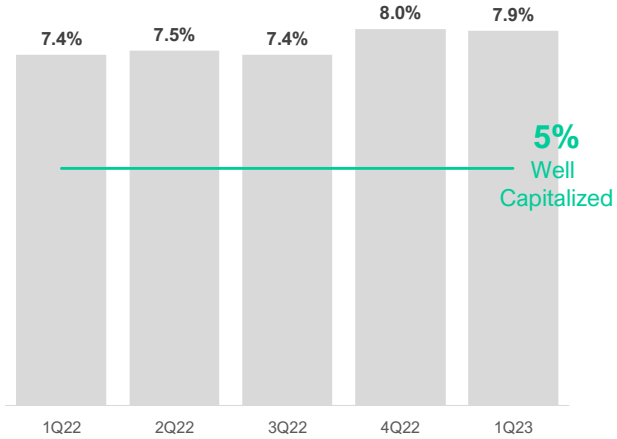
1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

CAPITAL: *WELL CAPITALIZED – BUILDING BOOK VALUE*

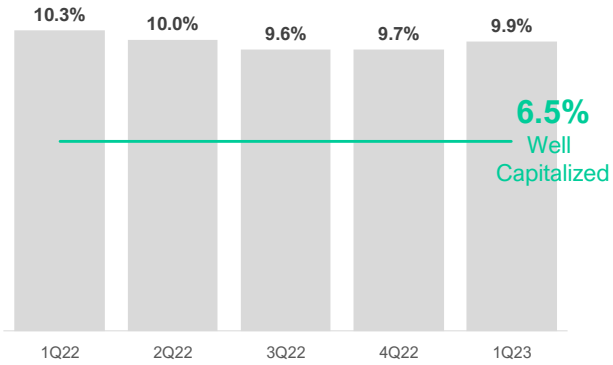
TCE / TA[1]



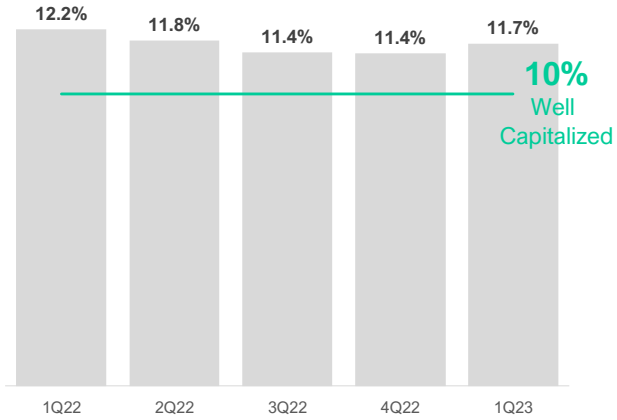
Leverage Ratio



CET1 Ratio



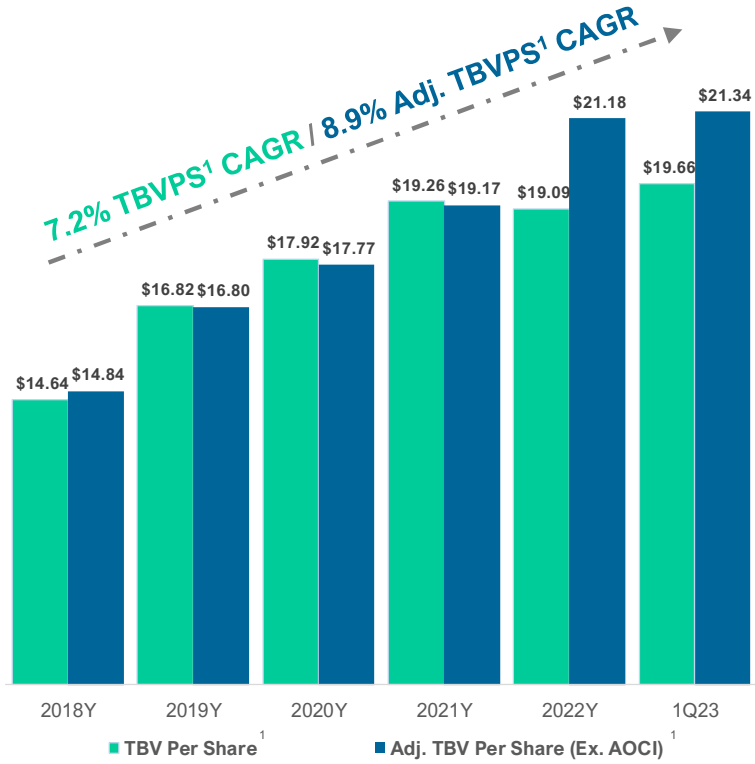
Total Capital Ratio



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

Building Shareholder Value

Tangible Book Value Per Share (TBVPS)[1]



$6.50 TBVPS[1] 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 3/31/23

WHY SMARTBANK: *INVESTMENT HIGHLIGHTS*

SmartFinancial

- *Engaged Management Team*
- *Low-Cost 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*

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APPENDIX

INCOME STATEMENT: *DETAILED FIRST QUARTER RESULTS*

($ in thousands, except per share data)	1Q23	4Q22	1Q22	1Q23 vs. 4Q22 % Chg.	1Q23 vs. 1Q22 % Chg.
Net Interest Income	$ 35,982	$ 37,612	$ 30,118	(4%)	19%
Provision for Loan & Lease losses	550	788	1,006		
Noninterest Income	6,925	7,125	7,111	(3%)	(3%)
Noninterest Expense	27,529	27,416	25,718	0%	7%
Income Tax Expense	3,328	3,529	2,246		
Net Income (GAAP)	$ 11,500	$ 13,004	$ 8,259	(12%)	39%
Non-GAAP Reconciliations					
Noninterest Income	-	(144)	-		
Noninterest Expense	-	(45)	439		
Income Tax Effect Of Adjustments	-	49	(113)		
Operating Earnings (Non-GAAP)	$ 11,500	$ 12,864	$ 8,585	(11%)	34%
Operating PTPP Earnings (Non-GAAP)	$ 15,378	$ 17,132	$ 11,950	(10%)	29%

Non-GAAP Performance Metrics	1Q23	4Q22	1Q22	1Q23 vs. 4Q22 % Chg.	1Q23 vs. 1Q22 % Chg.
Diluted Operating Earnings Per Share	$ 0.68	$ 0.76	$ 0.51	(11%)	34%
Tangible Book Value Per Common Share	$ 19.66	$ 19.09	$ 18.64	3%	5%
Operating Return on Average Assets	0.97%	1.10%	0.76%		
Operating PTPP Return on Average Assets	1.30%	1.46%	1.05%		
Operating Return on Average Tang. Common Equity	14.4%	16.5%	10.8%		
Operating Efficiency Ratio	64.0%	61.4%	67.6%		

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

	1Q23	4Q22	3Q22	2Q22	1Q22
Operating Earnings					
Net Income (GAAP)	$ 11,500	$ 13,004	$ 11,543	$ 10,215	$ 8,259
Noninterest Income:					
Securities (Gains) Losses	-	(144)	-	-	-
Noninterest Expenses:					
Merger Related And Restructuring Expenses	-	(45)	87	81	439
Income Taxes:					
Income Tax Effect Of Adjustments	-	49	(22)	(21)	(113)
Operating Earnings (Non-GAAP)	$ 11,500	$ 12,864	$ 11,608	$ 10,275	$ 8,585
Operating Earnings Per Common Share (Non-GAAP):					
Basic	$ 0.69	$ 0.77	$ 0.69	$ 0.61	$ 0.51
Diluted	0.68	0.76	0.69	0.61	0.51
Operating Noninterest Income					
Noninterest Income (GAAP)	$ 6,925	$ 7,125	$ 6,250	$ 7,229	$ 7,111
Securities (Gain) Losses	-	(144)	-	-	-
Operating Noninterest Income (Non-GAAP)	$ 6,925	$ 6,981	$ 6,250	$ 7,229	$ 7,111
Operating Noninterest Expense					
Noninterest Expense (GAAP)	$ 27,529	$ 27,416	$ 27,230	$ 25,926	$ 25,718
Merger Related And Restructuring Expenses	-	45	(87)	(81)	(439)
Operating Noninterest Expense (Non-GAAP)	$ 27,529	$ 27,461	$ 27,143	$ 25,845	$ 25,279
Operating Revenue					
Net Interest Income (GAAP)	$ 35,982	$ 37,612	$ 36,708	$ 33,062	$ 30,118
Operating Noninterest Income (Non-GAAP)	6,925	6,981	6,250	7,229	7,111
Operating Revenue (Non-GAAP)	42,907	44,593	42,958	40,291	37,229
Operating Pre-Tax Pre-Provison ("PTPP") Earnings					
Operating Revenue (Non-GAAP)	$ 42,907	$ 44,593	$ 42,958	$ 40,291	$ 37,229
Operating Noninterest Expense (Non-GAAP)	(27,529)	(27,461)	(27,143)	(25,845)	(25,279)
Operating PTPP Earnings (Non-GAAP)	$ 15,378	$ 17,132	$ 15,815	$ 14,446	$ 11,950
Non-GAAP Return Ratios					
Operating Return On Average Assets (Non-GAAP)[1]	0.97%	1.10%	0.96%	0.88%	0.76%
Operating PTPP Return On Average Assets (Non-GAAP)[2]	1.30%	1.46%	1.30%	1.23%	1.05%
Return On Average Tangible Common Equity (Non-GAAP)[3]	14.45%	16.65%	14.36%	13.02%	10.39%
Operating Return On Average Shareholders' Equity (Non-GAAP)[4]	10.79%	12.15%	10.83%	9.82%	8.14%
Operating Return On Average Tangible Common Equity (Non-GAAP)[5]	14.45%	16.47%	14.44%	13.09%	10.80%
Operating Efficiency Ratio					
Efficiency Ratio (GAAP)	64.16%	61.28%	63.39%	64.35%	69.08%
Adjustment For Taxable Equivalent Yields	(0.14%)	(0.22%)	(0.25%)	(0.27%)	(0.31%)
Adjustment For Securities Gains (Losses)	-	(0.20%)	-	-	-
Adjustment For Merger Expenses	-	0.50%	(0.21%)	(0.20%)	(1.17%)
Operating Efficiency Ratio (Non-GAAP)	64.02%	61.36%	62.93%	63.88%	67.60%

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

SmartFinancial

$ in Thousands, unless otherwise indicated

	1Q23	4Q22	3Q22	2Q22	1Q22
Tangible Common Equity:					
Shareholders' Equity (GAAP)	$ 443,399	$ 432,452	$ 414,711	$ 420,427	$ 420,042
Less Goodwill And Other Intangible Assets	109,114	109,772	110,460	104,582	105,215
Tangible Common Equity (Non-GAAP)	$ 334,285	$ 322,680	$ 304,251	$ 315,845	$ 314,827
Average Tangible Common Equity:					
Average Shareholders' Equity (GAAP)	$ 432,382	$ 420,037	$ 425,365	$ 419,726	$ 427,945
Less Goodwill And Other Intangible Assets	109,537	110,206	106,483	104,986	105,617
Average Tangible Common Equity (Non-GAAP)	$ 322,845	$ 309,831	$ 318,882	$ 314,740	$ 322,328
Tangible Book Value Per Common Share:					
Book Value Per Common Share (GAAP)	$ 26.08	$ 25.59	$ 24.56	$ 24.88	$ 24.86
Adjustment Due To Goodwill And Other Intangible Assets	(6.42)	(6.50)	(6.54)	(6.19)	(6.23)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.66	$ 19.09	$ 18.02	$ 18.69	$ 18.64
Tangible Common Equity To Tangible Assets:					
Total Assets	$ 4,769,805	$ 4,637,498	$ 4,796,911	$ 4,788,113	$ 4,718,579
Less Goodwill And Other Intangibles	109,114	109,772	110,460	104,582	105,215
Tangible Assets (Non-GAAP)	$ 4,660,691	$ 4,527,726	$ 4,686,451	$ 4,683,531	$ 4,613,364
Tangible Common Equity To Tangible Assets (Non-GAAP):	7.17%	7.13%	6.49%	6.74%	6.82%

	1Q23	4Q22	3Q22	2Q22	1Q22
Tangible Common Equity (Excluding AOCI):					
Shareholders' Equity (GAAP)	$ 443,399	$ 432,452	$ 414,711	$ 420,427	$ 420,042
Less Goodwill And Other Intangible Assets	109,114	109,772	110,460	104,582	105,215
Tangible Common Equity (Non-GAAP)	$ 334,285	$ 322,680	$ 304,251	$ 315,845	$ 314,827
Less Adjustment Due to AOCI (Loss)	(28,620)	(35,324)	(40,807)	(24,648)	(15,556)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	$ 362,905	$ 358,004	$ 345,058	$ 340,493	$ 330,383
Tangible Book Value Per Common Share (Excluding AOCI):					
Book Value Per Common Share (GAAP)	$ 26.08	$ 25.59	$ 24.56	$ 24.88	$ 24.86
Adjustment Due To Goodwill And Other Intangible Assets	(6.42)	(6.50)	(6.54)	(6.19)	(6.23)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.66	$ 19.09	$ 18.02	$ 18.69	$ 18.64
Less Adjustment Due to AOCI (Loss)	(1.68)	(2.09)	(2.42)	(1.46)	(0.92)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP)[1][2]	$ 21.34	$ 21.18	$ 20.43	$ 20.15	$ 19.56

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

2. *Totals may not add due to rounding*

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