SmartFinancial

INVESTOR CALL

3Q 2021

October 20, 2021, 10:00am ET

Webcast: www.smartbank.com
(Investor Relations)
Audio Only: 1-844-200-6205
Access Code: 289025

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, including statements regarding the effects of the COVID-19 pandemic on SmartFinancial's 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) risks related to the acquisition of Sevier County Bancshares ("SCB"); (6) the risk that the anticipated benefits from the acquisition of SCB may not be realized in the time frame anticipated; (7) changes in management's plans for the future; (8) prevailing, or changes in, economic or political conditions, particularly in our market areas; (9) credit risk associated with our lending activities; (10) changes in interest rates, loan demand, real estate values, or competition; (11) changes in accounting principles, policies, or guidelines; (12) changes in applicable laws, rules, or regulations, including changes to statutes, regulations or regulatory policies or practices as a result of, or in response to, COVID-19; (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; (14) the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations; (15) potential increases in the provision for loan losses resulting from the COVID-19 pandemic; and (16) 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 earnings, (ii) operating return on average assets, (iii) operating return on average shareholder equity, (iv) return on average tangible common equity, (v) operating return on average tangible common equity, (vi) operating efficiency ratio; (vii) tangible common equity; (viii) average tangible common equity; (ix) tangible book value; (x) operating pre-tax pre-provision earnings; (xi) operating noninterest income; (xii) operating noninterest expense; (xiii) tangible assets; and ratios derived therefrom, in its analysis of the company's performance. Operating earnings excludes the following from net income: securities gains and losses, proceeds related to the termination of an Alabama Department of Economic and Community Affairs ("ADECA") loan program, 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 shareholder 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 excludes 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, proceeds related to the termination of the ADECA loan program. 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: *THIRD QUARTER 2021*

$0.63
DILUTED OPERATING EPS[1]

$4.4
BILLION IN TOTAL ASSETS

7%
QOQ[2] ANNUALIZED TANG. BOOK VALUE PER SHARE GROWTH[1]

9%
QOQ ANNUALIZED ORGANIC LOAN[3] GROWTH[4]

1.00%
OPERATING RETURN ON AVERAGE ASSETS[1]

29%
QOQ ANNUALIZED ORGANIC DEPOSIT GROWTH[4]

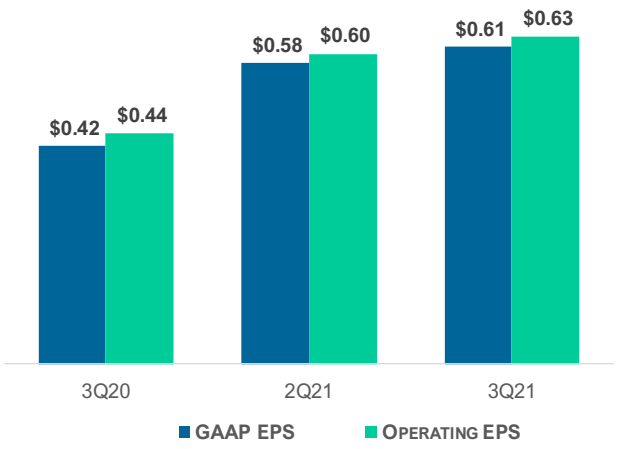
13.3%
OPERATING RETURN AVERAGE TANG. COMMON EQUITY[1]

70%
LOAN / DEPOSIT RATIO

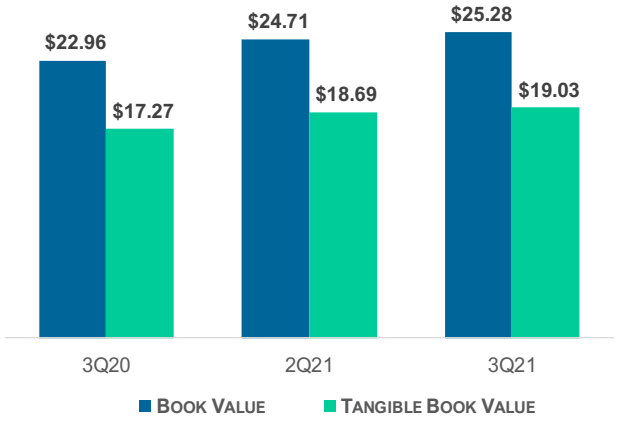
62%
OPERATING EFFICIENCY RATIO[1]

0.14%
NON-PERFORMING ASSETS / ASSETS

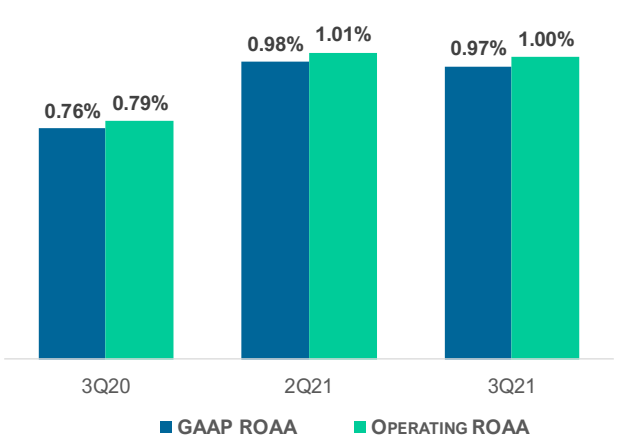
EARNINGS PER SHARE



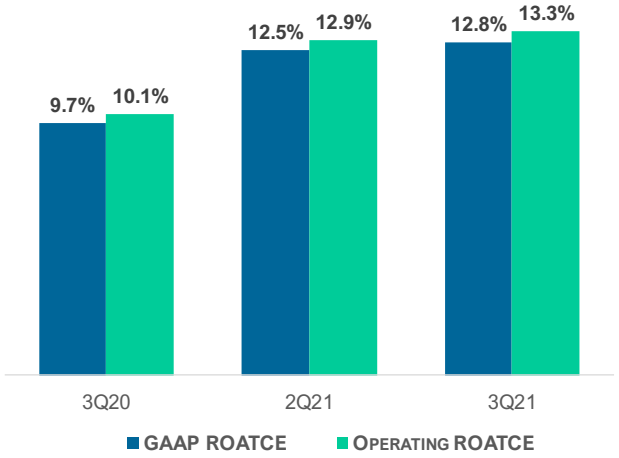
BOOK VALUE PER SHARE



RETURN ON AVERAGE ASSETS



RETURN ON AVERAGE TANGIBLE COMMON EQUITY



Financial data as of or for the three months ended 9/30/21
1) *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 PPP loans and impact from SCB acquisition and Richmond, VA loan sale; organic deposit growth excludes impact of SCB acquisition*

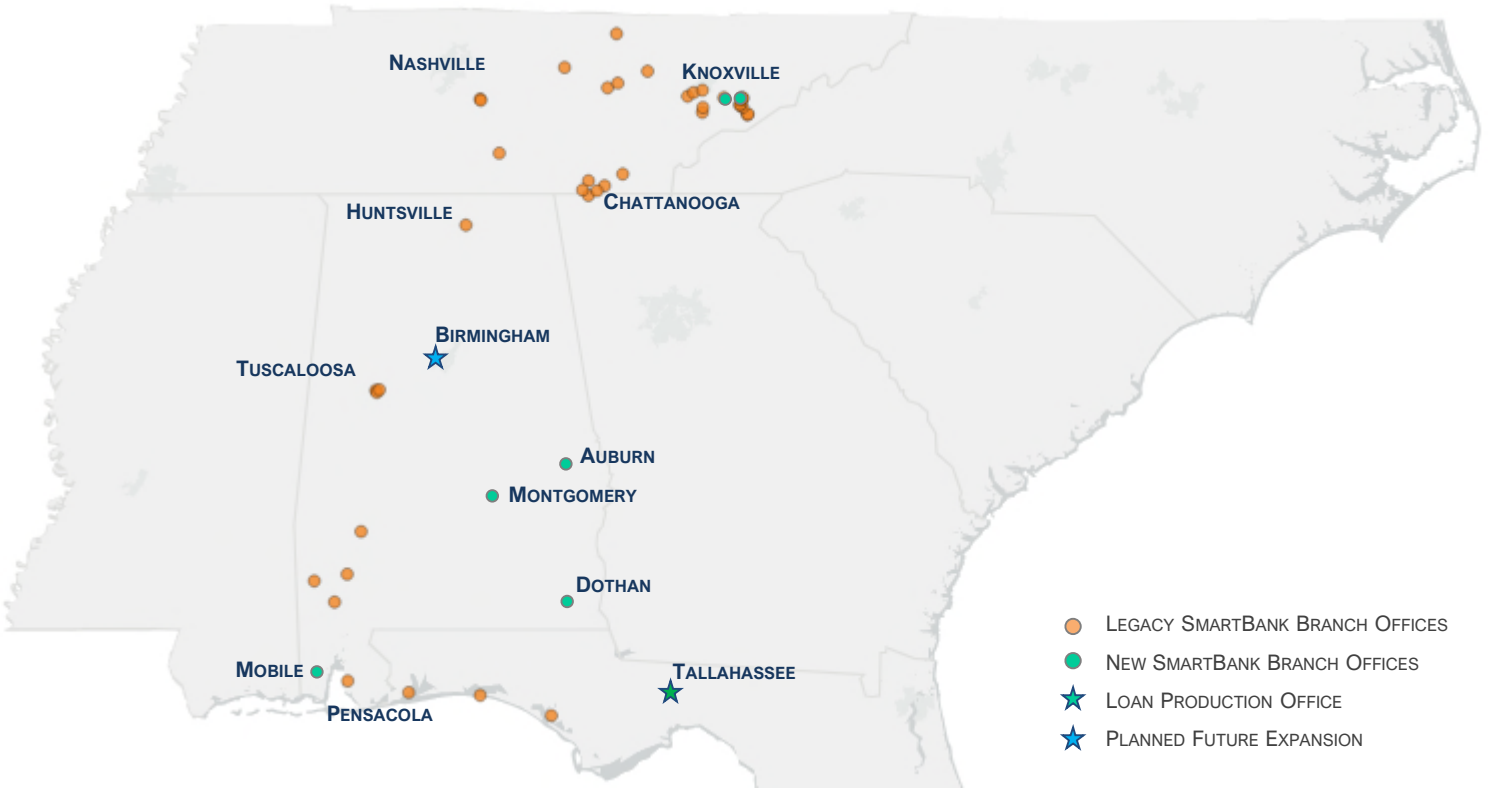
SMARTFINANCIAL: *EXPANDING SOUTHEAST FRANCHISE*

$4.4
BILLION IN TOTAL ASSETS

$2.7
BILLION IN TOTAL LOANS

$3.8
BILLION IN TOTAL DEPOSITS

40
TOTAL BRANCHES[1]



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 9/30/21 balances; 1) assumes closing of five SCB branches including the SCB Richmond, VA branch, opening of Auburn, Dothan, Mobile and Montgomery, AL locations and consolidation of two Murfreesboro, TN locations

MARKET AREA: *TARGETING INDUSTRY RICH GROWTH MARKETS*

SMARTBANK IS FOCUSED ON BUILDING MUSCLE IN ITS EXPANDING, FAST GROWING SOUTHEAST MARKET AREAS

EXPANDING MARKETS VS. LEGACY MARKETS[1]

127% LARGER DEPOSIT BASE	14% HIGHER MEDIAN HOUSEHOLD INCOME	0.5% FASTER PROJECTED POPULATION GROWTH
51% LARGER POPULATION BASE	2.4% FASTER HOUSEHOLD INCOME GROWTH	19% OF TOTAL REVENUE PRODUCING ASSOCIATES[2]

LEGACY MARKET AREA

Core Tennessee[3]

Total Deposits in Market	*$41.3 Billion*
Current Population (2021)	*1,549,636*
Proj. Pop. Growth ('21-'26)	*4.0%*
Proj. HH Inc. Growth ('21-'26)	*9.7%*

East Middle Tennessee[4]

Total Deposits in Market	*$9.9 Billion*
Current Population (2021)	*429,125*
Proj. Pop. Growth ('21-'26)	*4.2%*
Proj. HH Inc. Growth ('21-'26)	*9.3%*

Legacy Alabama[5]

Total Deposits in Market	*$34.7 Billion*
Current Population (2021)	*1,417,711*
Proj. Pop. Growth ('21-'26)	*3.0%*
Proj. HH Inc. Growth ('21-'26)	*6.2%*

EXPANDING MARKET AREA

Central Tennessee / Nashville[6]

Total Deposits in Market	*$89.2 Billion*
Current Population (2021)	*1,980,990*
Proj. Pop. Growth ('21-'26)	*5.9%*
Proj. HH Inc. Growth ('21-'26)	*11.4%*

Alabama Expansion[7]

Total Deposits in Market	*$73.5 Billion*
Current Population (2021)	*1,784,492*
Proj. Pop. Growth ('21-'26)	*1.5%*
Proj. HH Inc. Growth ('21-'26)	*10.1%*

Florida Panhandle[8]

Total Deposits in Market	*$32.7 Billion*
Current Population (2021)	*1,368,618*
Proj. Pop. Growth ('21-'26)	*5.0%*
Proj. HH Inc. Growth ('21-'26)	*10.0%*

1) Percentages based on combined Legacy Market Area vs. Expanding Market Area; 2) Business generating associates in Expanding Market Area as a percent of total SmartBank revenue producing associates adjusted for impact of SCB; 3) Core Tennessee includes Chattanooga, TN, Knoxville, TN and Sevierville, TN MSAs; 4) East Middle Tennessee includes Cleveland, TN, Crossville, TN, Cookeville, TN, Fentress, TN and Tullahoma, TN MSAs; 5) Legacy Alabama includes Clarke, AL, Fairhope, AL, Huntsville, AL, Mobile, AL and Tuscaloosa, AL MSAs; 6) Central Tennessee / Nashville includes the Nashville, TN MSA 7) Alabama Expansion includes Auburn, AL, Birmingham, AL, Dothan, AL and Montgomery, AL MSAs; 8) Florida Panhandle includes Fort Walton/Destin, FL, Panama City, FL, Pensacola, FL and Tallahassee, FL MSAs
Source: S&P Market Intelligence; Weighted Averages for each market area based on population

2021 Achievements: *A Robust Year of Progress*

Acquisition of Sevier County Bancshares:

- >34% Market Share in Sevier County, TN[1]
- >65% Total Noninterest Expense Savings
- $219 Million in Loans[2]
- $436 Million in Deposits

Acquisition of Fountain Equipment Finance:

- 6 Business Development Team Members
- >$1.8 Million in Projected 2022 Net Income
- 1 New Lending Line of Business
- $53 Million in Leases

Expanding Market Area[3] Lift-Outs:

- 17 Seasoned Bankers
  - 4 *Senior Banking Managers*
  - 10 *Commercial Relationship Managers*
  - 2 *Private Bankers*
  - 1 *Treasury Management Officer*
- 200+ Years Large Regional Bank Experience
- 3 New Branches in Auburn, Dothan and Montgomery, Alabama
- 16% Of Total Revenue Producing Associates[4]

Floor Plan Lending Unit Lift-Out:

- 1 Operations Manager
- 3 Seasoned Business Line Analysts
- 61+ Years Combined Floor Plan Lending Experience
- 131 Dealer Relationships Previously Managed[5]
- $2.0 Billion in Commitments Previously Managed[5]

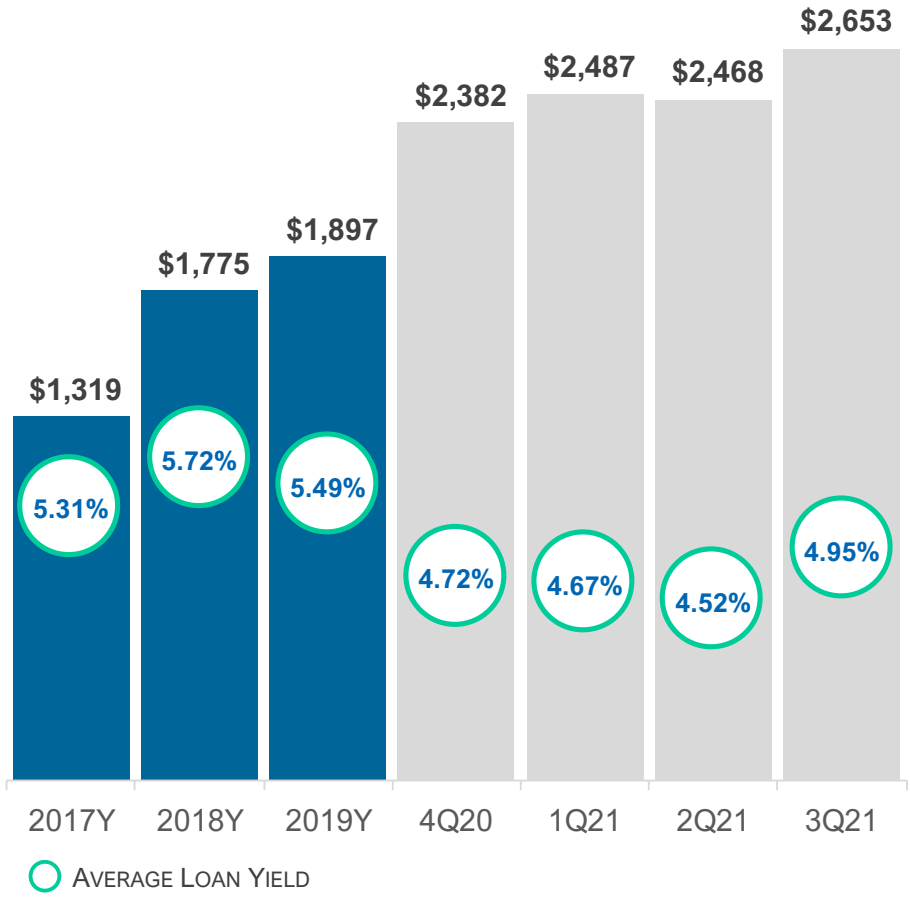
1) SmartBank and SCB Bank combined market share in Sevier County, TN; S&P Market Intelligence; 2) SCB loan total net of Richmond, VA loan sale as of closing date; 3) See page 5 for definition of Expanding Market Area; 4) Business generating associates as a percent of total SmartBank revenue producing associates adjusted for impact of SCB; 5) Relationship management stats at previous place of employment immediately prior to joining SmartBank

BALANCE SHEET: *CONTINUED BALANCE SHEET EXPANSION*

$ in Millions

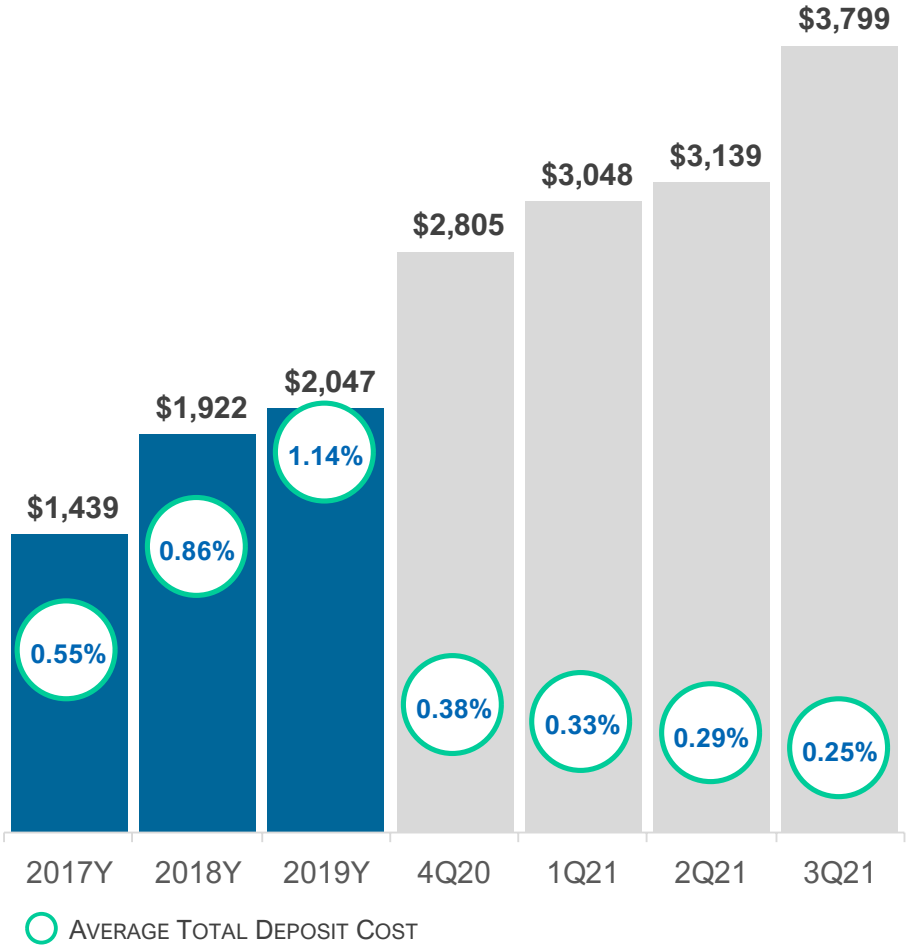
TOTAL LOANS

CAGR[1] OF 20% SINCE 2017



TOTAL DEPOSITS

LOANS TO DEPOSITS RATIO OF 70%



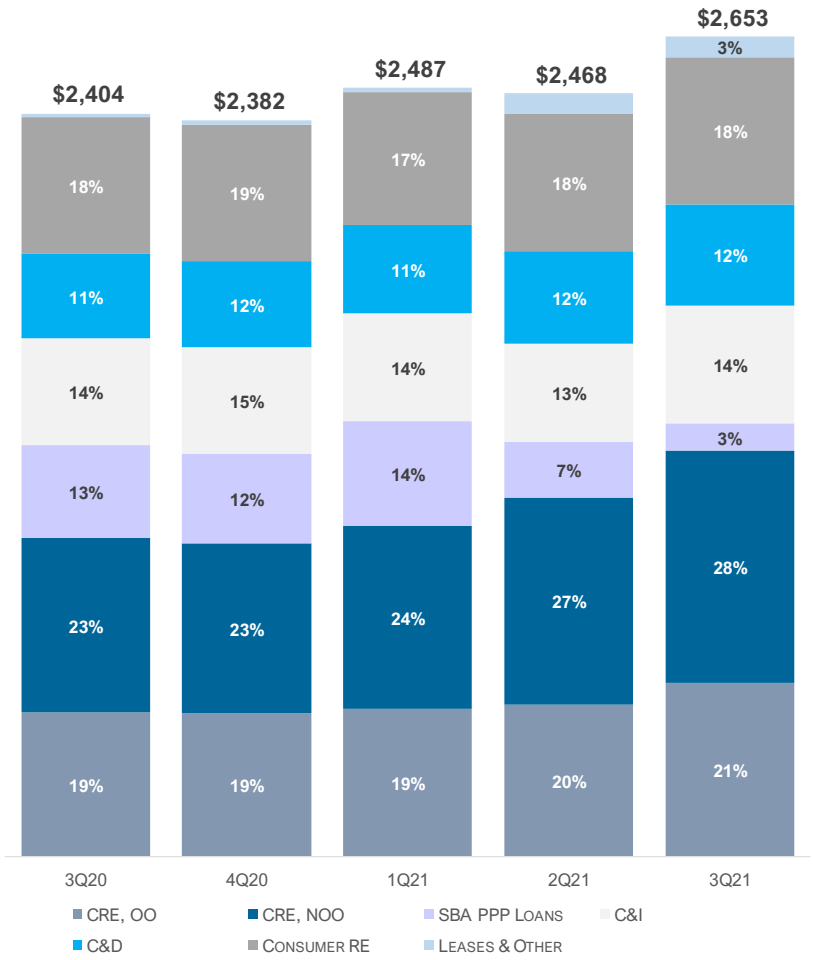
1) CAGR: Compound Annualized Growth Rate

LOAN PORTFOLIO: *STRONG ORGANIC LOAN GROWTH*

$ in Millions

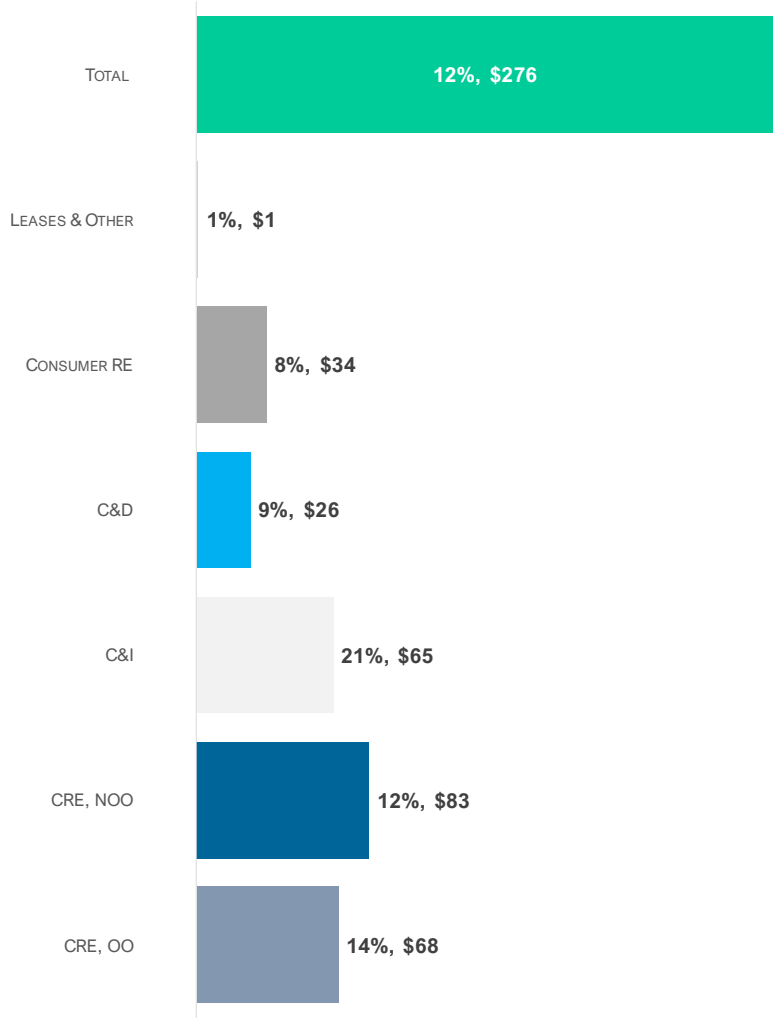
LOAN COMPOSITION

ORGANIC GROWTH DESPITE MARKET HEADWINDS



QUARTERLY LOAN GROWTH

12% QOQ NET NEW LOAN GROWTH[1]



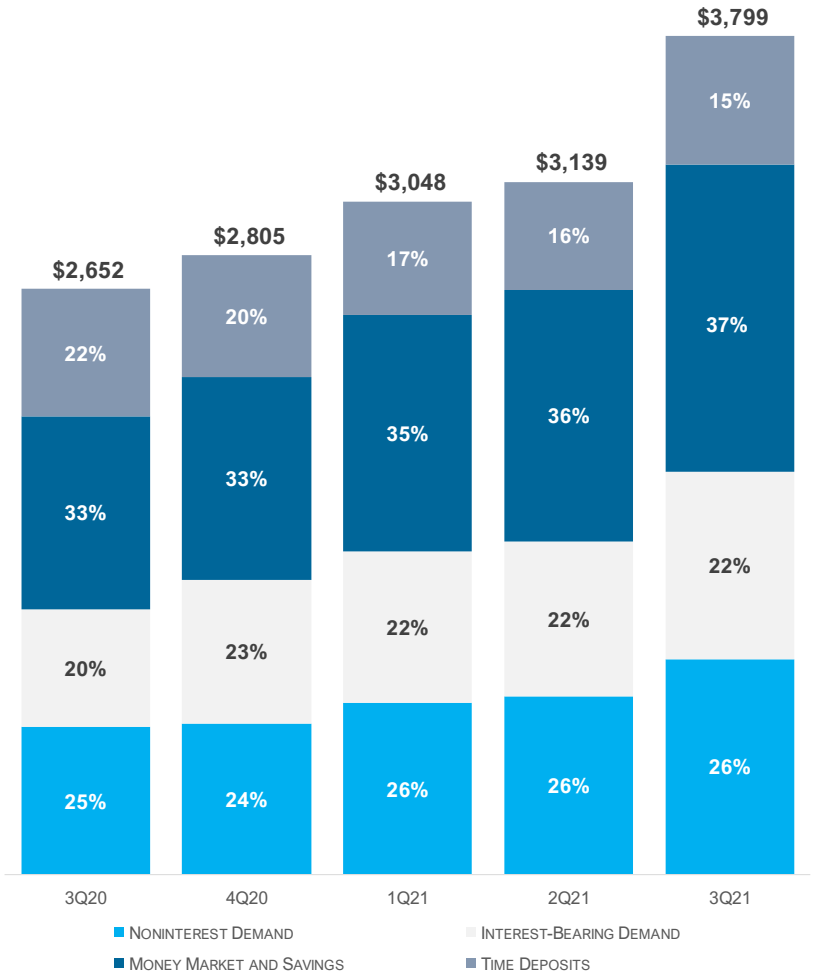
1) Excludes SBA PPP Loans and includes acquisition of SCB less Richmond, VA loan sale

DEPOSIT PORTFOLIO: *CONTINUED CORE DEPOSIT GROWTH*

$ in Millions

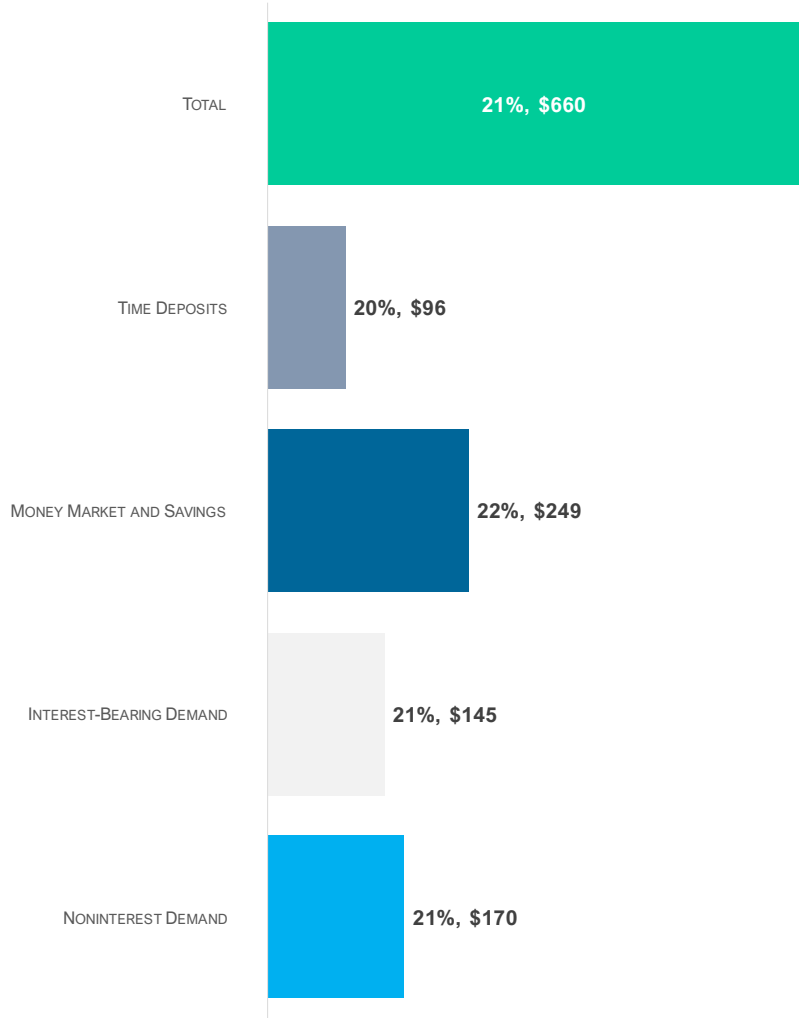
DEPOSIT COMPOSITION

CORE DEPOSIT GROWTH OUTPACING TIME DEPOSIT CONTRACTION



QUARTERLY DEPOSIT GROWTH

21% QOQ NET NEW DEPOSIT GROWTH[1]



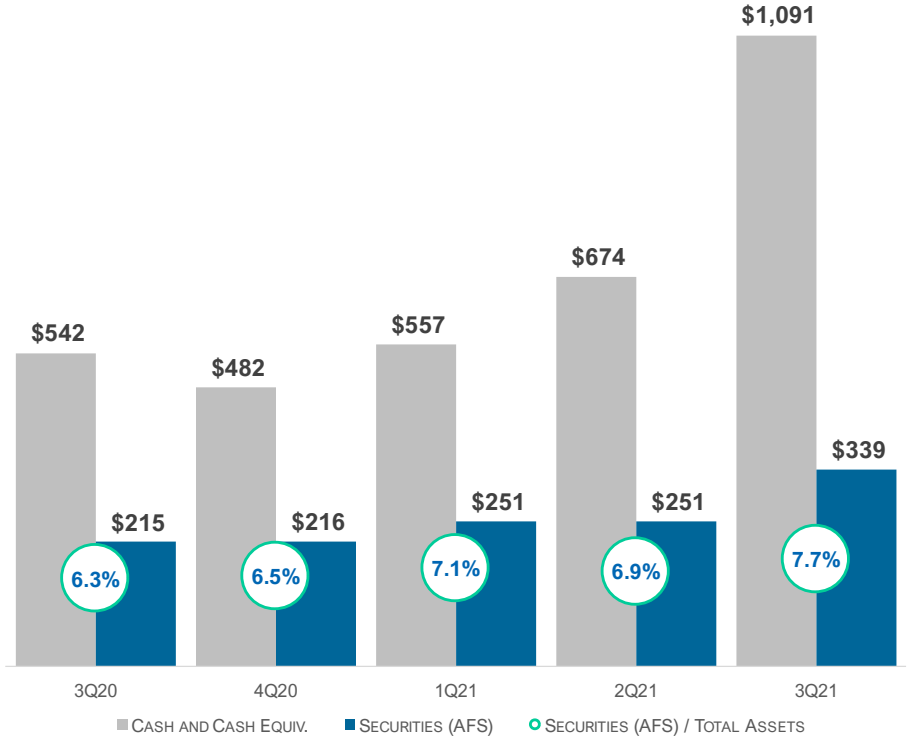
1) Includes acquisition of SCB impact

LIQUIDITY UTILIZATION: *MARGIN MANAGEMENT WHILE DRIVING REVENUE*

$ in Millions

CASH AND SECURITIES

DEPLOYING EXCESS FUNDING

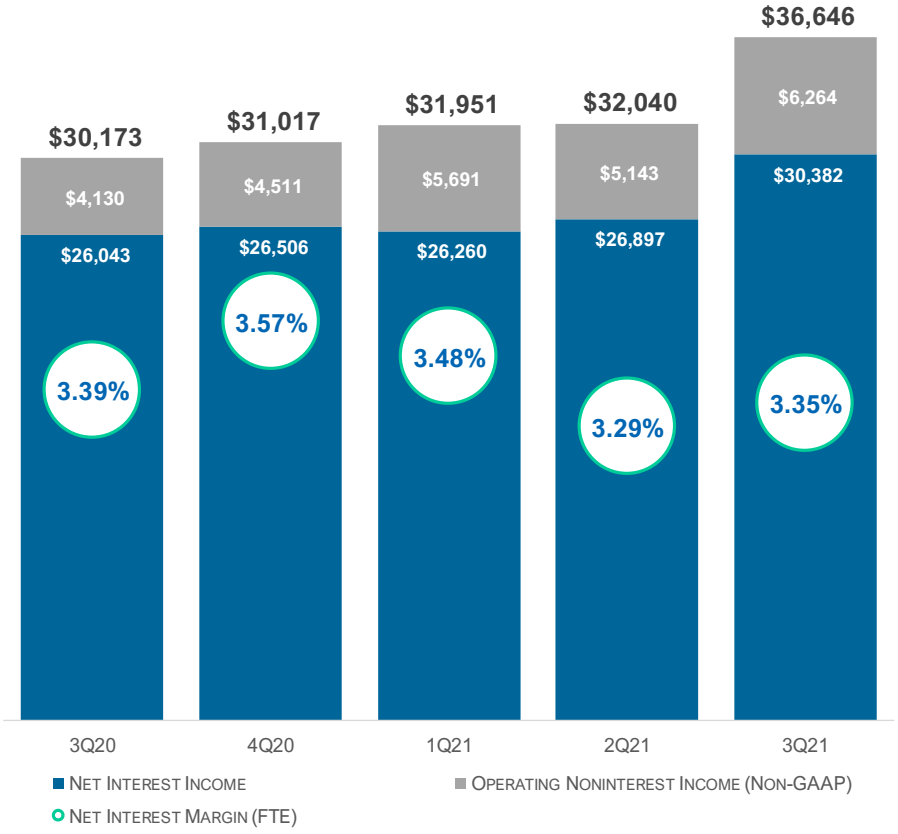


	3Q20	4Q20	1Q21	2Q21	3Q21
Cash Yield	0.30%	0.35%	0.28%	0.23%	0.23%
Sec. Yield (AFS)[1]	1.91%	2.02%	2.02%	2.16%	1.89%
Loans (less Accr./PPP Fees)	4.25%	4.23%	4.00%	4.06%	4.21%
Accretion	0.16%	0.13%	0.27%	0.12%	0.28%
PPP Fees	0.30%	0.36%	0.40%	0.34%	0.46%
Loan Yield (incl. Fees)	4.71%	4.72%	4.67%	4.52%	4.95%
IE Asset Yield	3.88%	4.01%	3.88%	3.65%	3.67%
NIM (FTE)	3.39%	3.57%	3.48%	3.29%	3.35%

$ in Thousands

MARGIN / OPERATING REVENUE

14% QOQ OPERATING REVENUE GROWTH



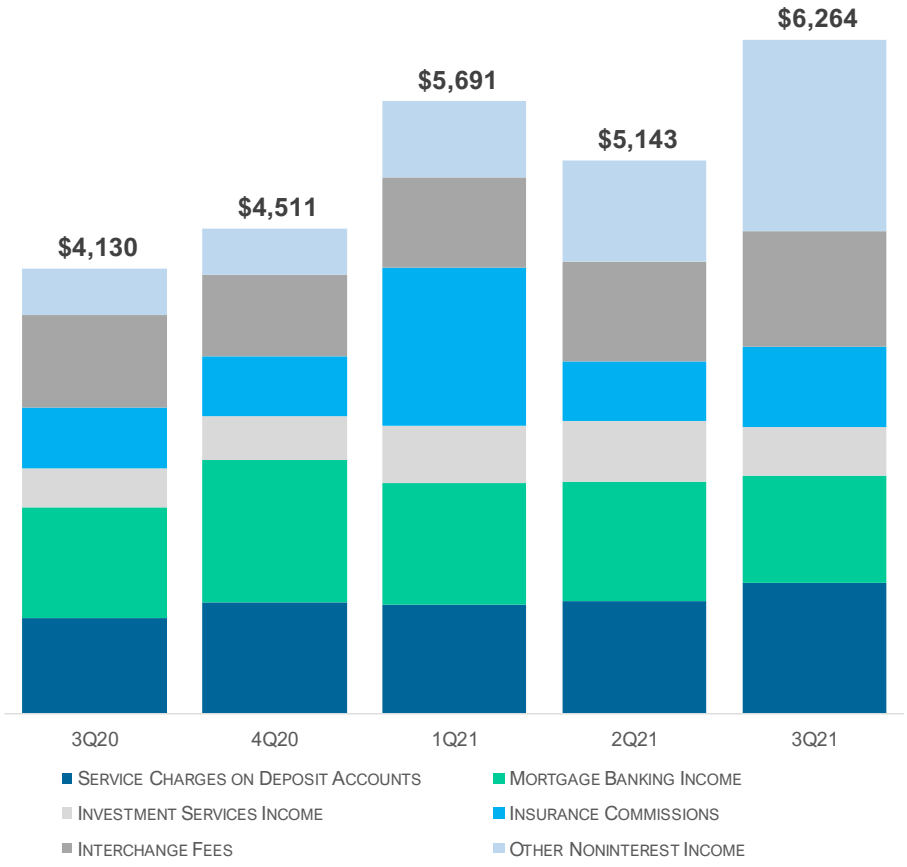
1) Based on the weighted average of the AFS securities portfolio. Yields related to investment securities exempt from income taxes are stated on a taxable-equivalent basis assuming a federal income tax rate of 21.0%
Note: For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

NONINTEREST REVENUE DETAILS: *GROWING FEE INCOME*

$ in Thousands

OPERATING NONINTEREST INCOME[1]

CONTINUING TO STRENGTHEN



DIFFERENTIATED REVENUE STREAMS

BUILDING A FAMILY OF DIVERSIFIED REVENUE GENERATORS

SmartBank INVESTMENT SERVICES

Rains Insurance A SmartBank Company

SmartBank Mortgage Services

FOUNTAIN EQUIPMENT FINANCE

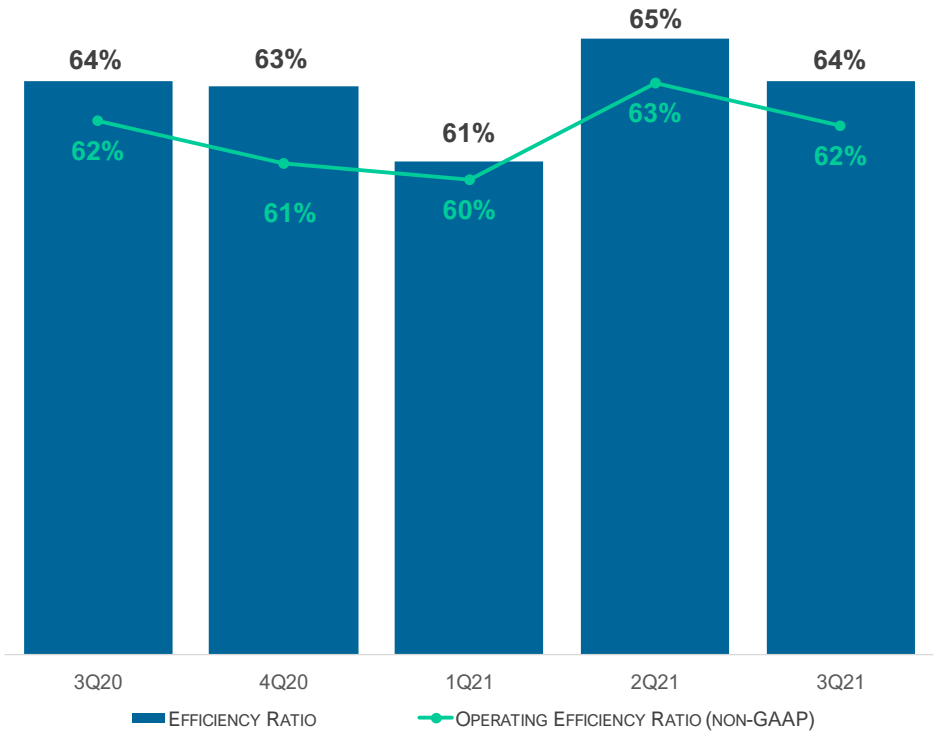
1) Non-GAAP operating non-interest income shown
Note: For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

OPERATING EXPENSE: *INVESTING IN GROWTH*

$ in Thousands

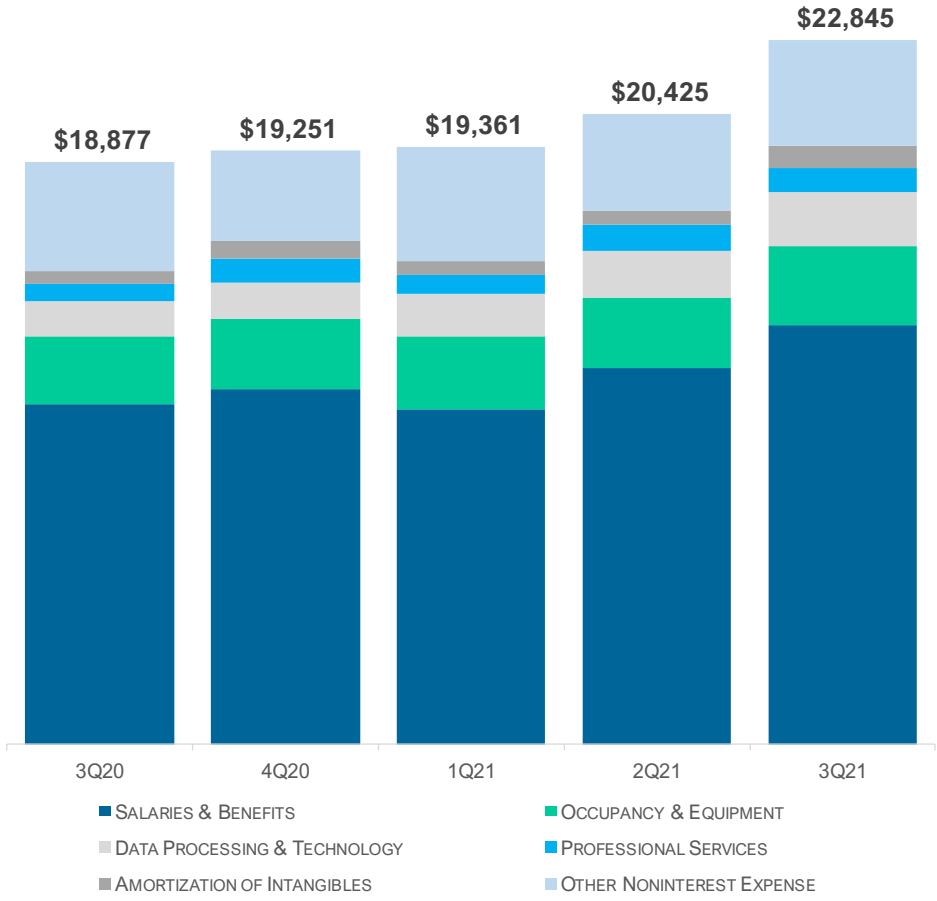
EFFICIENCY RATIO

EXECUTING ON MARKET EXPANSION OPPORTUNITIES



OPERATING NONINTEREST EXPENSE[1]

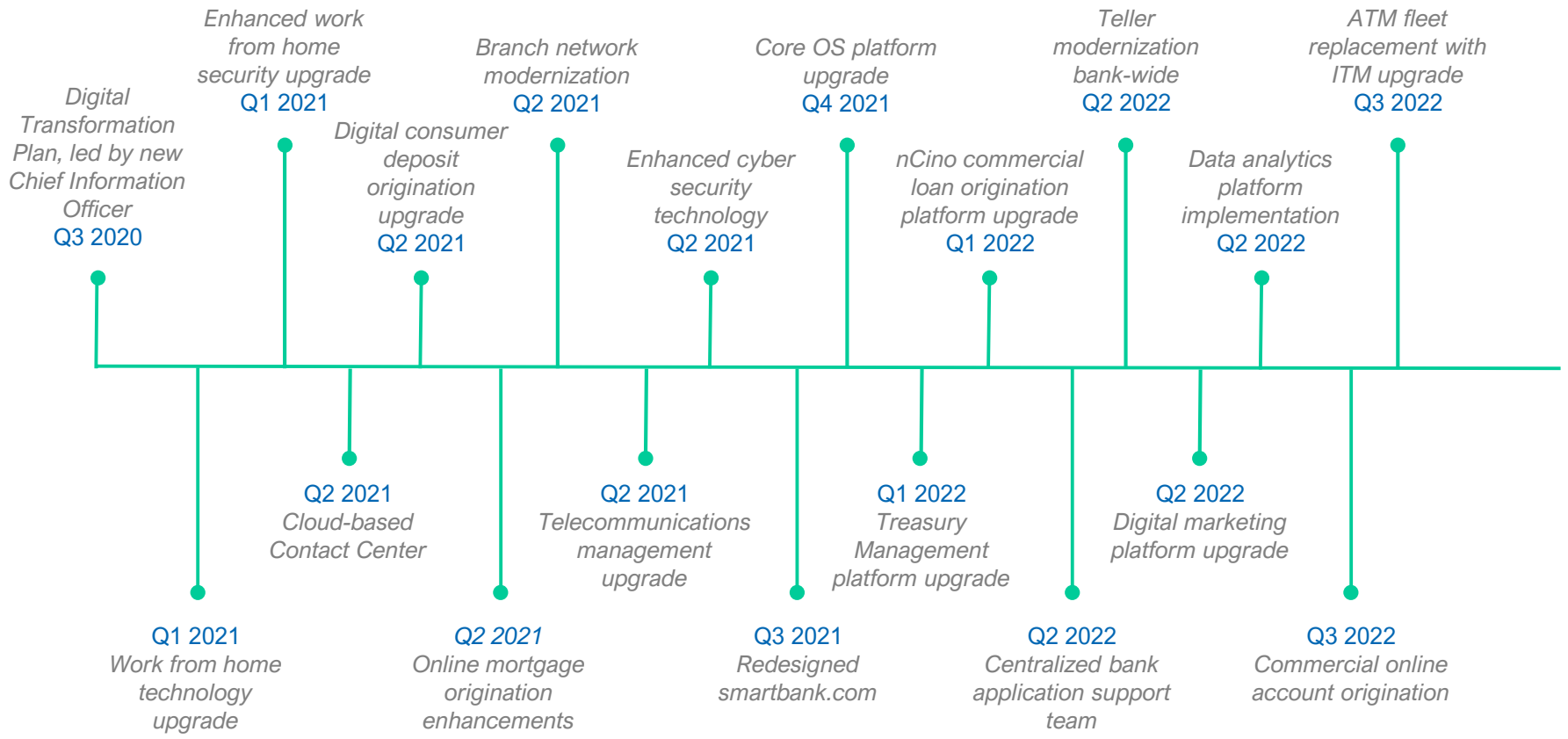
ELEVATED EXPENSES RELATED TO ACQUISITION AND LIFT-OUTS

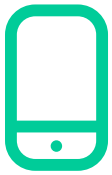


1) Non-GAAP operating non-interest expense shown
Note: For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

OPERATING EXPENSE: *TECHNOLOGY INVESTMENT*

INVESTING IN OUR PLATFORM TO MAKE SMARTBANK AN EASIER ORGANIZATION WITH WHICH TO DO BUSINESS









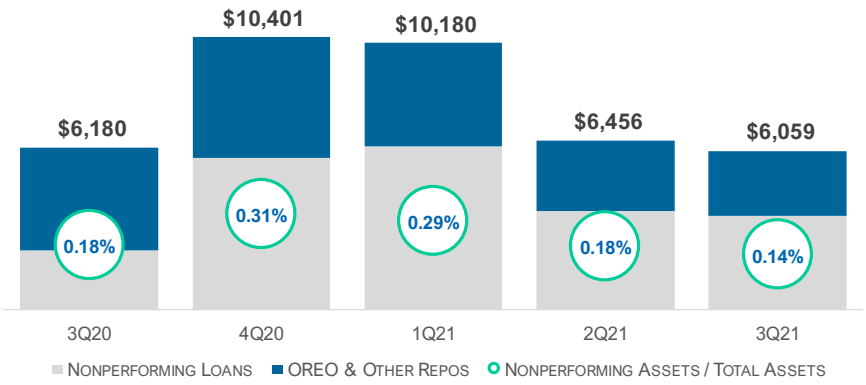




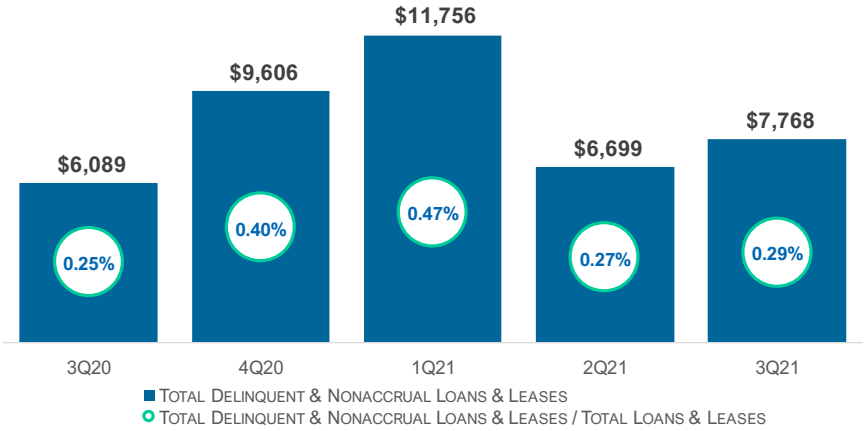
ASSET QUALITY: *STRONG UNDERWRITING PAYS DIVIDENDS*

$ in Thousands

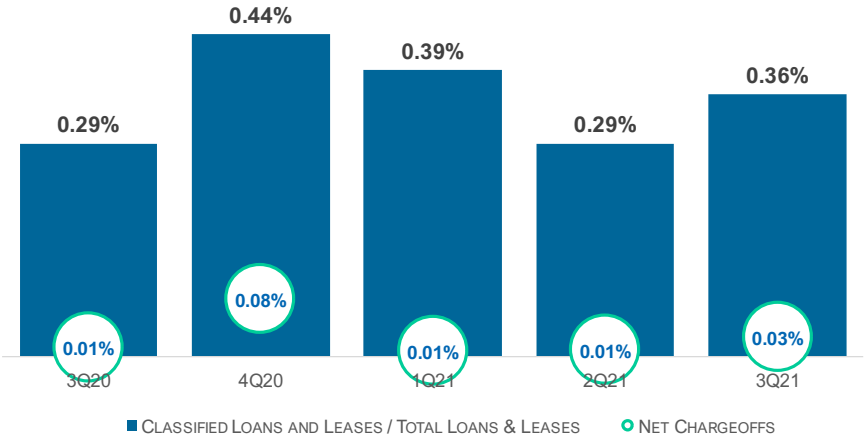
NONPERFORMING ASSETS



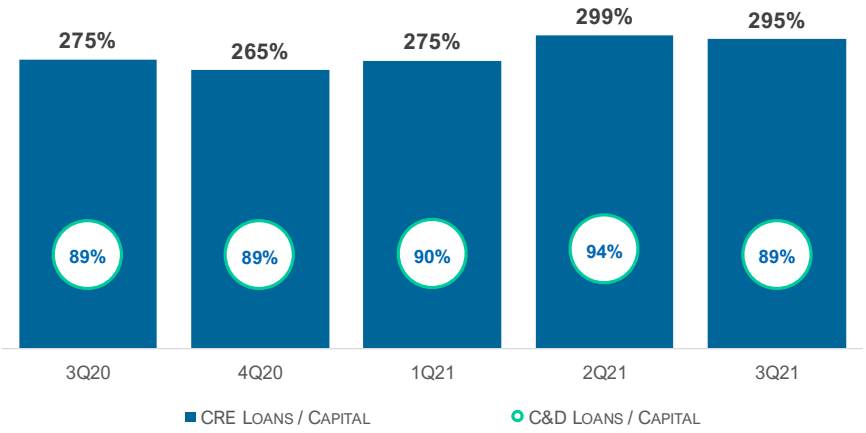
DELINQUENT AND NONACCRUALS / TOTAL LOANS



CREDIT QUALITY



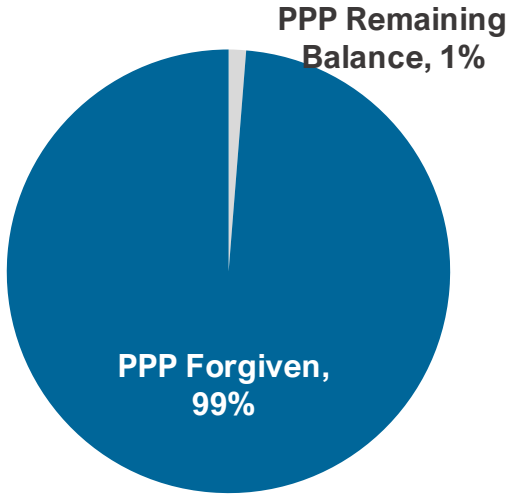
COMMERCIAL REAL ESTATE CONCENTRATION



PAYCHECK PROTECTION PROGRAM ("PPP"): *WINDING DOWN*

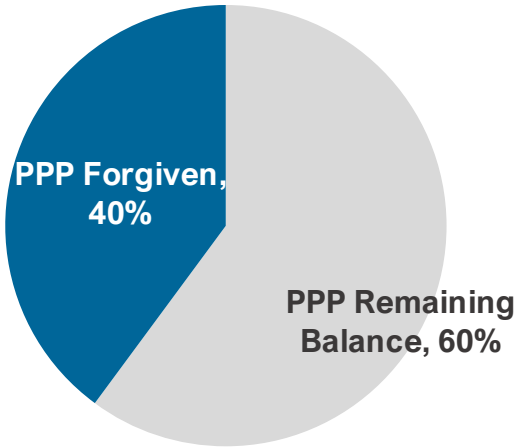
2020 PPP Vintage

	Originated	Acquired	O/S Balance	Forgiven
# of Loans	2,957	25	40	2,942
% of Total			*1%*	*99%*
Total Loan Balance	$ 300,789	$ 2,208	$ 3,894	$ 299,103
% of Total			*1%*	*99%*
Total Fees	$ 10,068		$ -	



2021 PPP Vintage

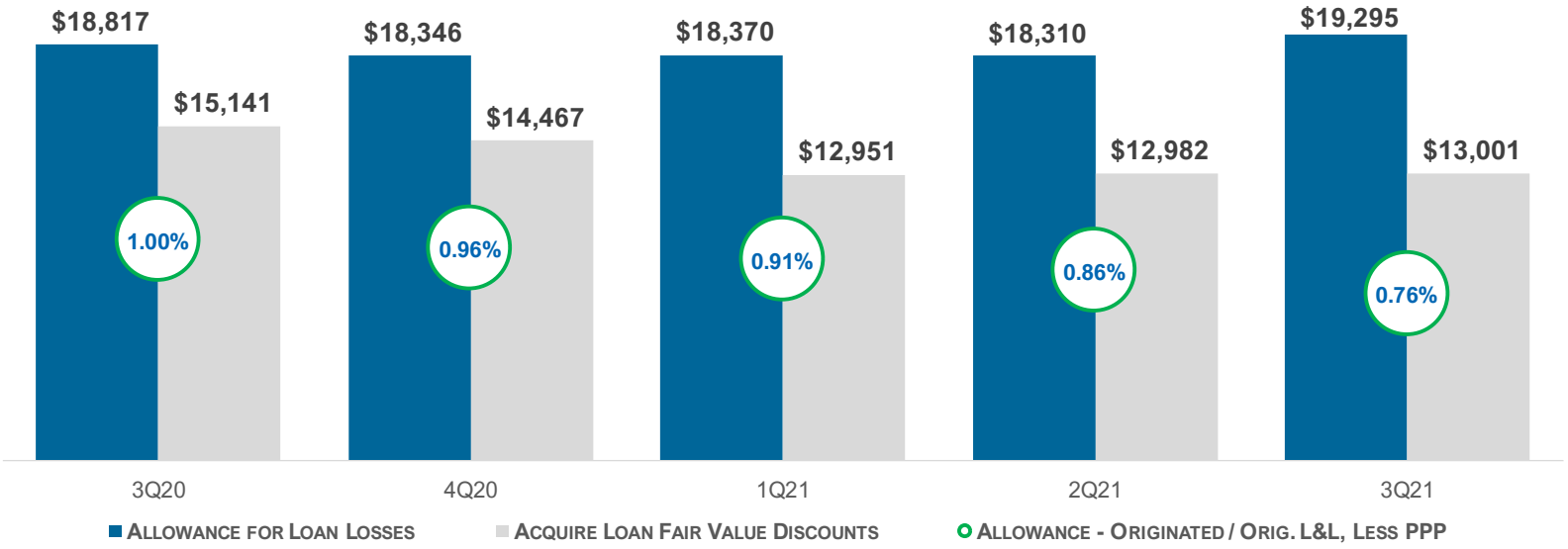
	Originated	Acquired	O/S Balance	Forgiven
# of Loans	1,801	-	1,086	715
% of Total			*60%*	*40%*
Total Loan Balance	$ 138,398	$ -	$ 83,215	$ 55,183
% of Total			*60%*	*40%*
Total Fees	$ 7,035		$ 3,783	



Note: As of 9/30/21

RESERVE RECONCILIATION:

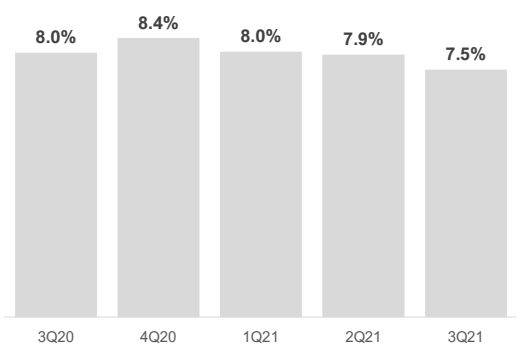
$ in Thousands



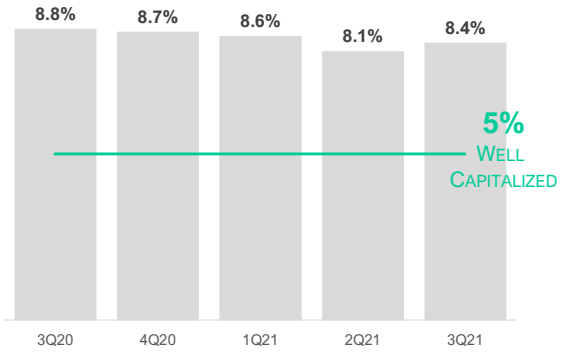
	3Q20	4Q20	1Q21	2Q21	3Q21
Allowance / Total Loans & Leases ("L&L")	0.78%	0.77%	0.74%	0.74%	0.73%
Allowance / Total L&L, less PPP	0.89%	0.88%	0.85%	0.80%	0.75%
Allowance - Originated / Orig. L&L, less PPP	**1.00%**	**0.96%**	**0.91%**	**0.86%**	**0.76%**
Allowance - Acquired / Acquired L&L	0.49%	0.49%	0.57%	0.47%	0.74%
Acquired FV Discount / Acquired L&L	3.53%	3.76%	3.74%	3.61%	2.48%
Total Reserves / Total L&L	1.41%	1.38%	1.26%	1.27%	1.22%
Total Reserves / Total L&L, less PPP	**1.61%**	**1.57%**	**1.46%**	**1.37%**	**1.26%**

CAPITAL: *WELL CAPITALIZED – BUILDING BOOK VALUE*

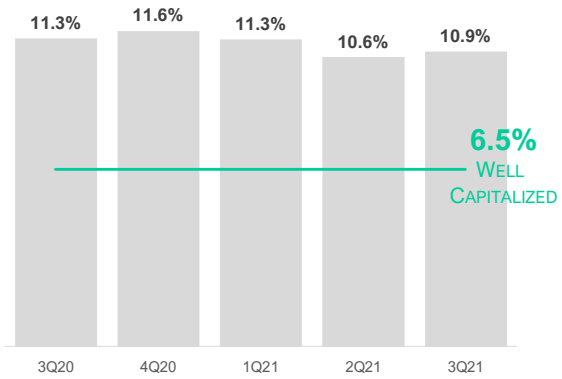
TCE / TA[1]



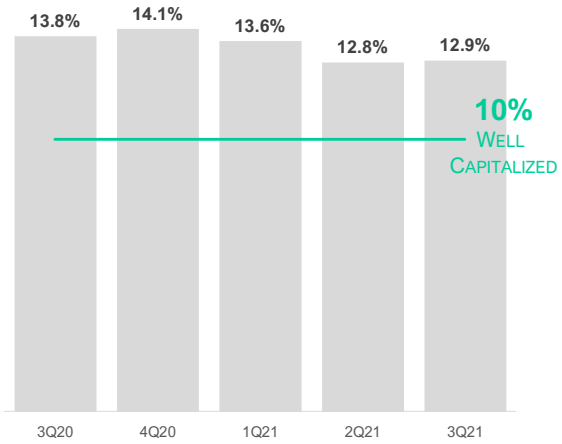
LEVERAGE RATIO



CET1 RATIO



TOTAL CAPITAL RATIO



BASEL III REGULATORY CAPITAL MINIMUM TO BE CONSIDERED "WELL CAPITALIZED"

BUILDING SHAREHOLDER VALUE

TANGIBLE BOOK VALUE PER SHARE[1]



$5.13
TBV PER SHARE[1] CREATED '17 – ' 21

9%
CAGR '17 – '21

$0.06
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 9/30/21

WHY SMARTBANK: *INVESTMENT HIGHLIGHTS*

- *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*

SmartFinancial

APPENDIX

INCOME STATEMENT: *DETAILED THIRD QUARTER RESULTS*

($ in thousands, except per share data)	3Q21	2Q21	3Q20	3Q21 vs. 2Q21 % Chg.	3Q21 vs. 3Q20 % Chg.
Net Interest Income	$ 30,382	$ 26,897	$ 26,043	13%	17%
Provision for Loan & Lease losses	1,149	(5)	2,634		
Noninterest Income	6,309	5,143	4,121	23%	53%
Noninterest Expense	23,309	20,797	19,167	12%	22%
Income Tax Expense	2,633	2,470	1,968		
Net Income (GAAP)	$ 9,600	$ 8,778	$ 6,395	9%	50%
Non-GAAP Reconciliations					
Noninterest Income	(45)	-	9		
Noninterest Expense	464	372	290		
Income Tax Effect Of Adjustments	(108)	(96)	(77)		
Operating Earnings (Non-GAAP)	$ 9,911	$ 9,054	$ 6,617	9%	50%
Operating PTPP Earnings (Non-GAAP)	$ 13,801	$ 11,615	$ 11,296	19%	22%

Non-GAAP Performance Metrics	3Q21	2Q21	3Q20	3Q21 vs. 2Q21 % Chg.	3Q21 vs. 3Q20 % Chg.
Diluted Operating Earnings Per Share	$ 0.63	$ 0.60	$ 0.44	6%	42%
Tangible Book Value Per Common Share	$ 19.03	$ 18.69	$ 17.27	2%	10%
Operating Return on Average Assets	1.00%	1.01%	0.79%	(1bps)	21bps
Operating PTPP Return on Average Assets	1.39%	1.30%	1.35%	9bps	5bps
Operating Return on Average Tang. Common Equity	13.3%	12.9%	10.1%	0%	3%
Operating Efficiency Ratio	62.1%	63.5%	62.3%	(1%)	(0%)

Note: For a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

NON-GAAP RECONCILIATION

$ in Thousands, except per share data

	3Q21	2Q21	1Q21	4Q20	3Q20
Operating Earnings					
Net Income (GAAP)	$ 9,600	$ 8,778	$ 9,756	$ 9,030	$ 6,395
Noninterest Income:					
Securities (Gains) Losses	(45)	-	-	-	9
ADECA Termination Proceeds[1]	-	-	-	(465)	-
Noninterest Expenses:					
Merger Related And Restructuring Expenses	464	372	103	702	290
Income Taxes:					
Income Tax Effect Of Adjustments	(108)	(96)	(27)	(62)	(77)
Operating Earnings (Non-GAAP)	$ 9,911	$ 9,054	$ 9,832	$ 9,205	$ 6,617
Operating Earnings Per Common Share:					
Basic	$ 0.64	$ 0.60	$ 0.65	$ 0.61	$ 0.44
Diluted	0.63	0.60	0.65	0.61	0.44
Operating Noninterest Income					
Noninterest Income (GAAP)	$ 6,309	$ 5,143	$ 5,691	$ 4,976	$ 4,121
Securities (Gain) Losses	(45)	-	-	-	9
ADECA Termination Proceeds	-	-	-	(465)	-
Operating Noninterest Income (Non-GAAP)	$ 6,264	$ 5,143	$ 5,691	$ 4,511	$ 4,130
Operating Noninterest Expense					
Noninterest Expense (GAAP)	$ 23,309	$ 20,797	$ 19,464	$ 19,953	$ 19,167
Merger Related And Restructuring Expenses	(464)	(372)	(103)	(702)	(290)
Operating Noninterest Expense (Non-GAAP)	$ 22,845	$ 20,425	$ 19,361	$ 19,251	$ 18,877
Operating Pre-Tax Pre-Provison ("PTPP") Earnings					
Net Interest Income (GAAP)	$ 30,382	$ 26,897	$ 26,260	$ 26,506	$ 26,043
Operating Noninterest Income (Non-GAAP)	6,264	5,143	5,691	4,511	4,130
Operating Noninterest Expense (Non-GAAP)	(22,845)	(20,425)	(19,361)	(19,251)	(18,877)
Operating PTPP Earnings (Non-GAAP)	$ 13,801	$ 11,615	$ 12,590	$ 11,766	$ 11,296
Non-GAAP Return Ratios					
Operating Return On Average Assets (Non-GAAP)[2]	1.00%	1.01%	1.19%	1.14%	0.79%
Operating PTPP Return On Average Assets (Non-GAAP)[3]	1.39%	1.30%	1.52%	1.45%	1.35%
Return On Average Tangible Common Equity (Non-GAAP)[4]	12.84%	12.54%	14.41%	13.43%	9.72%
Operating Return On Average Shareholders' Equity (Non-GAAP)[5]	10.01%	9.83%	11.05%	10.34%	7.57%
Operating Return On Average Tangible Common Equity (Non-GAAP)[6]	13.26%	12.93%	14.53%	13.69%	10.06%
Operating Efficiency Ratio					
Efficiency Ratio (GAAP)	63.53%	64.91%	60.92%	63.38%	63.54%
Adjustment For Taxable Equivalent Yields	(0.25%)	(0.30%)	(0.28%)	(0.30%)	(0.32%)
Adjustment For Securities Gains (Losses)	(0.08%)	-	-	-	0.02%
Adjustment For Merger Expenses	(1.11%)	(1.15%)	(0.32%)	(2.22%)	(0.99%)
Operating Efficiency Ratio (Non-GAAP)	62.09%	63.46%	60.32%	60.86%	62.25%

1. *Note: "ADECA" represents a loan program administered by the Alabama Department of Economic and Community Affairs*
2. *Operating return on average assets (Non-GAAP) is the annualized operating earnings (Non-GAAP) divided by average assets.*
3. *Operating PTPP return on average assets (Non-GAAP) is the annualized operating PTPP earnings (Non-GAAP) divided by average assets.*
4. *Return on average tangible common equity (Non-GAAP) is the annualized net income divided by average tangible common equity (Non-GAAP).*
5. *Operating return on average shareholders' equity (Non-GAAP) is the annualized operating earnings (Non-GAAP) divided by average shareholder equity.*
6. *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, except per share data

	3Q21	2Q21	1Q21	4Q20	3Q20
Tangible Common Equity:					
Shareholders' Equity (GAAP)	$ 424,720	$ 373,393	$ 364,058	$ 357,168	$ 349,789
Less Goodwill And Other Intangible Assets	104,930	90,966	86,350	86,471	86,710
Tangible Common Equity (Non-GAAP)	$ 319,790	$ 282,427	$ 277,708	$ 270,697	$ 263,079
Average Tangible Common Equity:					
Average Shareholders' Equity (GAAP)	$ 392,798	$ 369,325	$ 360,919	$ 354,026	$ 347,907
Less Goodwill And Other Intangible Assets	96,250	88,551	86,424	86,561	86,206
Average Tangible Common Equity (Non-GAAP)	$ 296,548	$ 280,774	$ 274,495	$ 267,465	$ 261,701
Tangible Book Value Per Common Share:					
Book Value Per Common Share (GAAP)	$ 25.28	$ 24.71	$ 24.10	$ 23.64	$ 22.96
Adjustment Due To Goodwill And Other Intangible Assets	(6.25)	(6.02)	(5.71)	(5.72)	(5.69)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.03	$ 18.69	$ 18.39	$ 17.92	$ 17.27
Tangible Common Equity To Tangible Assets:					
Total Assets	$ 4,384,031	$ 3,654,356	$ 3,557,203	$ 3,304,949	$ 3,387,588
Less Goodwill And Other Intangibles	104,930	90,966	86,350	86,471	86,710
Tangible Assets (Non-GAAP)	$ 4,279,101	$ 3,563,390	$ 3,470,853	$ 3,218,478	$ 3,300,878
Tangible Common Equity To Tangible Assets (Non-GAAP):	7.47%	7.93%	8.00%	8.41%	7.97%

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

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