SmartFinancial

INVESTOR CALL
4Q 2022

January 24, 2023, 10:00am ET
Webcast: www.smartbank.com
(Investor Relations)
Audio Only: 1-844-200-6205
Access Code: 179408

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 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) the continued impact of the COVID-19 pandemic and related variants on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations; (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.

SmartBank 2022: *A Year in Review*

$ in Millions, except per share data

Financial Highlights:

Balance Sheet / Non-GAAP Revenue Metrics:

		2020Y	2021Y	2022Y	'20 -'22 CAGR[3]
Balance Sheet Performance Driven by Talented Commercial Relationship Managers	Total Loans and Leases	$ 2,382.2	$ 2,693.4	$ 3,229.0	16%
	Annual Net Balance Loan Growth (Excl. PPP)	190.1	547.8	587.9	76%
	Total Deposits	2,805.2	4,021.9	4,077.1	21%
	Loan / Deposit Ratio	85%	67%	79%	
Record Operating Revenue	Operating Revenue[1]	115.8	137.3	165.1	19%
	Operating PTPP Earnings[1]	43.7	49.6	59.3	17%
Non-Cyclical Noninterest Income Growth	Operating Noninterest Income[1]	15.0	23.9	27.6	36%
	Operating Noninterest Income (Excl. Mtg. Bking)[1]	11.1	19.9	26.0	53%

Non-GAAP Performance Metrics:

Positive Operating Leverage Improving Profitability	Operating Return on Average Assets[1]	0.89%	0.98%	0.92%	
	Operating Return on Average Tang. Common Equity[1]	10.7%	12.8%	13.7%	
	Operating Efficiency Ratio[1]	61.7%	63.6%	63.8%	
Record Operating EPS Creating Shareholder Value	Diluted Operating Earnings Per Share[1]	$ 1.82	$ 2.39	$ 2.57	19%
	Tangible Book Value Per Share (Excl. AOCI)[1,2]	$ 17.77	$ 19.17	$ 21.18	9%

Operational Achievements:

- nCino© Commercial Loan Origination System Implemented
- Opened Branches in Nashville / Franklin, TN and Birmingham, AL
- Consolidated Crossville and Sevierville, TN Operations
- Established Permanent Dothan, AL and Tallahassee, FL Locations
- Substantial Modernization of ATM and Cash Recycler Fleets
- Enhanced Insurance Platform with Sunbelt Insurance Acquisition

1) *Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix*
2) *AOCI: Accumulated Other Comprehensive Income*
3) *CAGR: Compound Annualized Growth Rate*

QUARTERLY HIGHLIGHTS: *FOURTH QUARTER 2022*

$0.76
DILUTED OPERATING EPS[1]

$4.6
BILLION IN TOTAL ASSETS

15%
QOQ[2] ANNUALIZED TANG. BOOK VALUE PER SHARE GROWTH (EXCLUDING AOCI)[1]

17%
QOQ ANNUALIZED ORGANIC LOAN[3] GROWTH[4]

1.10%
OPERATING RETURN ON AVERAGE ASSETS[1]

(5%)
QOQ DEPOSIT CONTRACTION

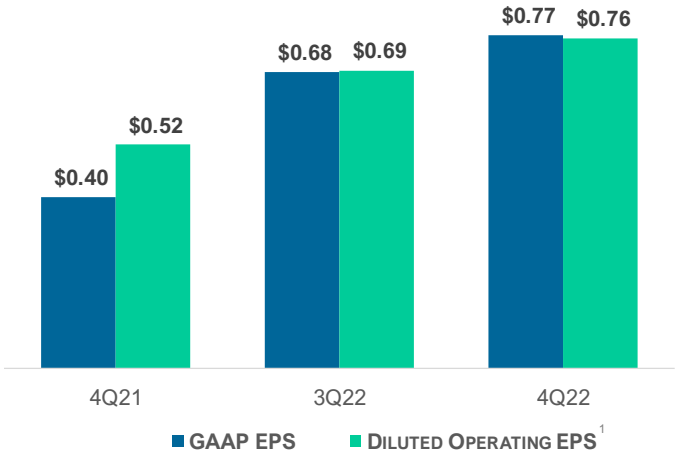
16.5%
OPERATING RETURN AVERAGE TANG. COMMON EQUITY[1]

79%
LOAN / DEPOSIT RATIO

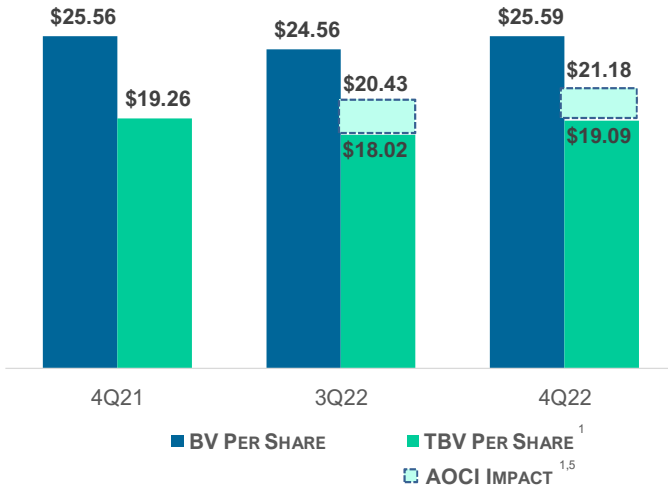
61%
OPERATING EFFICIENCY RATIO[1]

0.10%
NON-PERFORMING ASSETS / ASSETS

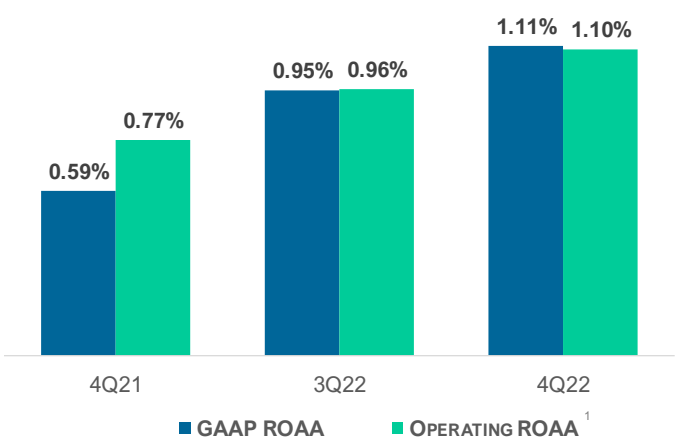
DILUTED EARNINGS PER SHARE



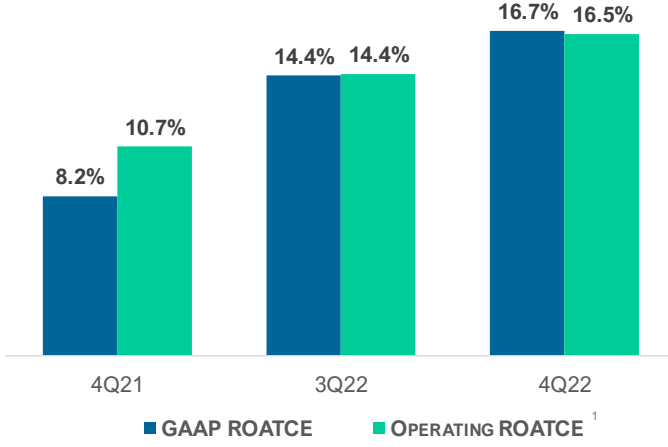
BOOK VALUE PER SHARE



RETURN ON AVERAGE ASSETS



RETURN ON AVERAGE TANGIBLE COMMON EQUITY



Financial data as of or for the three months ended 12/31/22

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 PPP loans*
5) *AOCI: Accumulated Other Comprehensive Income*

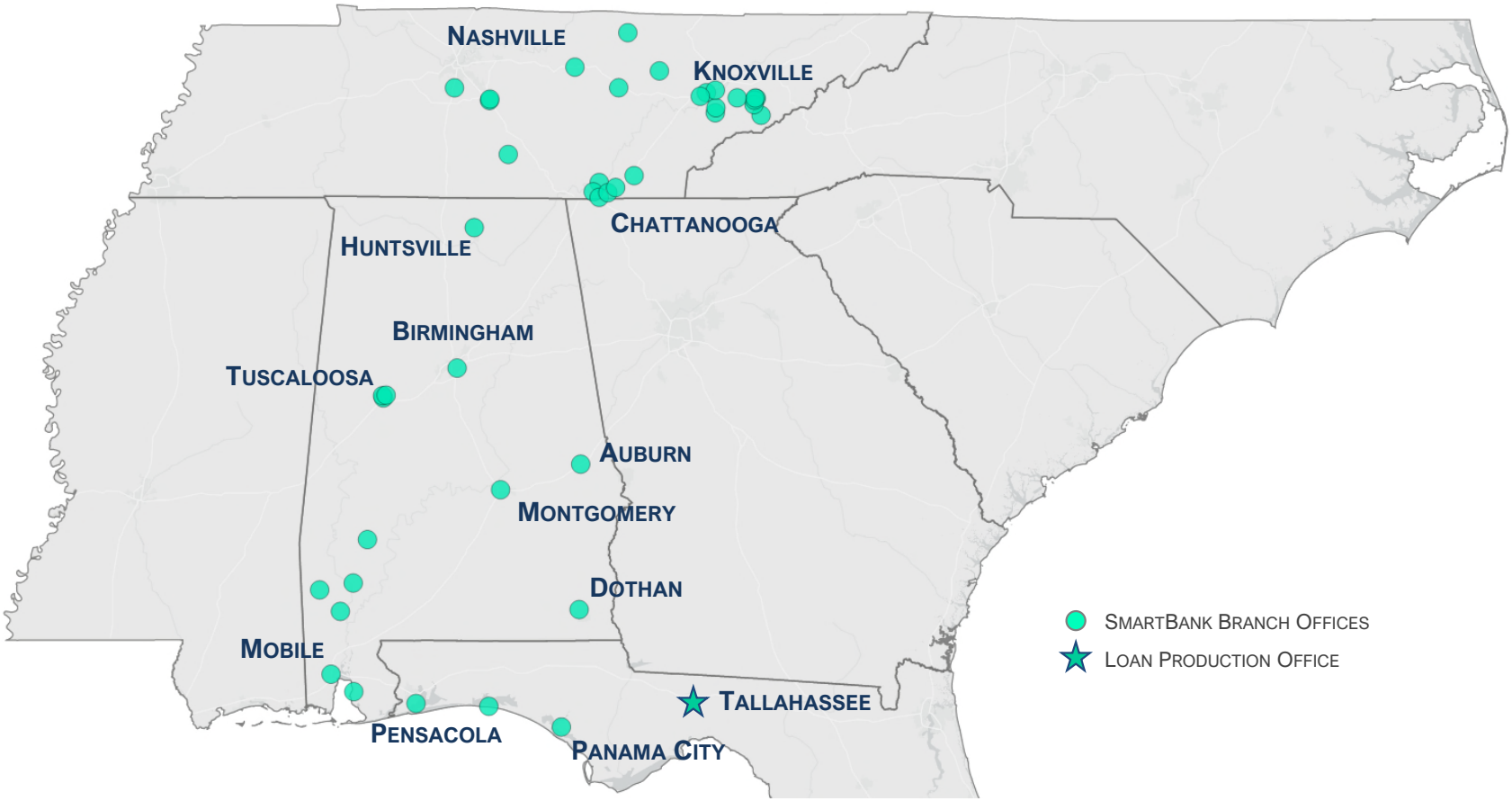
SMARTFINANCIAL: *EXPANDING SOUTHEAST FRANCHISE*

$4.6
BILLION IN TOTAL ASSETS

$3.2
BILLION IN TOTAL LOANS

$4.1
BILLION IN TOTAL DEPOSITS

41
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

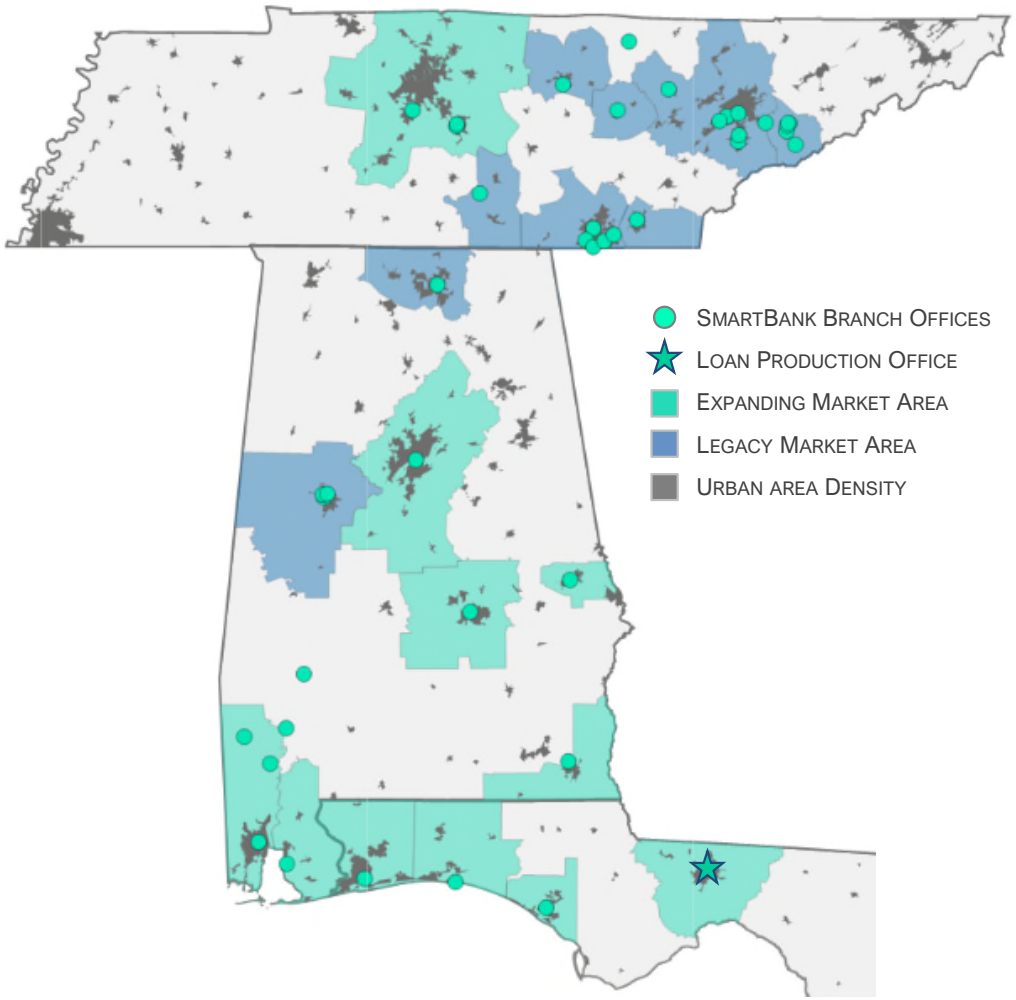
Proud to be Voted a Top Workplace 6 years in a row![1]



Balance sheet and branch count represent 12/31/22 balances
1) Knox News Sentinel Top Workplaces survey

MARKET AREA: *TARGETING INDUSTRY RICH GROWTH MARKETS*

$ in Billions



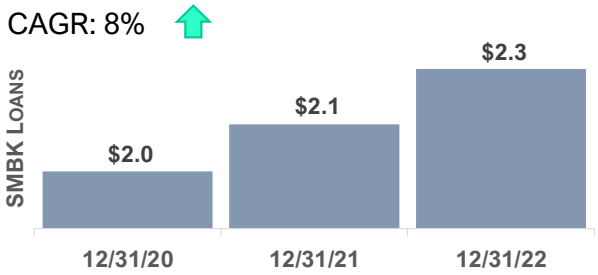
EXPANDING MARKETS

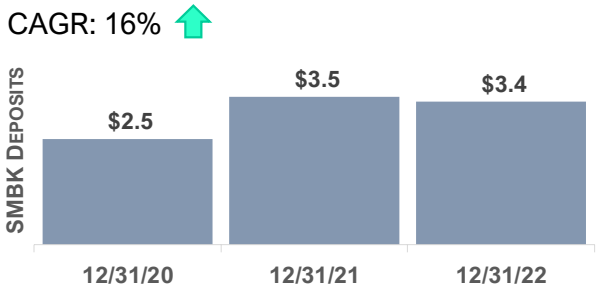
- TOTAL POPULATION: **5.9** MILLION
- TOTAL DEPOSITS: **$211** BILLION
- MEDIAN INCOME: **$68** THOUSAND

LEGACY MARKETS

- TOTAL POPULATION: **2.8** MILLION
- TOTAL DEPOSITS: **$72** BILLION
- MEDIAN INCOME: **$63** THOUSAND

LEGACY MARKETS[1]: STRONG RELATIONSHIPS / DEEP MARKET PENETRATION



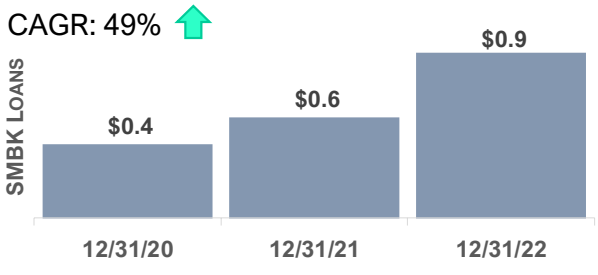


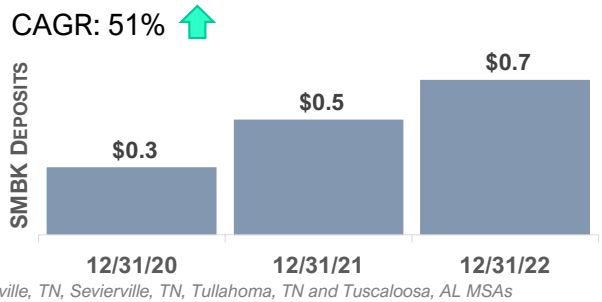
Forbes

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

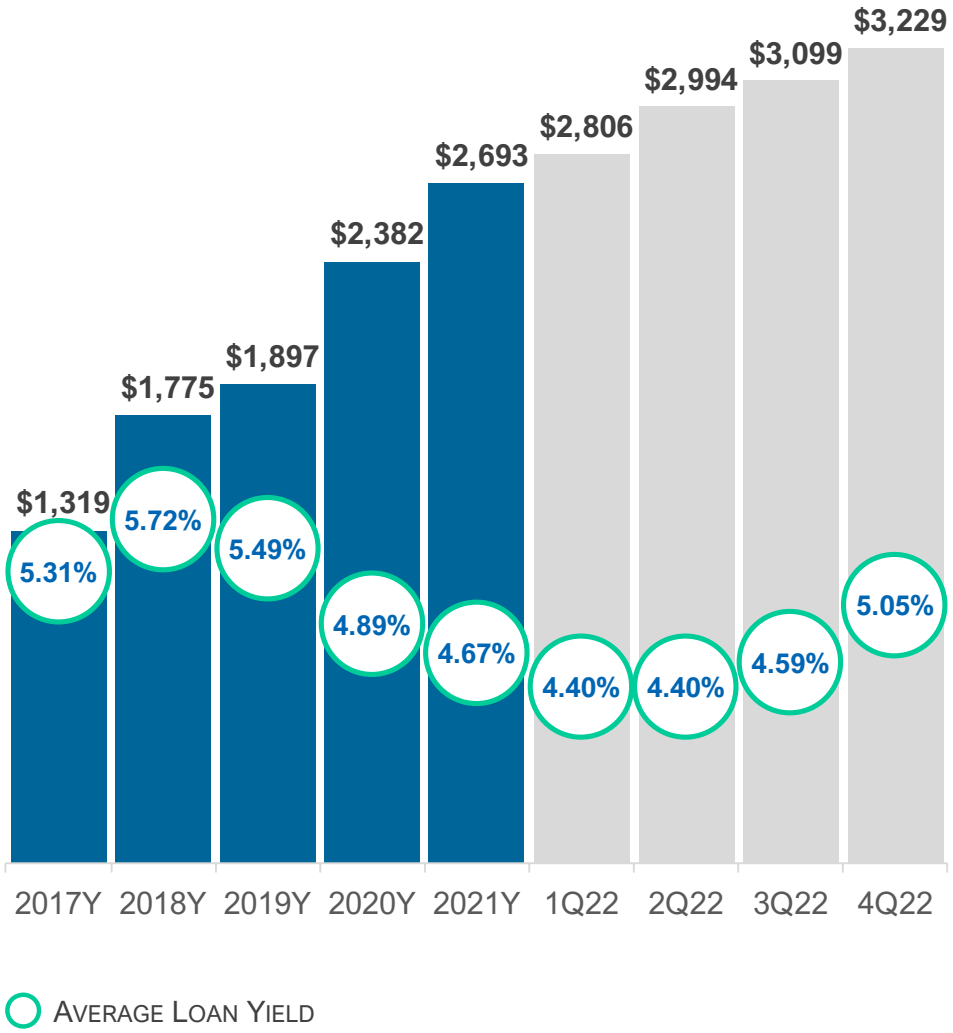
1) Legacy Markets include Chattanooga, TN, Clarke, AL, Cleveland, TN, Crossville, TN, Cookeville, TN, Fentress, TN, Huntsville, AL, Knoxville, TN, Sevierville, TN, Tullahoma, TN and Tuscaloosa, AL MSAs
2) Expanding Markets include Auburn, AL, Birmingham, AL, Dothan, AL, Fairhope, AL, Fort Walton/Destin, 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

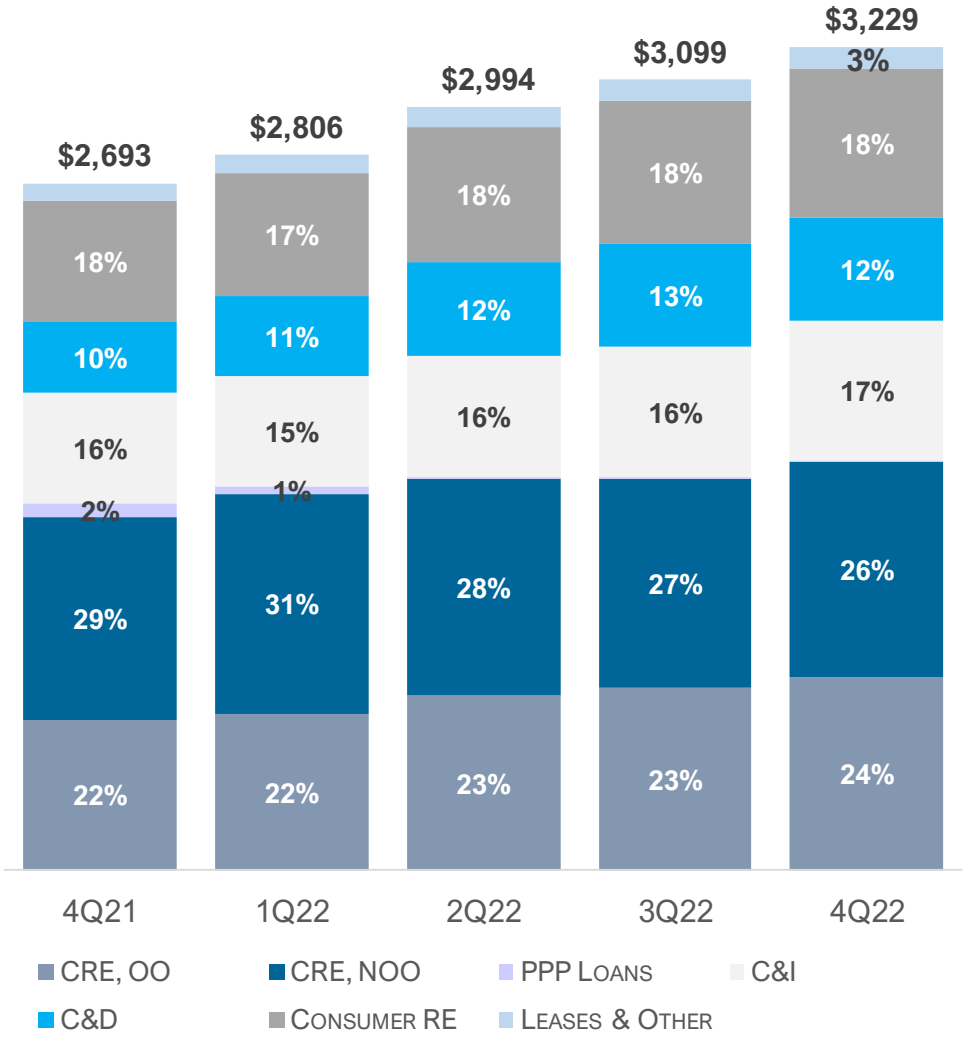
Total Loans

CAGR of 20% Since 2017



Loan Composition

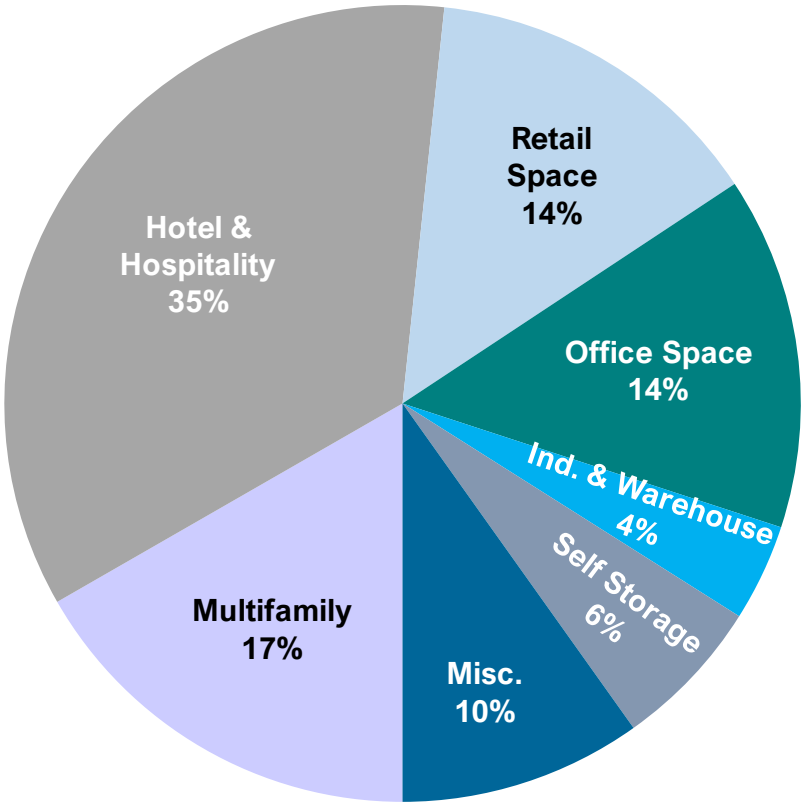
Sustained Market Momentum Driving Organic Growth



LOAN CONCENTRATION: *WELL BALANCED EXPOSURE*

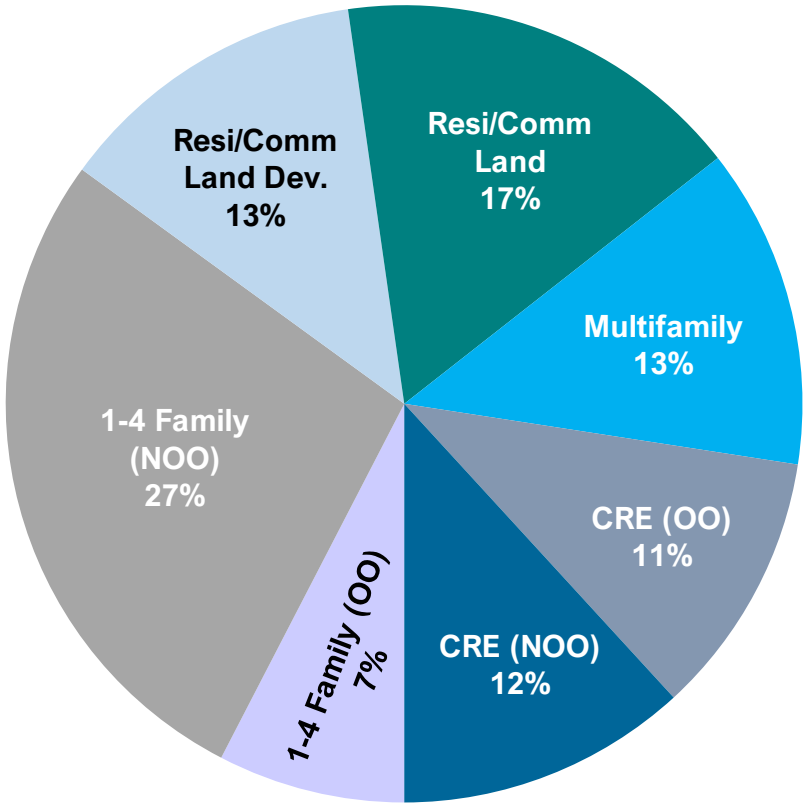
CRE EXPOSURE BY SEGMENT

HIGHLY DIVERSIFIED WITH SEASONED CLIENT BASE



C&D EXPOSURE BY TYPE[1]

CLOSELY MONITORED WITH NO CONCENTRATION CONCERNS

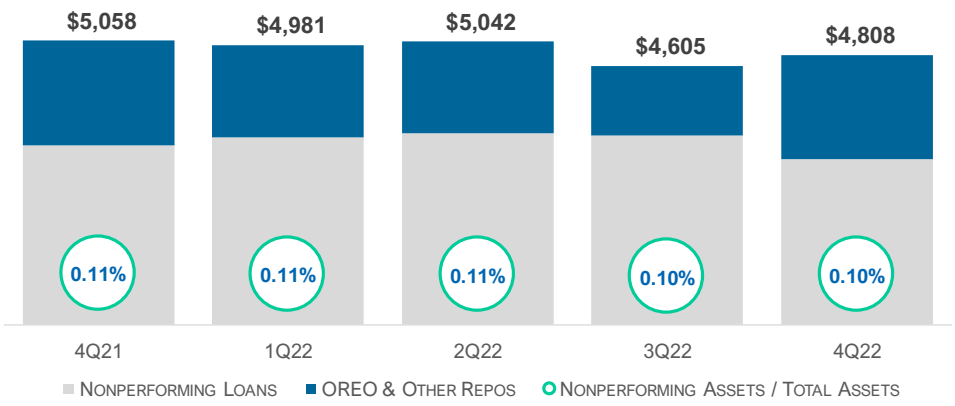


1) *1-4 Family (OO) includes owner-occupied primary and secondary residence construction loans; 1-4 Family (NOO) includes speculative and investment property residential construction loans; Resi/Comm Land Dev. includes primary, secondary, investment and commercial land development loans; Resi/Comm Land 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*

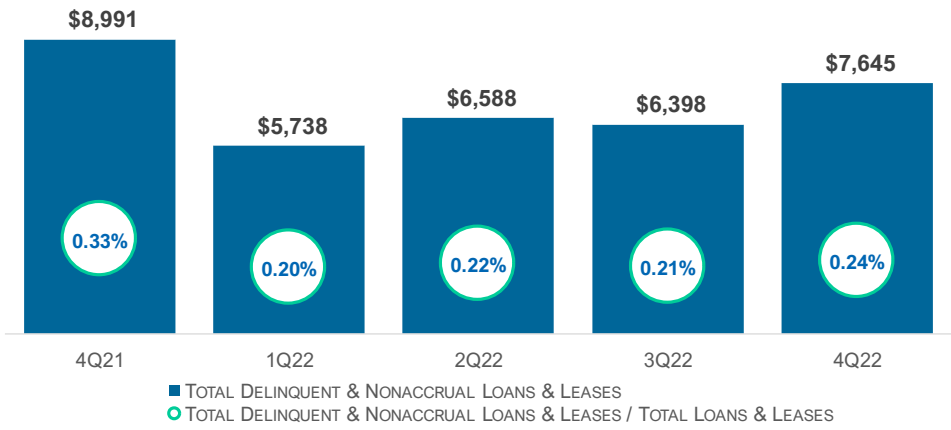
ASSET QUALITY: *STRONG UNDERWRITING PAYS DIVIDENDS*

$ in Thousands

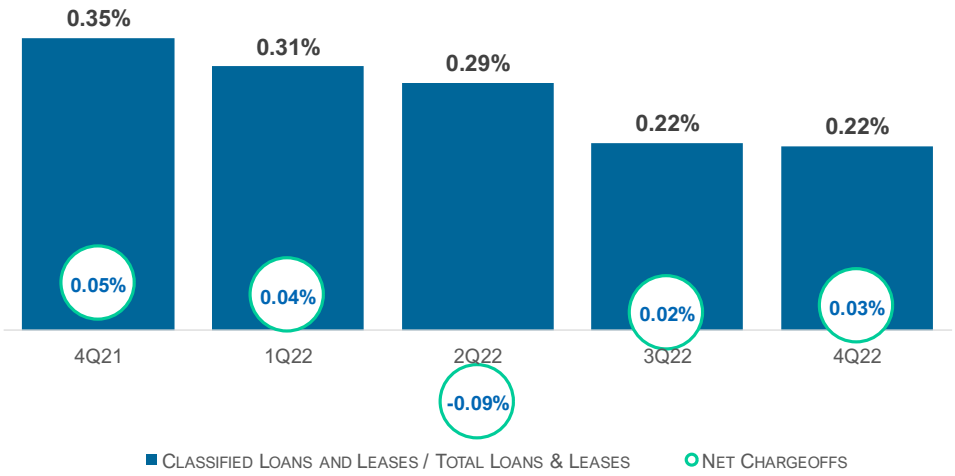
NONPERFORMING ASSETS



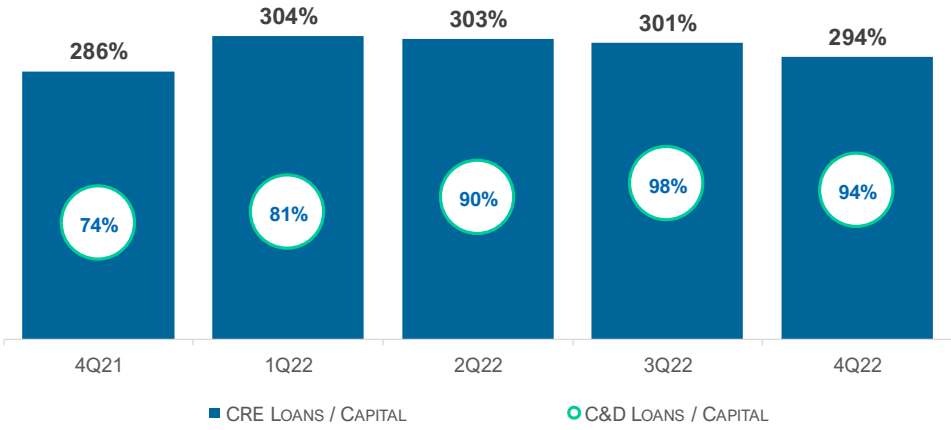
DELINQUENT AND NONACCRUALS / TOTAL LOANS



CREDIT QUALITY

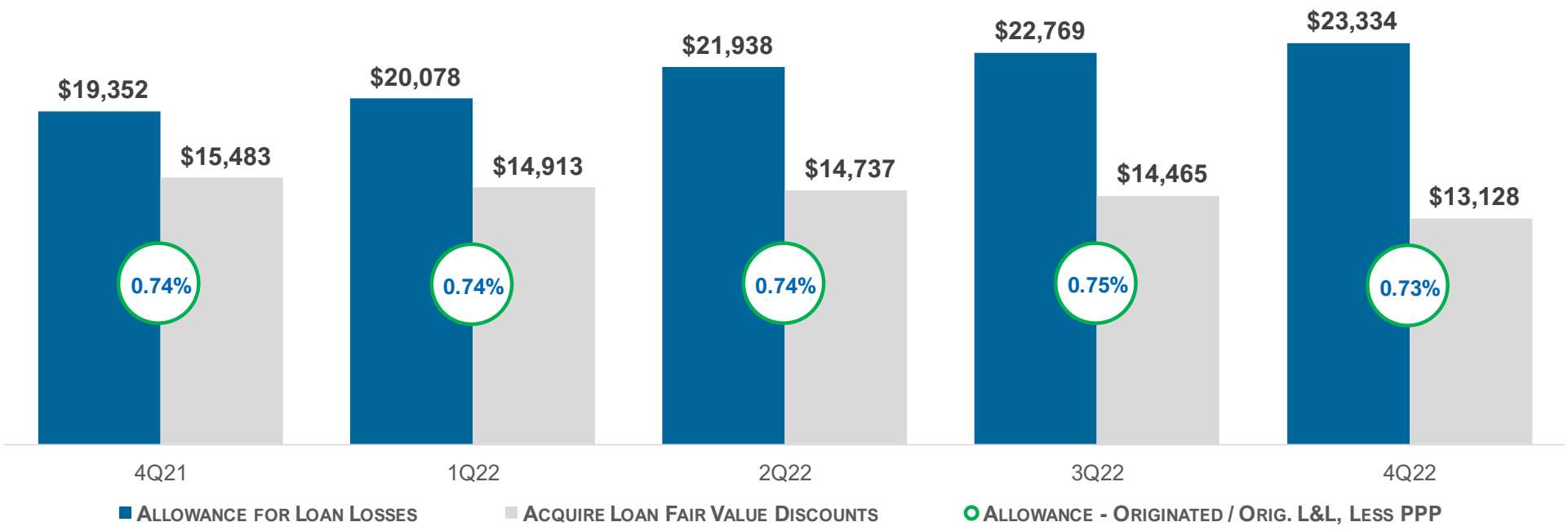


COMMERCIAL REAL ESTATE CONCENTRATION



Reserve Reconciliation:

$ in Thousands



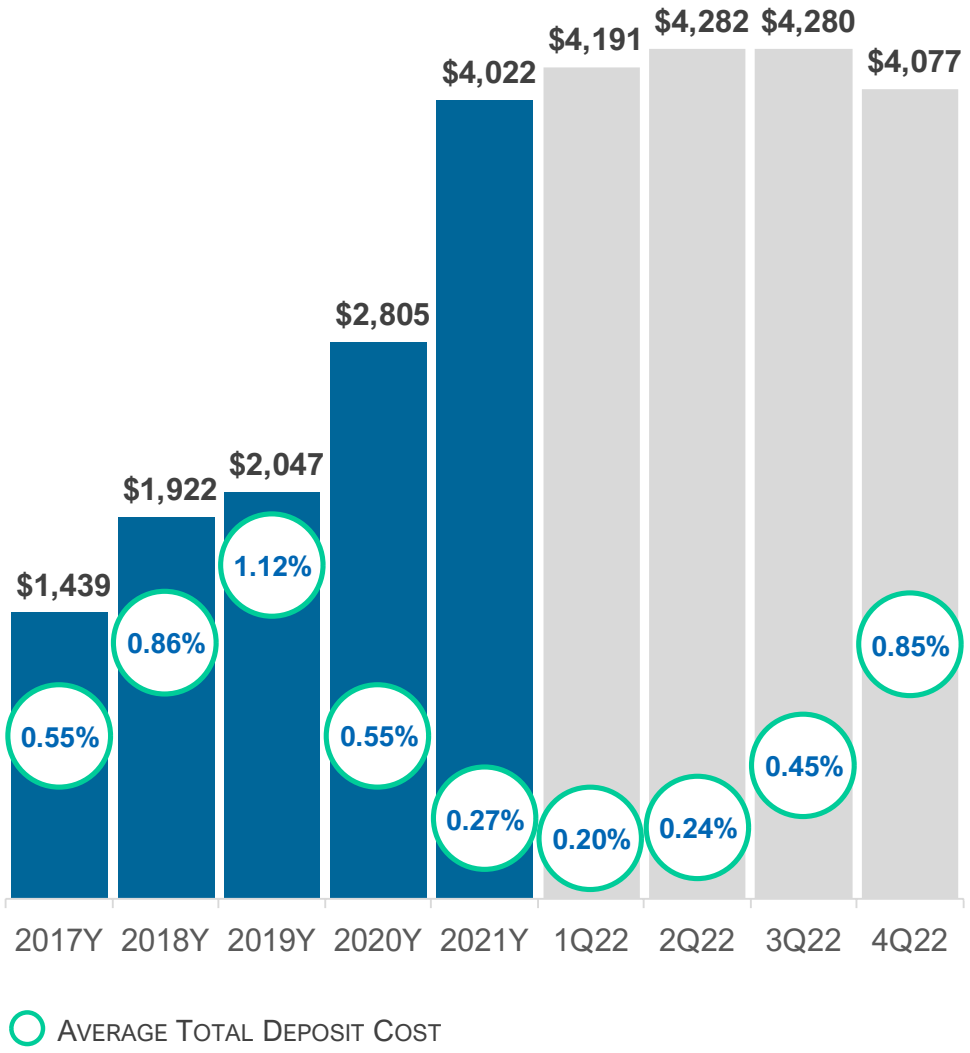
	4Q21	1Q22	2Q22	3Q22	4Q22
Allowance / Total Loans & Leases ("L&L")	0.72%	0.72%	0.73%	0.73%	0.72%
Allowance / Total L&L, less PPP	0.73%	0.72%	0.73%	0.74%	0.72%
Allowance - Originated / Orig. L&L, less PPP	**0.74%**	**0.74%**	**0.74%**	**0.75%**	**0.73%**
Allowance - Acquired / Acquired L&L	0.65%	0.63%	0.67%	0.65%	0.62%
Acquired FV Discount / Acquired L&L	3.42%	3.64%	4.17%	4.29%	4.41%
Total Reserves / Total L&L	1.29%	1.25%	1.22%	1.20%	1.13%
Total Reserves / Total L&L, less PPP	**1.31%**	**1.26%**	**1.23%**	**1.20%**	**1.13%**

DEPOSIT PORTFOLIO: *DEFENDING DEPOSIT MARKET SHARE*

$ in Millions

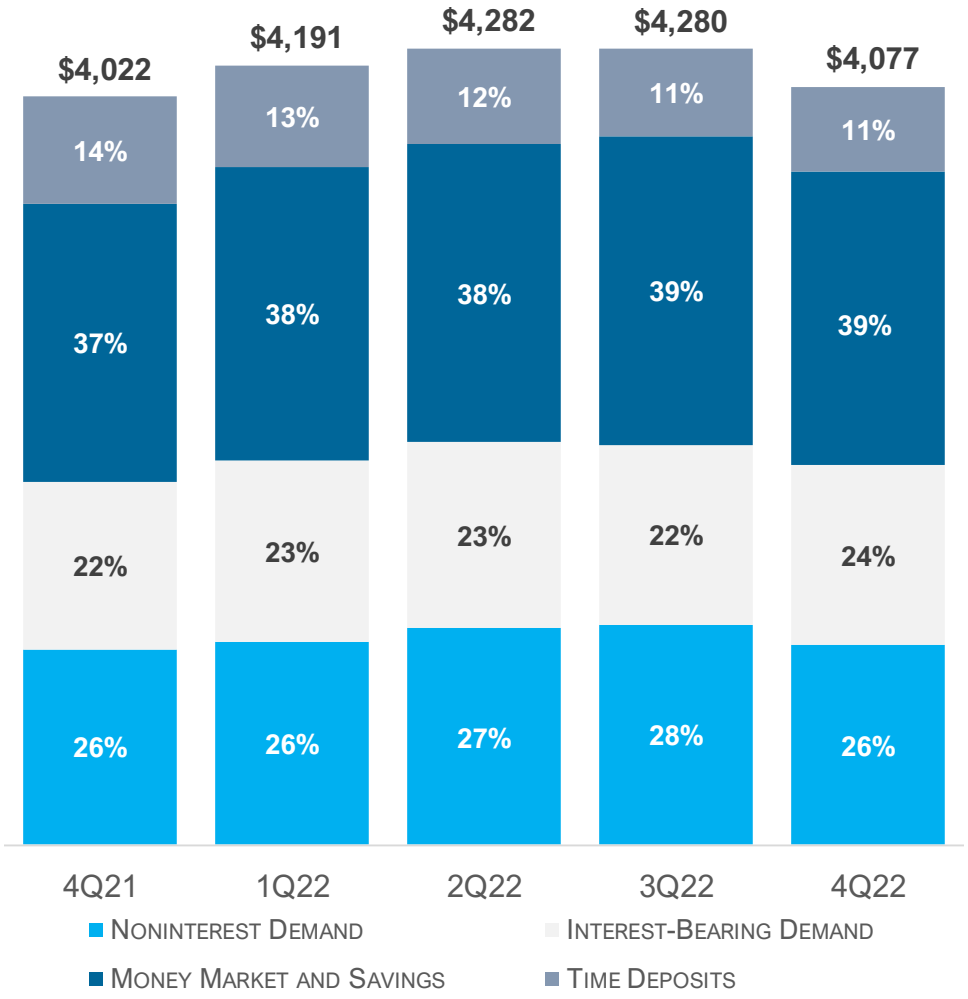
TOTAL DEPOSITS

LOANS TO DEPOSITS RATIO OF 79%



DEPOSIT COMPOSITION

HIGHER RATES DRIVING MIX SHIFT

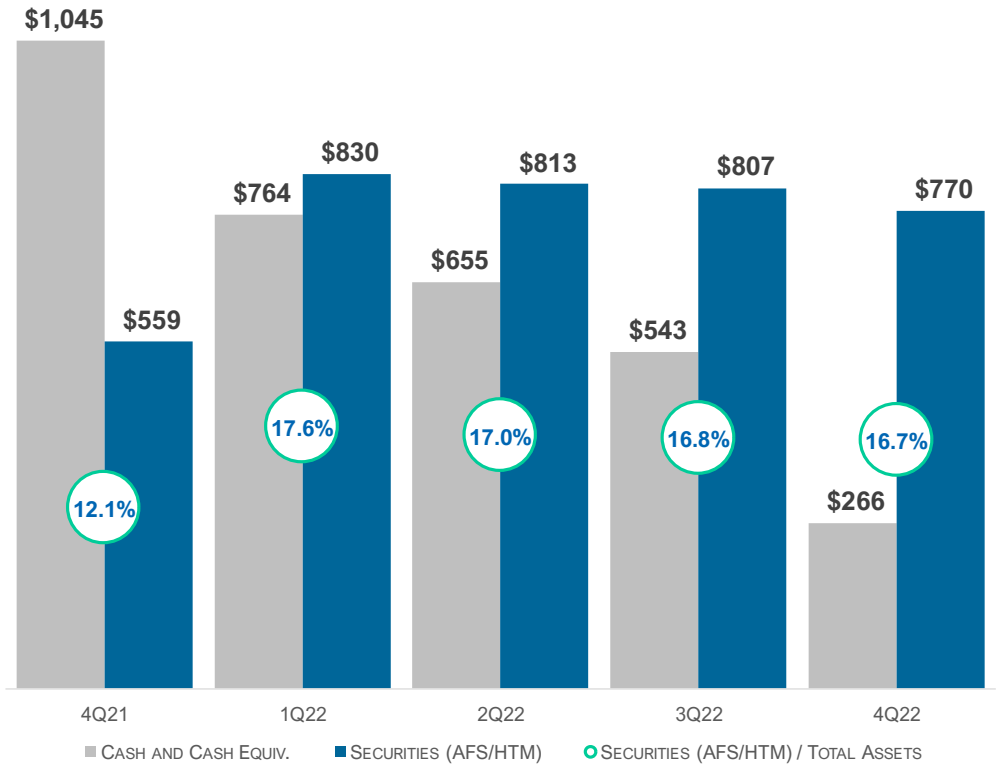


LIQUIDITY UTILIZATION: *MARGIN MANAGEMENT WHILE DRIVING REVENUE*

$ in Millions

CASH AND SECURITIES

EXCESS FUNDING NORMALIZING

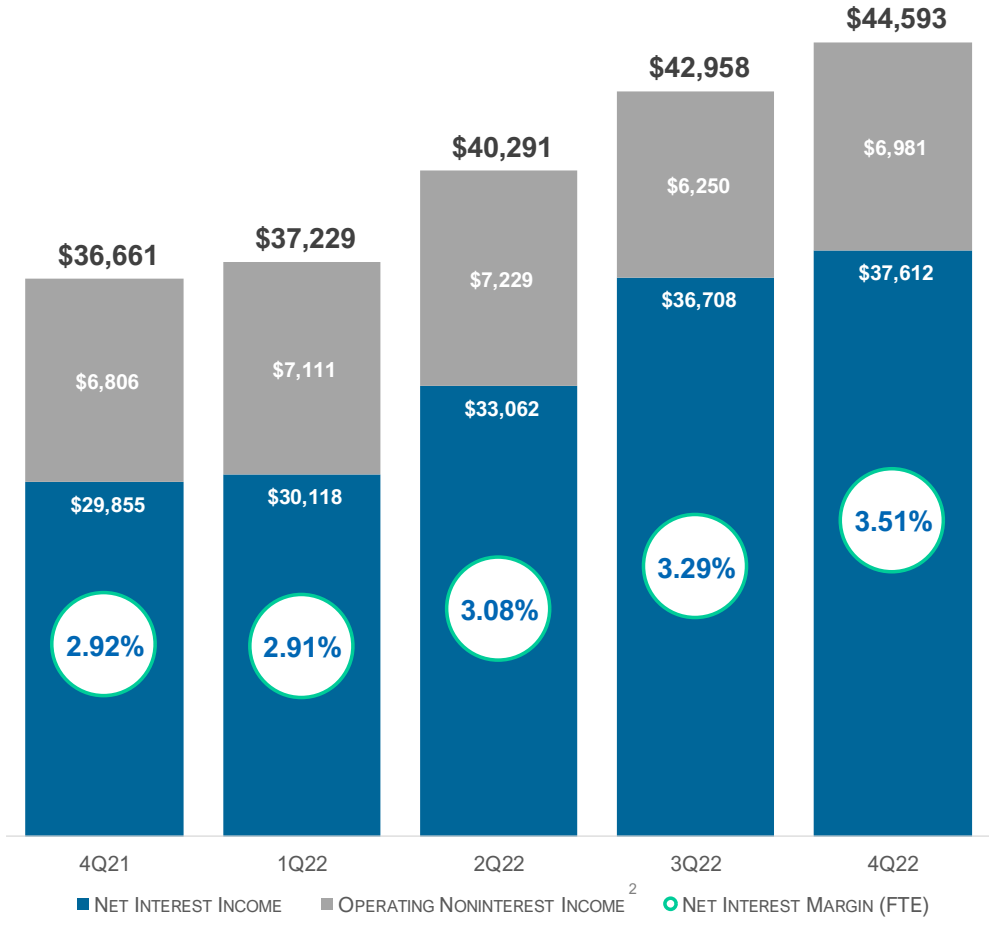


	4Q21	1Q22	2Q22	3Q22	4Q22
Cash Yield	0.22%	0.25%	0.91%	2.34%	3.81%
Sec. Yield (AFS/HTM)[1]	1.64%	1.67%	1.73%	1.87%	2.15%
Loans (less Accr./PPP Fees)	4.20%	4.18%	4.27%	4.55%	4.86%
Accretion	0.07%	0.06%	0.03%	0.02%	0.18%
PPP Fees	0.26%	0.16%	0.10%	0.02%	0.01%
Loan Yield (incl. Fees)	4.53%	4.40%	4.40%	4.59%	5.05%
IE Asset Yield	3.20%	3.18%	3.39%	3.79%	4.41%
NIM (FTE)	2.92%	2.91%	3.08%	3.29%	3.51%

$ in Thousands

MARGIN / OPERATING REVENUE[2]

MAINTAINING REVENUE DESPITE CHALLENGING MARGIN ENVIRONMENT



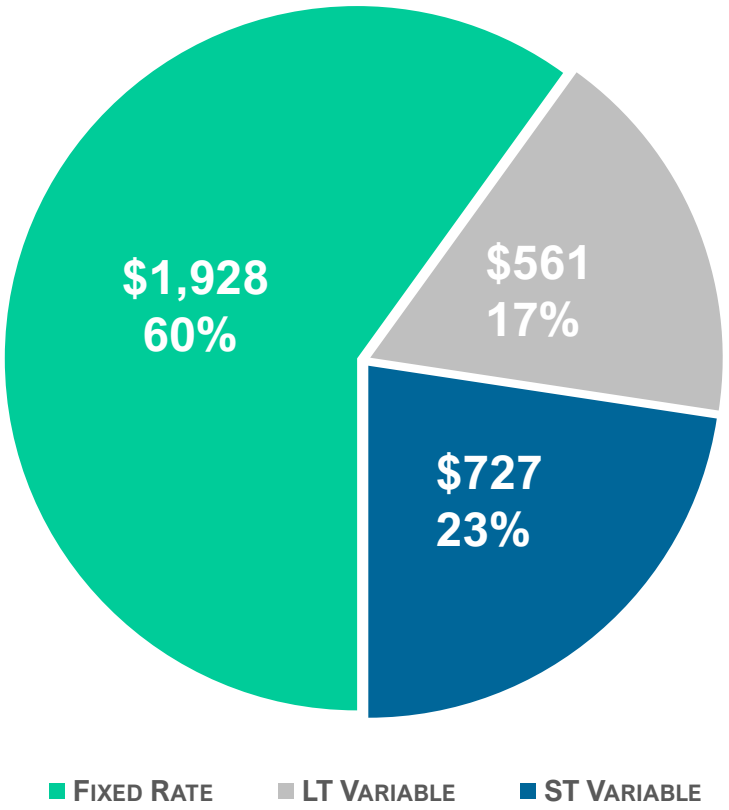
1) *Based on the weighted average of the AFS/HTM securities portfolio. Yields related to investment securities exempt from income taxes are stated on a taxable-equivalent basis assuming a federal income tax rate of 21.0%*
2) *Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures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

Interest Rate Sensitivity

$ in Millions

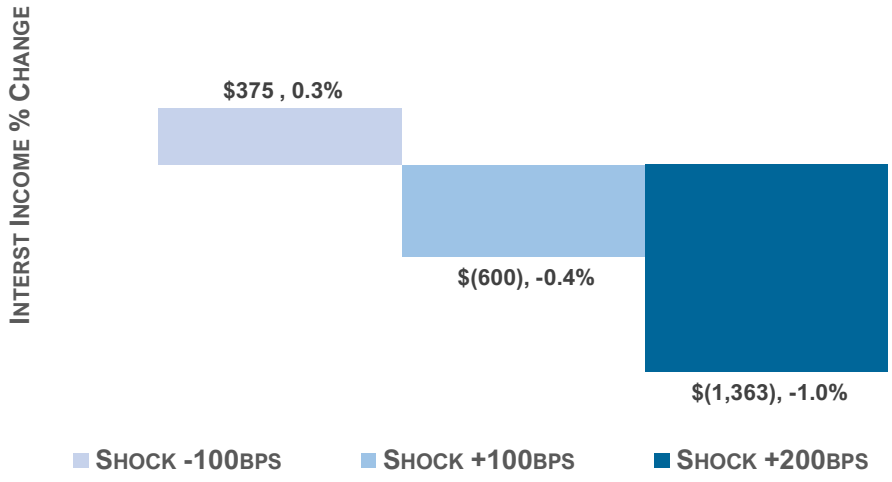
Fixed vs. Variable Rate Loans

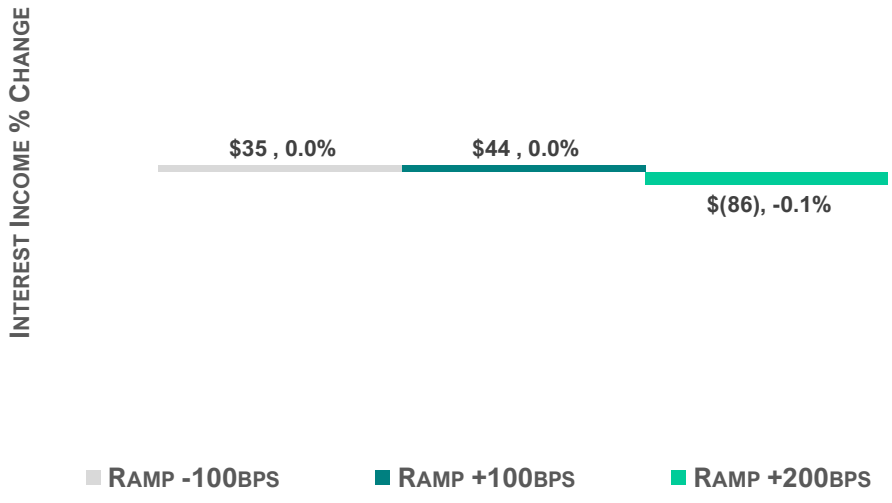
- $1.9 Billion Fixed Rate Loans
- $1.3 Billion Variable Rate Loans
  - $727 Million Short Term Variable Rate (1 - 3 Month Reset)
  - $561 Million Long Term Variable Rate (> 3 Month Reset)



$ in Thousands

Static Shock / Rate Ramp Analysis[1]





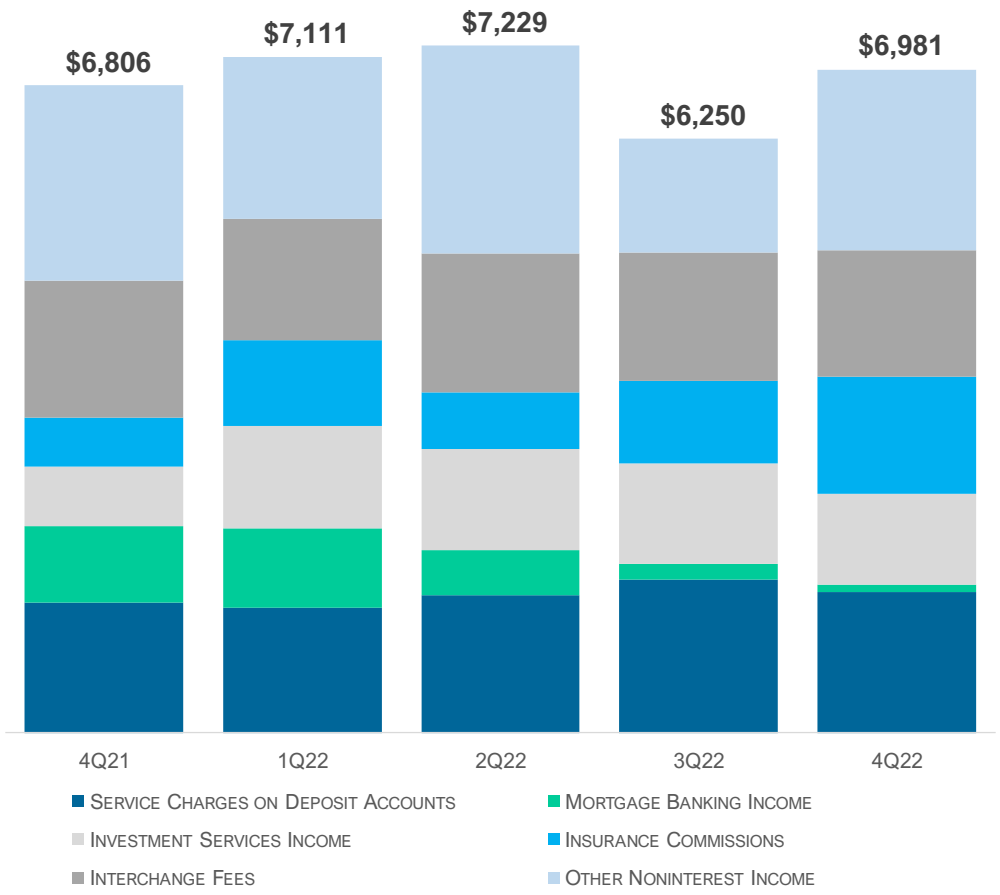
1) *Based on 12-month static rate shock and ramp analysis as of 12/31/22. These estimates of changes in the Company's net interest income require us to make certain assumptions including loan and mortgage-related investment prepayment speeds, reinvestment rate, deposit maturities and decay rates. These 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

OPERATING NONINTEREST INCOME[1]

FOCUSED ON RECURRING FEE INCOME



DIFFERENTIATED REVENUE STREAMS

BUILDING A FAMILY OF DIVERSIFIED REVENUE GENERATORS

SmartBank INVESTMENT SERVICES

Rains Insurance A SmartBank Company

SmartBank Mortgage Services

FOUNTAIN EQUIPMENT FINANCE

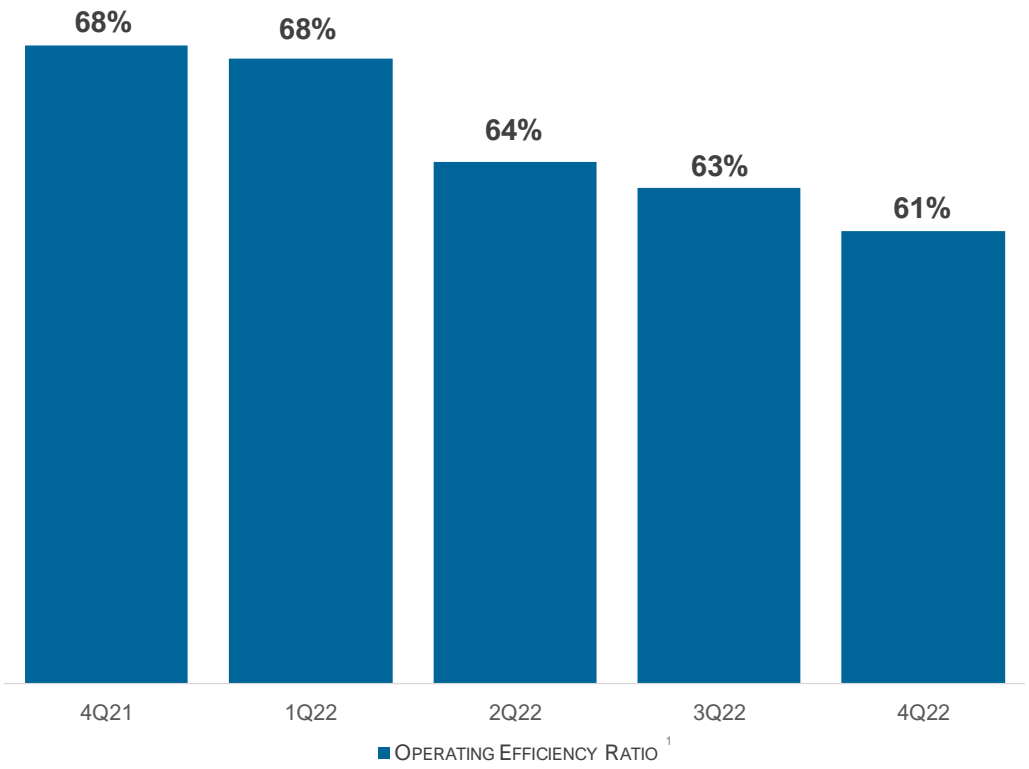
1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

OPERATING EXPENSE: *INVESTING WITH AN EYE ON EFFICIENCIES*

$ in Thousands

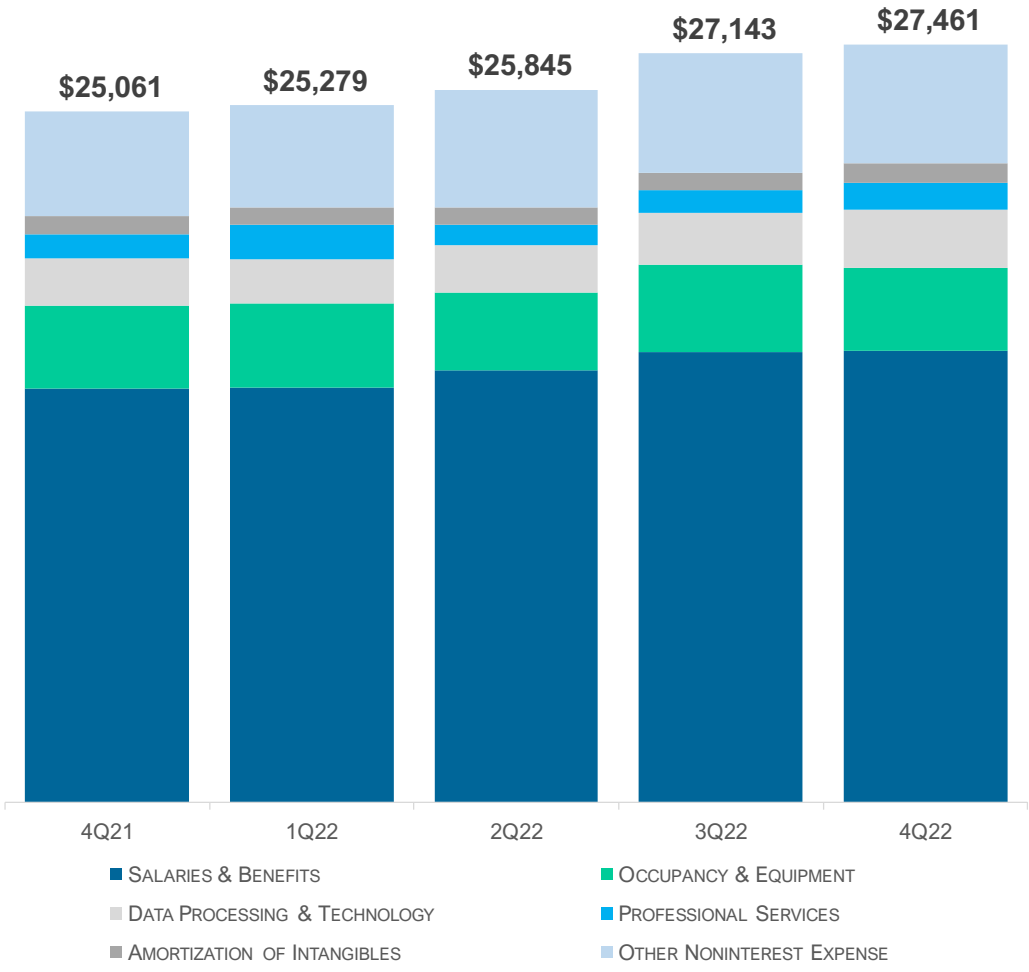
OPERATING EFFICIENCY RATIO[1]

EXECUTING ON EXPANSION OPPORTUNITIES



OPERATING NONINTEREST EXPENSE[1]

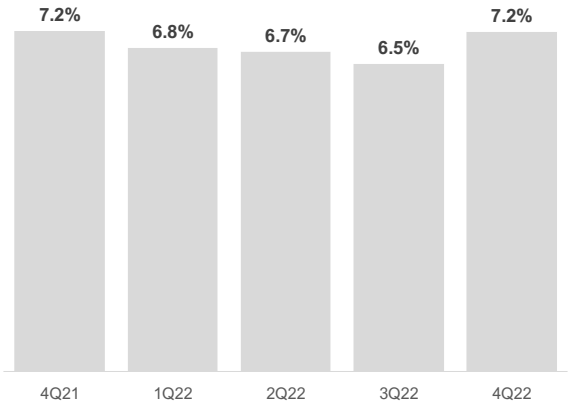
DISCIPLINED FOCUS ON EXPENSE CONTAINMENT



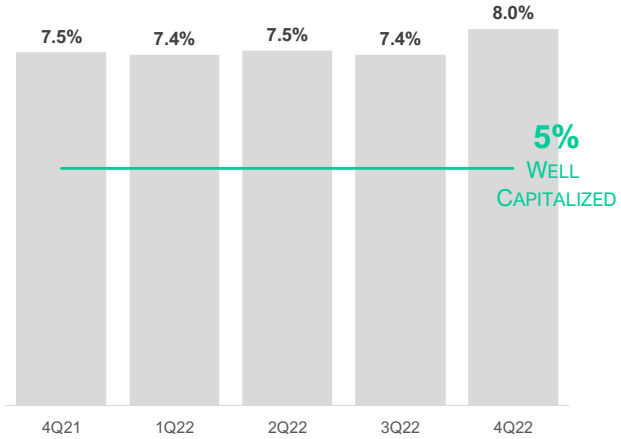
1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix

CAPITAL: *WELL CAPITALIZED – BUILDING BOOK VALUE*

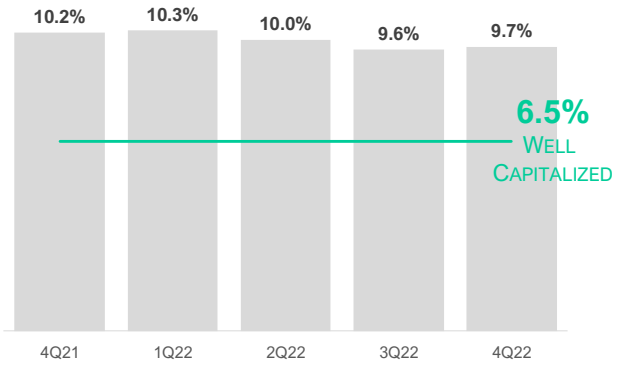
TCE / TA[1]



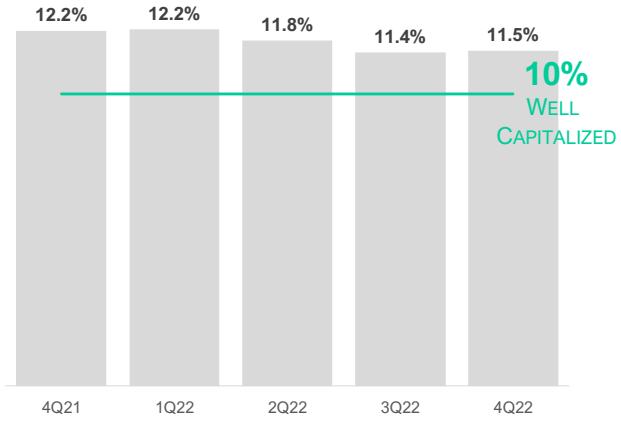
LEVERAGE RATIO



CET1 RATIO



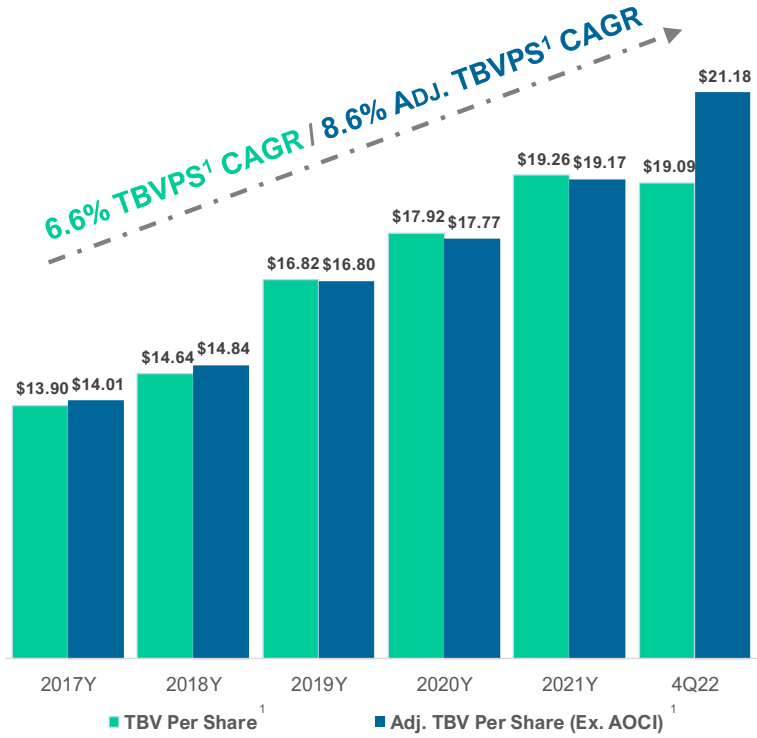
TOTAL CAPITAL RATIO



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

BUILDING SHAREHOLDER VALUE

TANGIBLE BOOK VALUE PER SHARE (TBVPS)[1]



$7.18 TBVPS[1] CREATED 2017 – 2022
(EXCLUDING ACCUMULATED OTHER COMPREHENSIVE INCOME)

$0.07 2022 PER SHARE QUARTERLY DIVIDEND

1) Non-GAAP financial measure - for a reconciliation of Non-GAAP financial measures to their most directly comparable GAAP measures, see the Appendix
Note: Capital ratio data as of the most recent period ended 12/31/22

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*

SmartFinancial

APPENDIX

INCOME STATEMENT: *DETAILED FOURTH QUARTER RESULTS*

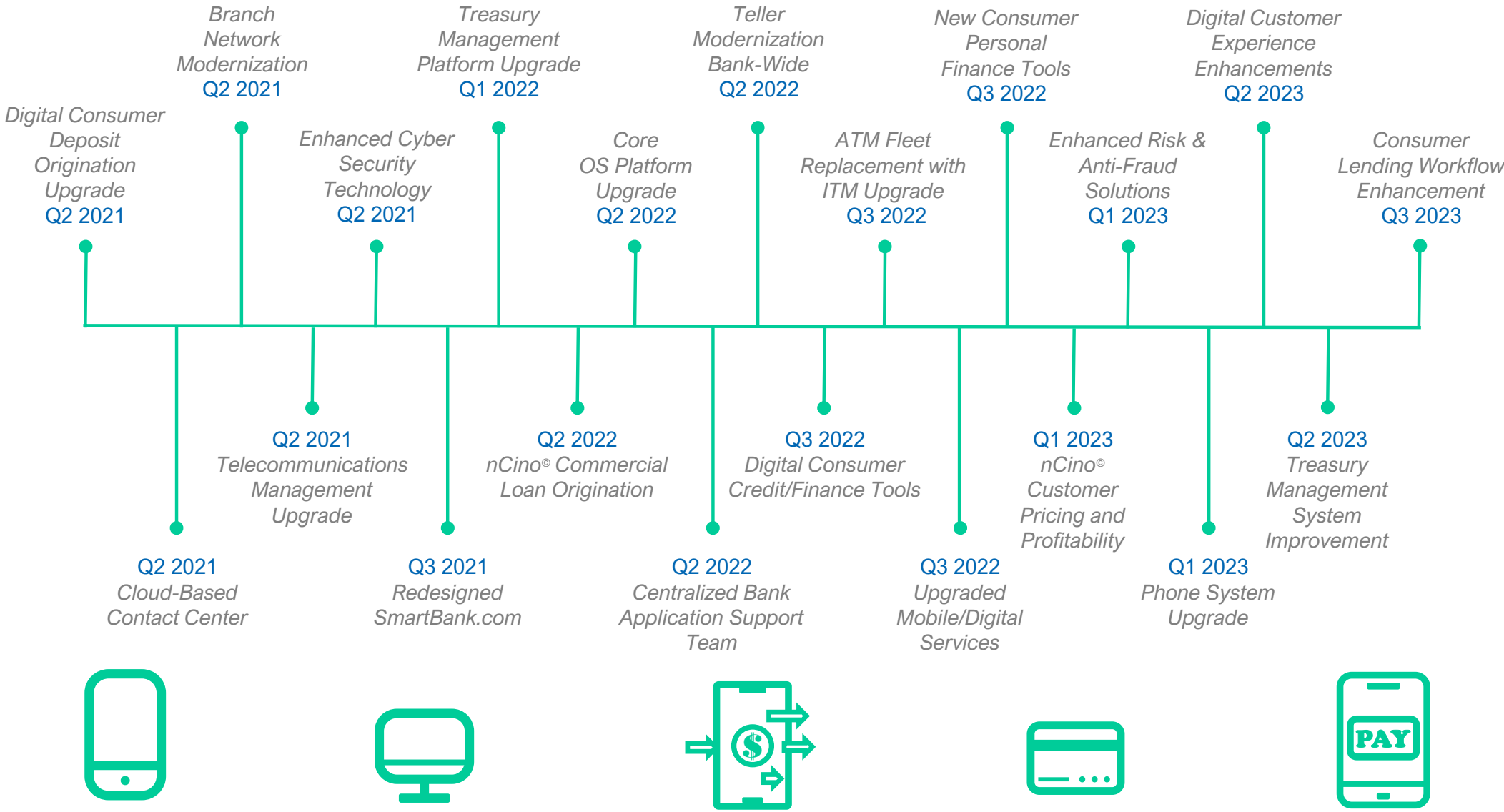
($ in thousands, except per share data)	4Q22	3Q22	4Q21	4Q22 vs. 3Q22 % Chg.	4Q22 vs. 4Q21 % Chg.
Net Interest Income	$ 37,612	$ 36,708	$ 29,855	2%	26%
Provision for Loan & Lease losses	788	974	422		
Noninterest Income	7,125	6,250	6,806	14%	5%
Noninterest Expense	27,416	27,230	27,823	1%	(1%)
Income Tax Expense	3,529	3,211	1,761		
Net Income (GAAP)	$ 13,004	$ 11,543	$ 6,655	13%	95%
Non-GAAP Reconciliations					
Noninterest Income	(144)	-	-		
Noninterest Expense	(45)	87	2,762		
Income Tax Effect Of Adjustments	49	(22)	(713)		
Operating Earnings (Non-GAAP)	$ 12,864	$ 11,608	$ 8,704	11%	48%
Operating PTPP Earnings (Non-GAAP)	$ 17,132	$ 15,815	$ 11,600	8%	48%

Non-GAAP Performance Metrics	4Q22	3Q22	4Q21	4Q22 vs. 3Q22 % Chg.	4Q22 vs. 4Q21 % Chg.
Diluted Operating Earnings Per Share	$ 0.76	$ 0.69	$ 0.52	11%	47%
Tangible Book Value Per Common Share	$ 19.09	$ 18.02	$ 19.26	6%	(1%)
Operating Return on Average Assets	1.10%	0.96%	0.77%		
Operating PTPP Return on Average Assets	1.46%	1.30%	1.03%		
Operating Return on Average Tang. Common Equity	16.5%	14.4%	10.7%		
Operating Efficiency Ratio	61.4%	62.9%	68.1%		

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

OPERATING EXPENSE: *TECHNOLOGY INITIATIVES*

EMBRACING TECHNOLOGY TO INCREASE EFFICIENCY AND CREATE STREAMLINED PROCESSES



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

NON-GAAP RECONCILIATION

SmartFinancial

$ in Thousands, except per share data

	2022Y	2021Y	2020Y	4Q22	3Q22	2Q22	1Q22	4Q21
Operating Earnings								
Net Income (GAAP)	$ 43,022	$ 34,790	$ 24,332	$ 13,004	$ 11,543	$ 10,215	$ 8,259	$ 6,655
Noninterest Income:								
Securities (Gains) Losses	(144)	(45)	(6)	(144)	-	-	-	-
Noninterest Expenses:								
Merger Related And Restructuring Expenses	562	3,701	4,565	(45)	87	81	439	2,762
Income Taxes:								
Income Tax Effect Of Adjustments	(108)	(944)	(1,071)	49	(22)	(21)	(113)	(713)
Operating Earnings (Non-GAAP)	$ 43,332	$ 37,502	$ 27,355	$ 12,864	$ 11,608	$ 10,275	$ 8,585	$ 8,704
Operating Earnings Per Common Share (Non-GAAP):								
Basic	$ 2.59	$ 2.41	$ 1.83	$ 0.77	$ 0.69	$ 0.61	$ 0.51	$ 0.52
Diluted	2.57	2.39	1.82	0.76	0.69	0.61	0.51	0.52
Operating Noninterest Income								
Noninterest Income (GAAP)	$ 27,715	$ 23,949	$ 15,426	$ 7,125	$ 6,250	$ 7,229	$ 7,111	$ 6,806
Securities (Gain) Losses	(144)	(45)	(6)	(144)	-	-	-	-
ADECA Termination Proceeds	-	-	(465)	-	-	-	-	-
Operating Noninterest Income (Non-GAAP)	$ 27,571	$ 23,904	$ 14,955	$ 6,981	$ 6,250	$ 7,229	$ 7,111	$ 6,806
Mortgage Banking Income	(1,552)	(4,040)	(3,875)	(77)	(170)	(471)	(834)	(803)
Operating Noninterest Income Excluding Mtg. Banking (Non-GAAP)	$ 26,019	$ 19,864	$ 11,080	$ 6,904	$ 6,080	$ 6,758	$ 6,277	$ 6,003
Operating Noninterest Expense								
Noninterest Expense (GAAP)	$ 106,290	$ 91,391	$ 76,719	$ 27,416	$ 27,230	$ 25,926	$ 25,718	$ 27,823
Merger Related And Restructuring Expenses	(562)	(3,701)	(4,565)	45	(87)	(81)	(439)	(2,762)
Operating Noninterest Expense (Non-GAAP)	$ 105,728	$ 87,690	$ 72,154	$ 27,461	$ 27,143	$ 25,845	$ 25,279	$ 25,061
Operating Revenue								
Net Interest Income (GAAP)	$ 137,501	$ 113,394	$ 100,866	$ 37,612	$ 36,708	$ 33,062	$ 30,118	$ 29,855
Operating Noninterest Income (Non-GAAP)	27,571	23,904	14,955	6,981	6,250	7,229	7,111	6,806
Operating Revenue (Non-GAAP)	165,072	137,298	115,821	44,593	42,958	40,291	37,229	36,661
Operating Pre-Tax Pre-Provison ("PTPP") Earnings								
Operating Revenue (Non-GAAP)	$ 165,072	$ 137,298	$ 115,821	$ 44,593	$ 42,958	$ 40,291	$ 37,229	$ 36,661
Operating Noninterest Expense (Non-GAAP)	(105,728)	(87,690)	(72,154)	(27,461)	(27,143)	(25,845)	(25,279)	(25,061)
Operating PTPP Earnings (Non-GAAP)	$ 59,344	$ 49,608	$ 43,667	$ 17,132	$ 15,815	$ 14,446	$ 11,950	$ 11,600
Non-GAAP Return Ratios								
Operating Return On Average Assets (Non-GAAP)[1]	0.92%	0.98%	0.89%	1.10%	0.96%	0.88%	0.76%	0.77%
Operating PTPP Return On Average Assets (Non-GAAP)[2]	1.27%	1.29%	1.43%	1.46%	1.30%	1.23%	1.05%	1.03%
Return On Average Tangible Common Equity (Non-GAAP)[3]	13.60%	11.84%	9.50%	16.65%	14.36%	13.02%	10.39%	8.18%
Operating Return On Average Shareholders' Equity (Non-GAAP)[4]	10.24%	9.67%	8.02%	12.15%	10.83%	9.82%	8.14%	8.09%
Operating Return On Average Tangible Common Equity (Non-GAAP)[5]	13.69%	12.77%	10.67%	16.47%	14.44%	13.09%	10.80%	10.70%
Operating Efficiency Ratio								
Efficiency Ratio (GAAP)	64.33%	66.54%	65.97%	61.28%	63.39%	64.35%	69.08%	75.89%
Adjustment For Taxable Equivalent Yields	(0.26%)	(0.29%)	(0.33%)	(0.22%)	(0.25%)	(0.27%)	(0.31%)	(0.32%)
Adjustment For Securities Gains (Losses)	(0.06%)	(0.02%)	(0.01%)	(0.20%)	-	-	-	-
Adjustment For Merger Expenses	(0.22%)	(2.64%)	(3.88%)	0.50%	(0.21%)	(0.20%)	(1.17%)	(7.50%)
Operating Efficiency Ratio (Non-GAAP)	63.79%	63.59%	61.75%	61.36%	62.93%	63.88%	67.60%	68.07%

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

$ in Thousands, except per share data

	4Q22	3Q22	2Q22	1Q22	4Q21
Tangible Common Equity:					
Shareholders' Equity (GAAP)	$ 432,452	$ 414,711	$ 420,427	$ 420,042	$ 429,430
Less Goodwill And Other Intangible Assets	109,772	110,460	104,582	105,215	105,852
Tangible Common Equity (Non-GAAP)	$ 322,680	$ 304,251	$ 315,845	$ 314,827	$ 323,578
Average Tangible Common Equity:					
Average Shareholders' Equity (GAAP)	$ 420,037	$ 425,365	$ 419,726	$ 427,945	$ 426,808
Less Goodwill And Other Intangible Assets	110,206	106,483	104,986	105,617	104,193
Average Tangible Common Equity (Non-GAAP)	$ 309,831	$ 318,882	$ 314,740	$ 322,328	$ 322,615
Tangible Book Value Per Common Share:					
Book Value Per Common Share (GAAP)	$ 25.59	$ 24.56	$ 24.88	$ 24.86	$ 25.56
Adjustment Due To Goodwill And Other Intangible Assets	(6.50)	(6.54)	(6.19)	(6.23)	(6.30)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.09	$ 18.02	$ 18.69	$ 18.64	$ 19.26
Tangible Common Equity To Tangible Assets:					
Total Assets	$ 4,612,913	$ 4,796,911	$ 4,788,113	$ 4,718,579	$ 4,611,579
Less Goodwill And Other Intangibles	109,772	110,460	104,582	105,215	105,852
Tangible Assets (Non-GAAP)	$ 4,503,141	$ 4,686,451	$ 4,683,531	$ 4,613,364	$ 4,505,727
Tangible Common Equity To Tangible Assets (Non-GAAP):	7.17%	6.49%	6.74%	6.82%	7.18%

	4Q22	3Q22	2Q22	1Q22	4Q21
Tangible Common Equity (Excluding AOCI):					
Shareholders' Equity (GAAP)	$ 432,452	$ 414,711	$ 420,427	$ 420,042	$ 429,430
Less Goodwill And Other Intangible Assets	109,772	110,460	104,582	105,215	105,852
Tangible Common Equity (Non-GAAP)	$ 322,680	$ 304,251	$ 315,845	$ 314,827	$ 323,578
Less Adjustment Due to AOCI (Loss)	(35,324)	(40,807)	(24,648)	(15,556)	1,443
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	$ 358,004	$ 345,058	$ 340,493	$ 330,383	$ 322,135
Tangible Book Value Per Common Share (Excluding AOCI):					
Book Value Per Common Share (GAAP)	$ 25.59	$ 24.56	$ 24.88	$ 24.86	$ 25.56
Adjustment Due To Goodwill And Other Intangible Assets	(6.50)	(6.54)	(6.19)	(6.23)	(6.30)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.09	$ 18.02	$ 18.69	$ 18.64	$ 19.26
Less Adjustment Due to AOCI (Loss)	(2.09)	(2.42)	(1.46)	(0.92)	0.09
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP)[1][2]	$ 21.18	$ 20.43	$ 20.15	$ 19.56	$ 19.17

	2021Y	2020Y	2019Y	2018Y	2017Y
Tangible Common Equity (Excluding AOCI):					
Shareholders' Equity (GAAP)	$ 429,430	$ 357,168	$ 312,747	$ 283,011	$ 205,852
Less Goodwill And Other Intangible Assets	105,852	86,471	77,193	79,034	50,837
Tangible Common Equity (Non-GAAP)	$ 323,578	$ 270,697	$ 235,554	$ 203,977	$ 155,015
Less Adjustment Due to AOCI (Loss)	1,443	2,183	168	(2,765)	(1,198)
Tangible Common Equity (Excl. AOCI) (Non-GAAP)	$ 322,135	$ 268,514	$ 235,386	$ 206,742	$ 156,213
Tangible Book Value Per Common Share (Excluding AOCI):					
Book Value Per Common Share (GAAP)	$ 25.56	$ 23.64	$ 22.33	$ 20.31	$ 18.46
Adjustment Due To Goodwill And Other Intangible Assets	(6.30)	(5.72)	(5.51)	(5.67)	(4.56)
Tangible Book Value Per Common Share (Non-GAAP)[1]	$ 19.26	$ 17.92	$ 16.82	$ 14.64	$ 13.90
Less Adjustment Due to AOCI (Loss)	0.09	0.14	0.01	(0.20)	(0.11)
Tangible Book Value Per Common Share (Excl. AOCI) (Non-GAAP)[1][2]	$ 19.17	$ 17.77	$ 16.80	$ 14.84	$ 14.01

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*

Contact

Miller Welborn
Chairman
423.385.3067
Miller.Welborn@smartbank.com

Billy Carroll
President & CEO
865.868.0613
Billy.Carroll@smartbank.com

Ron Gorczynski
Chief Financial Officer
865.437.5724
Ron.Gorczynski@smartbank.com

SmartFinancial

5401 Kingston Pike, Suite 600
Knoxville, TN 37919


SmartBank
SmartBank
214
SmartFinancial
SmartBank