

SmartFinancial, Inc. and Subsidiaries  
Condensed Consolidated Financial Information (unaudited)  
(In thousands except per share data)

|  | As of and for the three months ending |                   |                  |                   |                  |
|--|---------------------------------------|-------------------|------------------|-------------------|------------------|
|  | June 30,<br>2016                      | March 31,<br>2016 | Dec. 31,<br>2015 | Sept. 30,<br>2015 | June 30,<br>2015 |
| <b>Selected Performance Ratios (Annualized)</b>                  |                                       |                   |                  |                   |                  |
| Return on average assets   | 0.48%                                 | 0.54 %            | 0.47%            | (0.04)%           | 0.05%            |
| Net operating return on average assets<br>(Non-GAAP)             | 0.26%                                 | 0.40 %            | 0.24%            | 0.10 %            | 0.17%            |
| Return on average shareholder equity                             | 4.64%                                 | 5.29 %            | 4.75%            | (0.44)%           | 0.47%            |
| Net operating return on average shareholder<br>equity (Non-GAAP) | 2.47%                                 | 3.89 %            | 2.47%            | 1.05 %            | 1.58%            |
| Net interest income / average assets                             | 3.87%                                 | 3.67 %            | 3.79%            | 3.65 %            | 3.53%            |
| Yield on earning assets, TE                                      | 4.61 %                                | 4.40 %            | 4.54%            | 4.45 %            | 4.27%            |
| Cost of interest-bearing liabilities                             | 0.56%                                 | 0.53 %            | 0.52%            | 0.53 %            | 0.50%            |
| Net interest margin, TE  | 4.16%                                 | 3.96 %            | 4.10%            | 4.00 %            | 3.85%            |
| Non interest income / average assets                             | 0.39%                                 | 0.43 %            | 0.46%            | 0.10 %            | 0.08%            |
| Non interest expense / average assets                            | 3.41 %                                | 3.19 %            | 3.20%            | 3.69 %            | 3.36%            |
| Efficiency ratio   | 79.14%                                | 76.93 %           | 74.29%           | 97.45 %           | 88.67%           |
| Operating efficiency ratio (Non-GAAP)                            | 85.49%                                | 82.09 %           | 85.73%           | 90.96 %           | 80.41%           |
| Pre-tax pre-provision income / average<br>assets                 | 0.85%                                 | 0.90 %            | 1.05%            | 0.06 %            | 0.26%            |
| <b>Per Common Share</b>  |                                       |                   |                  |                   |                  |
| Net income, basic  | \$ 0.16                               | \$ 0.20           | \$ 0.20          | \$ (0.03)         | \$ 0.01          |
| Net income, diluted  | 0.15                                  | 0.19              | 0.19             | (0.03)            | 0.01             |
| Net operating earnings, basic (Non-GAAP)                         | 0.11                                  | 0.13              | 0.10             | 0.04              | 0.06             |
| Net operating earnings, diluted (Non-<br>GAAP)                   | 0.10                                  | 0.13              | 0.10             | 0.04              | 0.06             |
| Book value   | 15.64                                 | 15.47             | 15.19            | 15.07             | 14.88            |
| Tangible book value (Non-GAAP)                                   | 14.48                                 | 14.29             | 13.99            | 13.84             | 14.82            |
| Common shares outstanding  | 5,824                                 | 5,817             | 5,806            | 5,735             | 2,966            |
| <b>Composition Of Loans</b>                                      |                                       |                   |                  |                   |                  |
| Commercial & financial   | \$ 87,253                             | \$ 83,197         | \$ 85,526        | \$ 81,107         | \$ 37,507        |
| Real estate construction & Development                           | 115,385                               | 113,028           | 105,132          | 97,050            | 52,634           |
| Real estate commercial   | 389,368                               | 370,922           | 369,263          | 365,607           | 208,937          |
| owner occupied   | 177,052                               | 166,364           | 161,698          | 153,496           | 82,860           |
| non-owner occupied   | 212,315                               | 204,558           | 207,565          | 212,111           | 126,077          |
| Real estate residential  | 174,013                               | 166,214           | 161,427          | 162,090           | 89,876           |
| Other loans  | 7,377                                 | 7,578             | 6,368            | 4,585             | 1,770            |
| Total loans  | \$ 773,396                            | \$ 740,939        | \$ 727,716       | \$ 710,439        | \$ 390,724       |

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| <b>Asset Quality Data and Ratios</b>                   |                                       |                   |                  |                   |                  |
| Nonperforming loans                                    | \$ 2,226                              | \$ 3,171          | \$ 2,754         | \$ 1,715          | \$ 4,067         |
| Foreclosed assets                                      | 4,936                                 | 5,133             | 5,358            | 9,647             | 3,728            |
| Total nonperforming assets                             | \$ 7,162                              | \$ 8,304          | \$ 8,112         | \$ 11,362         | \$ 7,795         |
| Restructured loans not included in nonperforming loans | \$ 3,639                              | \$ 3,677          | \$ 3,693         | \$ 3,731          | \$ 1,831         |
| Net charge-offs to average loans (annualized)          | 0.01%                                 | (0.02)%           | 0.02%            | 0.03 %            | 0.13%            |
| Allowance for loan losses to loans                     | 0.61%                                 | 0.61 %            | 0.60%            | 0.54 %            | 0.98%            |
| Adjusted allowance for loan losses to loans (Non-GAAP) | 2.00%                                 | 2.11 %            | 2.18%            | 2.26 %            | 2.38%            |
| Nonperforming loans to total loans, gross              | 0.29%                                 | 0.43 %            | 0.38%            | 0.24 %            | 1.04%            |
| Nonperforming assets to total assets                   | 0.69%                                 | 0.82 %            | 0.79%            | 1.13 %            | 1.43%            |
| <b>Capital Ratios</b>                                  |                                       |                   |                  |                   |                  |
| Tangible equity to tangible assets                     | 9.37%                                 | 9.43 %            | 9.17%            | 9.14 %            | 10.30%           |
| Tangible common equity to tangible assets              | 8.20%                                 | 8.24 %            | 7.99%            | 7.94 %            | 8.09%            |
| SmartFinancial Inc.:                                   |                                       |                   |                  |                   |                  |
| Tier 1 leverage  | 9.66%                                 | 9.74 %            | 9.45%            | 9.31 %            | *                |
| Common equity Tier 1                                   | 10.53%                                | 10.61 %           | 10.30%           | 10.25 %           | *                |
| Tier 1 risk-based capital                              | 12.04%                                | 12.14 %           | 11.78%           | 11.77 %           | *                |
| Total risk-based capital                               | 12.60%                                | 12.70 %           | 12.32%           | 12.25 %           | *                |

\* The Company was not required to report quarterly capital ratios prior to 9/30/15

SmartFinancial, Inc. and Subsidiaries

Condensed Consolidated Financial Information (unaudited)

(In thousands)

BALANCE SHEET

|  | Ending Balances  |                   |                  |                   |                  |
|--|------------------|-------------------|------------------|-------------------|------------------|
|  | June 30,<br>2016 | March 31,<br>2016 | Dec. 31,<br>2015 | Sept. 30,<br>2015 | June 30,<br>2015 |
| <b>Assets</b>                            |                  |                   |                  |                   |                  |
| Cash & cash equivalents                  | \$ 71,737        | \$ 68,933         | \$ 79,965        | \$ 89,936         | \$ 43,810        |
| Securities available for sale            | 142,875          | 157,560           | 166,413          | 152,150           | 83,747           |
| Other investments                        | 4,451            | 4,451             | 4,451            | 4,451             | 2,128            |
| Total investment securities              | 147,326          | 162,011           | 170,864          | 156,601           | 85,875           |
| Total loans                              | 773,396          | 740,939           | 727,716          | 710,439           | 390,724          |
| Allowance for loan losses                | (4,720)          | (4,527)           | (4,355)          | (3,828)           | (3,834)          |
| Loans net                                | 768,676          | 736,412           | 723,361          | 706,611           | 386,890          |
| Premises and equipment                   | 25,844           | 25,680            | 25,038           | 25,266            | 16,405           |
| Foreclosed assets                        | 4,936            | 5,133             | 5,358            | 9,647             | 3,728            |
| Goodwill and other intangibles           | 6,754            | 6,848             | 6,941            | 7,034             | 177              |
| Other assets                             | 9,221            | 11,207            | 12,436           | 11,962            | 6,478            |
| Total assets                             | \$ 1,034,494     | \$ 1,016,224      | \$ 1,023,963     | \$ 1,007,057      | \$ 543,363       |
| <b>Liabilities</b>                       |                  |                   |                  |                   |                  |
| Non-interest demand                      | \$ 146,189       | \$ 132,481        | \$ 131,419       | \$ 123,551        | \$ 69,427        |
| Interest-bearing demand                  | 153,166          | 161,454           | 149,424          | 144,012           | 114,165          |
| Money market and savings                 | 258,281          | 241,500           | 236,901          | 231,477           | 131,810          |
| Time deposits                            | 331,438          | 323,676           | 340,739          | 347,951           | 167,344          |
| Total deposits                           | 889,074          | 859,111           | 858,483          | 846,992           | 482,745          |
| Repurchase agreements                    | 26,883           | 20,747            | 28,068           | 18,442            | 2,727            |
| FHLB & other borrowings                  | 9,766            | 30,125            | 34,187           | 39,278            | —                |
| Other liabilities                        | 5,707            | 4,253             | 3,048            | 3,908             | 1,772            |
| Total liabilities                        | 931,430          | 914,236           | 923,786          | 908,621           | 487,245          |
| <b>Shareholders' Equity</b>              |                  |                   |                  |                   |                  |
| Preferred stock                          | 12               | 12                | 12               | 12                | 12               |
| Common stock                             | 5,824            | 5,817             | 5,806            | 5,732             | 2,966            |
| Additional paid-in capital               | 82,800           | 82,717            | 82,616           | 81,628            | 42,516           |
| Retained earnings                        | 14,153           | 13,231            | 12,095           | 10,942            | 11,049           |
| Accumulated other comprehensive loss     | 275              | 211               | (352)            | 122               | (425)            |
| Total shareholders' equity               | 103,064          | 101,988           | 100,177          | 98,436            | 56,118           |
| Total liabilities & shareholders' equity | \$ 1,034,494     | \$ 1,016,224      | \$ 1,023,963     | \$ 1,007,057      | \$ 543,363       |

SmartFinancial, Inc. and Subsidiaries  
Condensed Consolidated Financial Information (unaudited)  
(In thousands)  
INCOME STATEMENT

|   | Three months ending |                   |                  |                   |                  |
|---|---------------------|-------------------|------------------|-------------------|------------------|
|   | June 30,<br>2016    | March 31,<br>2016 | Dec. 31,<br>2015 | Sept. 30,<br>2015 | June 30,<br>2015 |
| <b>Interest Income</b>                              |                     |                   |                  |                   |                  |
| Loans, including fees                               | \$ 9,954            | \$ 9,374          | \$ 9,875         | \$ 6,660          | \$ 4,677         |
| Investment securities                               | 665                 | 717               | 630              | 458               | 363              |
| Other interest income                               | 50                  | 63                | 62               | 35                | 28               |
| Total interest income                               | 10,670              | 10,154            | 10,567           | 7,153             | 5,068            |
| <b>Interest Expense</b>                             |                     |                   |                  |                   |                  |
| Deposits  | 1,013               | 961               | 937              | 688               | 498              |
| Repurchase agreements                               | 15                  | 17                | 17               | 7                 | 3                |
| FHLB and other borrowings                           | 29                  | 45                | 66               | 32                | 3                |
| Total interest expense                              | 1,057               | 1,023             | 1,020            | 727               | 504              |
| Net interest income                                 | 9,613               | 9,131             | 9,547            | 6,426             | 4,564            |
| Provision for loan losses                           | 218                 | 138               | 567              | 32                | 40               |
| Net interest income after provision for loan losses | 9,394               | 8,993             | 8,980            | 6,394             | 4,524            |
| <b>Non-interest income</b>                          |                     |                   |                  |                   |                  |
| Service charges on deposit accounts                 | 259                 | 296               | 397              | 237               | 149              |
| Gain on securities                                  | 98                  | 83                | —                | —                 | 52               |
| Gain on sale of loans and other assets              | 197                 | 222               | 86               | (294)             | 31               |
| Gain (loss) on sale of foreclosed assets            | (4)                 | 58                | 332              | (86)              | (363)            |
| Other non-interest income                           | 410                 | 412               | 340              | 317               | 237              |
| Total non-interest income                           | 961                 | 1,071             | 1,155            | 174               | 106              |
| <b>Non-interest expense</b>                         |                     |                   |                  |                   |                  |
| Salaries and employee benefits                      | 4,486               | 4,495             | 4,208            | 3,187             | 2,236            |
| Occupancy expense                                   | 1,137               | 1,018             | 910              | 688               | 556              |
| FDIC premiums                                       | 151                 | 136               | 148              | 144               | 98               |
| Foreclosed asset expense                            | 64                  | 57                | 110              | 91                | 48               |
| Marketing   | 184                 | 173               | 100              | 142               | 111              |
| Data Processing                                     | 555                 | 341               | 510              | 278               | 194              |
| Professional expenses                               | 551                 | 455               | 760              | 908               | 334              |
| Amortization of other intangibles                   | 93                  | 93                | 93               | 58                | 41               |
| Service contracts                                   | 316                 | 286               | 248              | 192               | 152              |
| Other non-interest expense                          | 936                 | 897               | 965              | 805               | 570              |
| Total non-interest expense                          | 8,472               | 7,952             | 8,052            | 6,493             | 4,340            |
| Earnings before income taxes                        | 1,883               | 2,112             | 2,083            | 75                | 290              |
| Income tax expense                                  | 691                 | 764               | 901              | 152               | 225              |
| Net income (loss)                                   | 1,192               | 1,348             | 1,182            | (77)              | 65               |
| Dividends on preferred stock                        | 270                 | 212               | 30               | 30                | 30               |
| Net income available to common shareholders         | \$ 922              | \$ 1,136          | \$ 1,152         | \$ (107)          | \$ 35            |
| <b>NET INCOME PER COMMON SHARE</b>                  |                     |                   |                  |                   |                  |
| Basic   | \$ 0.16             | \$ 0.20           | \$ 0.20          | \$ (0.03)         | \$ 0.01          |
| Diluted   | 0.15                | 0.19              | 0.19             | (0.03)            | 0.01             |
| <b>Weighted average common shares outstanding</b>   |                     |                   |                  |                   |                  |
| Basic   | 5,820               | 5,807             | 5,750            | 3,937             | 2,966            |
| Diluted   | 6,127               | 6,108             | 6,037            | 4,244             | 3,293            |

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(In thousands)

YIELD ANALYSIS

|  | Three Months Ended June 30, 2016 |            |         | Three months ended March 31, 2016 |            |         | Three Months Ended June 30, 2015 |            |        |
|--|----------------------------------|------------|---------|-----------------------------------|------------|---------|----------------------------------|------------|--------|
|  | Average                          |            | Yield/  | Average                           |            | Yield/  | Average                          |            | Yield/ |
|  | Balance                          | Interest * | Cost*   | Balance                           | Interest * | Cost*   | Balance                          | Interest * | Cost*  |
| <b>Assets</b>  |                                  |            |         |                                   |            |         |                                  |            |        |
| Loans  | \$ 751,425                       | \$ 9,955   | 5.31%   | \$ 734,918                        | \$ 9,374   | 5.12%   | \$ 381,969                       | \$ 4,677   | 4.91%  |
| Investment securities and interest bearing due froms   | 171,526                          | 678        | 1.59%   | 182,988                           | 730        | 1.60%   | 91,177                           | 364        | 1.60%  |
| Federal funds and other  | 5,719                            | 50         | 3.51%   | 8,817                             | 64         | 2.91%   | 2,676                            | 28         | 4.20%  |
| Total interest-earning assets  | 928,670                          | 10,683     | 4.61%   | 926,723                           | 10,168     | 4.40%   | 475,822                          | 5,069      | 4.27%  |
| Non-interest-earning assets  | 65,380                           |            |         | 74,368                            |            |         | 41,188                           |            |        |
| Total assets   | \$ 994,050                       |            |         | \$ 1,001,091                      |            |         | \$ 517,010                       |            |        |
| <b>Liabilities and Stockholders' Equity</b>  |                                  |            |         |                                   |            |         |                                  |            |        |
| Interest-bearing demand deposits   | \$ 153,881                       | \$ 69      | 0.18%   | \$ 150,538                        | \$ 66      | 0.18%   | \$ 110,401                       | \$ 39      | 0.14%  |
| Money market and savings deposits  | 248,401                          | 299        | 0.48%   | 242,125                           | 272        | 0.45%   | 121,856                          | 112        | 0.37%  |
| Time deposits  | 321,244                          | 645        | 0.81%   | 334,782                           | 623        | 0.75%   | 165,140                          | 347        | 0.84%  |
| Total interest-bearing deposits  | 723,526                          | 1,013      | 0.56%   | 727,445                           | 961        | 0.53%   | 397,397                          | 498        | 0.50%  |
| Securities sold under agreement to repurchase  | 19,742                           | 15         | 0.30%   | 21,237                            | 17         | 0.32%   | 5,928                            | 3          | 0.20%  |
| Federal Home Loan Bank advances and other borrowings   | 11,287                           | 29         | 1.03%   | 23,504                            | 45         | 0.76%   | 1                                | —          | 0.85%  |
| Total interest-bearing liabilities   | 754,555                          | 1,057      | 0.56%   | 772,186                           | 1,023      | 0.53%   | 403,326                          | 501        | 0.50%  |
| Noninterest-bearing deposits   | 132,765                          |            |         | 123,242                           |            |         | 56,373                           |            |        |
| Other liabilities  | 4,111                            |            |         | 4,160                             |            |         | 643                              |            |        |
| Total liabilities  | 891,431                          |            |         | 899,588                           |            |         | 460,342                          |            |        |
| Shareholders' equity   | 102,619                          |            |         | 101,503                           |            |         | 56,668                           |            |        |
| Total liabilities and stockholders' equity   | \$ 994,050                       |            |         | \$ 1,001,091                      |            |         | \$ 517,010                       |            |        |
| <b>Net interest income, taxable equivalent</b>   |                                  |            |         |                                   |            |         |                                  |            |        |
|  |                                  | \$ 9,626   |         |                                   | \$ 9,145   |         |                                  | \$ 4,568   |        |
| Interest rate spread   |                                  |            | 4.05%   |                                   |            | 3.87%   |                                  |            | 3.77%  |
| Tax equivalent net interest margin   |                                  |            | 4.16%   |                                   |            | 3.96%   |                                  |            | 3.85%  |
| <b>Percentage of average interest-earning assets to average interest-bearing liabilities</b> |                                  |            |         |                                   |            |         |                                  |            |        |
|  |                                  |            | 123.08% |                                   |            | 120.01% |                                  |            | 118.0% |
| <b>Percentage of average equity to average assets</b>  |                                  |            |         |                                   |            |         |                                  |            |        |
|  |                                  |            | 10.32%  |                                   |            | 10.14%  |                                  |            | 10.96% |

\* Taxable equivalent basis

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| <b>Operating Earnings</b>  |                     |                   |                  |                   |                  |
| Net income (loss) (GAAP)   | \$ 1,192            | \$ 1,348          | \$ 1,182         | \$ (77)           | \$ 65            |
| Purchased loan accounting adjustments*                             | (597)               | (541)             | (818)            | (412)             | (161)            |
| Securities (gains) losses  | (98)                | (83)              | —                | —                 | (52)             |
| Merger and conversion costs  | 153                 | 105               | 230              | 748               | 104              |
| Foreclosed assets (gains) losses                                   | 4                   | (58)              | (332)            | 86                | 363              |
| Income tax effect of adjustments                                   | 250                 | 221               | 352              | (161)             | (97)             |
| Net operating earnings (Non-GAAP)                                  | 904                 | 992               | 614              | 184               | 222              |
| Dividends on preferred stock                                       | (270)               | (212)             | (30)             | (30)              | (30)             |
| Net operating earnings available to common shareholders (Non-GAAP) | \$ 634              | \$ 780            | \$ 584           | \$ 154            | \$ 192           |
| Net operating earnings per common share:                           |                     |                   |                  |                   |                  |
| Basic  | \$ 0.11             | \$ 0.13           | \$ 0.10          | \$ 0.04           | \$ 0.06          |
| Diluted  | 0.10                | 0.13              | 0.10             | 0.04              | 0.06             |
| <b>Operating Efficiency Ratio</b>                                  |                     |                   |                  |                   |                  |
| Efficiency ratio (GAAP)  | 79.14 %             | 76.93 %           | 74.29 %          | 97.45 %           | 88.67 %          |
| Adjustment for purchased loan accounting adjustments*              | 7.05 %              | 6.81 %            | 10.16 %          | 6.34 %            | 3.71 %           |
| Adjustment for securities (gains) losses                           | 1.16 %              | 1.05 %            | — %              | — %               | (1.20)%          |
| Adjustment for merger and conversion costs                         | (1.81)%             | (1.33)%           | (2.85)%          | (11.51)%          | (2.41)%          |
| Adjustment for OREO (gains) losses                                 | (0.05)%             | 0.73 %            | 4.13 %           | (1.32)%           | (8.36)%          |
| Operating efficiency ratio (Non-GAAP)                              | 85.49 %             | 84.19 %           | 85.73 %          | 90.96 %           | 80.41 %          |
| <b>Adjusted Allowance for Loan Losses</b>                          |                     |                   |                  |                   |                  |
| Allowance for loan losses (GAAP)                                   | \$ 4,720            | \$ 4,527          | \$ 4,355         | \$ 3,828          | \$ 3,834         |
| Net acquisition accounting fair value discounts to loans           | 11,053              | 11,381            | 11,781           | 12,520            | 5,599            |
| Adjusted allowance for loan losses (Non-GAAP)                      | 15,773              | 15,908            | 16,136           | 16,348            | 9,433            |
| Loans (excluding acquisition accounting fair value discounts)      | 789,169             | 752,321           | 739,497          | 722,959           | 396,323          |
| Adjusted allowance for loan losses to loans (Non-GAAP)             | 2.00 %              | 2.11 %            | 2.18 %           | 2.26 %            | 2.38 %           |
| <b>Tangible Common Equity</b>                                      |                     |                   |                  |                   |                  |
| Shareholders' equity (GAAP)  | \$ 103,064          | \$ 101,988        | \$ 100,177       | \$ 98,436         | \$ 56,118        |
| Less preferred stock & preferred stock paid in capital             | 12,000              | 12,000            | 12,000           | 12,000            | 12,000           |
| Less goodwill and other intangible assets                          | 6,754               | 6,848             | 6,941            | 7,034             | 177              |
| Tangible common equity (Non-GAAP)                                  | \$ 84,310           | \$ 83,140         | \$ 81,236        | \$ 79,402         | \$ 43,941        |

\*Consists of ASC 310-30 accretion above (below) contractual loan income and ASC 310-20 accretion