Investor Presentation

First Quarter 2025

Nasdaq: CARE

Carter Bankshares, Inc.

LIFE LIVED FULL

Forward-Looking Statement

This information contains or incorporates certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to our *financial condition, market conditions, results of operations, plans, objectives, outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality and nonaccrual and nonperforming loans. Forward looking statements are typically identified by words or phrases such as "will likely result," "expect," "anticipate," "estimate," "forecast," "project," "intend," " believe," "assume," "strategy," "trend," "plan," "outlook," "outcome," "continue," "remain," "potential," "opportunity," "comfortable," "current," "position," "maintain," "sustain," "seek," "achieve" and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could or may. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumption that are difficult to predict and often are beyond the Company's control. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. The matters discussed in these forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected, or implied in or by the forward-looking statements including, but not limited to the effects of: market interest rates and the impacts of market interest rates on economic conditions, customer behavior, and the Company's net interest margin, net interest income and its deposit, loan and securities portfolios; inflation, market and monetary fluctuations; changes in trade, monetary and fiscal policies and laws of the U.S. government and the related impacts on economic conditions and financial markets, and changes in policies of the Federal Reserve, FDIC and U.S. Department of the Treasury; changes in accounting policies, practices, or guidance, for example, our adoption of Current Expected Credit Losses ("CECL") methodology, including potential volatility in the Company's operating results due to application of the CECL methodology; cyber-security threats, attacks or events; rapid technological developments and changes; our ability to resolve our nonperforming assets and our ability to secure collateral on loans that have entered nonaccrual status due to loan maturities and failure to pay in full; changes in the Company's liquidity and capital positions; concentrations of loans secured by real estate, particularly CRE, and the potential impacts of changes in market conditions on the value of real estate collateral; increased delinquency and foreclosure rates on CRE loans; an insufficient allowance for credit losses; the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, war and other military conflicts (such as the ongoing war between Russia and Ukraine) or public health events, and of any governmental and societal responses thereto; these potential adverse effects may include, without limitation, adverse effects on the ability of the Company's borrowers to satisfy their obligations to the Company, on the value of collateral securing loans, on the demand for the Company's loans or its other products and services, on incidents of cyberattack and fraud, on the Company's liquidity or capital positions, on risks posed by reliance on third-party service providers, on other aspects of the Company's business operations and on financial markets and economic growth; a change in spreads on interest-earning assets and interest-bearing liabilities; regulatory supervision and oversight, including our relationship with regulators and any actions that may be initiated by our regulators; legislation affecting the financial services industry as a whole, and the Company and the Bank, in particular; the outcome of pending and future litigation and/or governmental proceedings; increasing price and product/service competition; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; managing our internal growth and acquisitions; the possibility that the anticipated benefits from acquisitions cannot be fully realized in a timely manner or at all, or that integrating acquired operations will be more difficult, disruptive or more costly than anticipated; the soundness of other financial institutions and any indirect exposure related to large bank failures and their impact on the broader market through other customers, suppliers and partners or that the conditions which resulted in the liquidity concerns with those failed banks may also adversely impact, directly or indirectly, other financial institutions and market participants with which the Company has commercial or deposit relationships with; material increases in costs and expenses; reliance on significant customer relationships; general economic or business conditions, including unemployment levels, supply chain disruptions and slowdowns in economic growth; significant weakening of the local economies in which we operate; changes in customer behaviors, including consumer spending, borrowing and saving habits; changes in deposit flows and loan demand; our failure to attract or retain key associates; expansions or consolidations in the Company's branch network, including that the anticipated benefits of the Company's branch acquisitions or the Company's branch network optimization project are not fully realized in a timely manner or at all; deterioration of the housing market and reduced demand for mortgages; and re-emergence of turbulence in significant portions of the global financial and real estate markets that could impact our performance, both directly, by affecting our revenues and the value of our assets and liabilities, and indirectly, by affecting the economy generally and access to capital in the amounts, at the times and on the terms required to support our future businesses. Many of these factors, as well as other factors, are described in our filings with the SEC including in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. All risk factors and uncertainties described herein and therein should be considered in evaluating the Company's forward-looking statements. Forward-looking statements are based on beliefs and assumptions using information available at the time the statements are prepared. We caution you not to unduly rely on forward-looking statements because the assumptions, beliefs, expectations and projections about future events are expressed in or implied by a forward-looking statement may, and often do, differ materially from actual results. Any forward-looking statement speaks only as to the date on which it is made, and we undertake no obligation to update, revise or clarify any forward-looking statement to reflect developments occurring after the statement is made.*

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SECTION 01

Overview

Company History

Focused on the future.

A well-capitalized franchise with momentum

1974 Bank established de novo in 1974 as First National Bank of Rocky Mount, VA

2006 Carter Bank & Trust charter established in 2006 with the merger of ten banks

2020 Carter Bankshares, Inc. holding company established in Q4 2020 with the assets of Carter Bank & Trust

2024 Carter Bankshares, Inc. unveiled a new logo and a refreshed visual brand identity to reflect our revitalized focus

Footprint

HQ
Martinsville, Virginia

–

65
Branches

–

08
Corporate Centers

–

03
Corporate Offices in Virginia

Stats

$4.7B
Assets

–

$3.7B
Loans

–

$4.2B
Deposits

Corporate Highlights

Celebrated 50 years of Community Banking and our founder Worth H. Carter, Jr.

–

Unveiled a new brand identity centered entirely around the people who matter most—the customers and associates and the communities we serve

–

Launched a new logo, color palette, messaging, tagline "Life Lived Full" and nomenclature that shortens the Bank name to Carter Bank

–

Announced the intent to acquire First Reliance Bank's two North Carolina branches

–

Branch Network Expansion in strategic growth markets (Charlottesville and Raleigh) with Commercial and Retail Teams

–

72.2% of Loan Production funded at a weighted average rate of 6.92% in Q1 2025, with Construction loans of approximately $450M funding over the next 12-18 months.

–

Strong Deposit Growth of 9.7% compared to Q1'24

–

Strong Available Liquidity Position

–

Diversified and Granular Deposit base, approximately 78.7% Retail Customers

Regional Footprint

53 Total Branches in Virginia
–
Total VA Deposits $3.7B

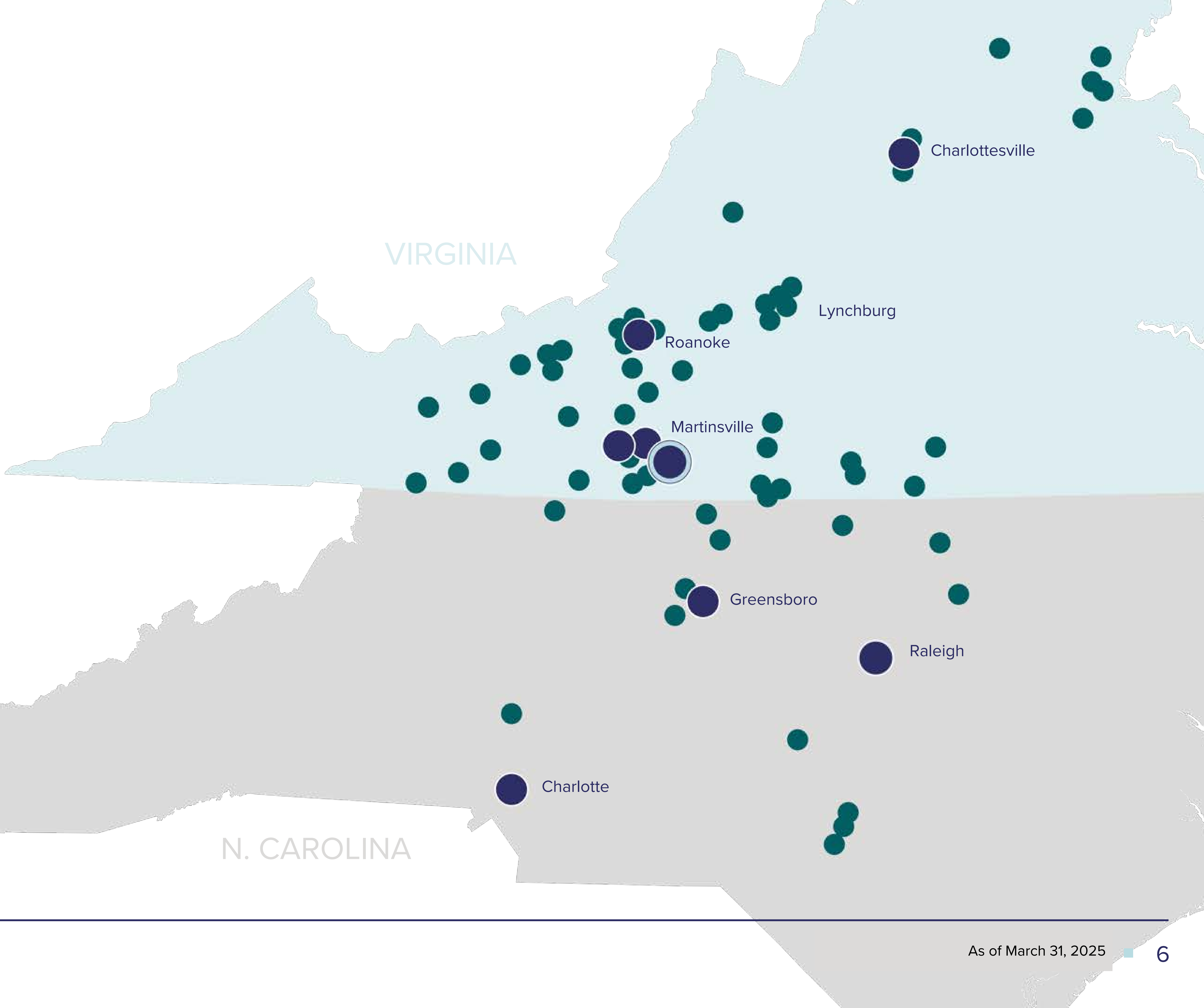
12 Total Branches in North Carolina
–
Total NC Deposits $0.5B

Map Key

Corporate Headquarters

Regional Offices

Branches



Leadership Team

Litz Van Dyke

Chief Executive Officer
39 years in Industry
8 years at the Bank

Bradford Langs

President
Chief Strategy Officer
38 years in Industry
7+ years at the Bank

Wendy Bell

Senior Executive Vice President
Chief Strategy Officer
40 years in Industry
7+ years at the Bank

Loran Adams

Executive Vice President
Director of Regulatory Risk Management
41 years in Industry
8 years at the Bank

Tami Buttrey

Executive Vice President
Chief Retail Banking Officer
42 years in Industry
6 years at the Bank

Paul Carney

Executive Vice President
Chief Human Resources Officer
13 years in Industry
6 years at the Bank

Jane Ann Davis

Executive Vice President
Chief Administrative Officer
41 years in Industry
41 years at the Bank

Tony Kallsen

Senior Executive Vice President
Chief Credit Risk Officer
34 years in Industry
7 years at the Bank

Joyce Parker

Executive Assistant
39 years in Industry
35 years at the Bank

Chrystal Parnell

Executive Vice President
Chief Marketing & Communications Officer
22 years in Industry
3 years at the Bank

Matt Speare

Senior Executive Vice President
Chief Operations Officer
23 years in Industry
7 years at the Bank

Rich Spiker

Senior Executive Vice President
Chief Lending Officer
36 years in Industry
7 years at the Bank

Charlie Sword

Senior Vice President
Internal Audit Director
19 years in Industry
4 years at the Bank

OUR PURPOSE

To create opportunities for more people and businesses to prosper.

Rewarding Relationships

Corporate & Social Responsibility

FHLBank ATLANTA
A FEDERAL HOME LOAN BANK

The bank assisted a local developer in securing $2.3 million in grant funding from the FHLB’s Affordable Housing Program (AHP). This funding ensures the creation of 168 affordable housing units in Asheboro, High Point, and Salisbury, North Carolina.

“Through this partnership with Carter Bank, three important projects can come to fruition to improve lives and strengthen local communities,” said Kirk Malmberg, FHLBank Atlanta President and CEO.

Through interactive service, associates enriched the experience of attendees at the North Carolina Museum of Natural Sciences’ Astronomy Days. The Raleigh team hosted a planet-themed children's game designed to spark attendees’ interest in astronomy.

This annual event, in partnership with NASA, attracts 15,000 visitors and is the largest astronomy-centered event in the country.

For the fifth year in a row, the bank sponsored Patrick Henry Elementary School in Martinsville in the Virginia Reads One Book program in partnership with the Virginia Bankers Association. To promote literacy and financial education, the school community (bus drivers, resource teachers, facilities staff, office personnel, students and their families) read the same book over a 3 week period. Associates also participated through financial education classes and family literacy night.

494

Volunteer Community Service Hours

–

29

Nonprofits Supported by Associates Serving on Boards & Committees

–

$297,885

Charitable Donations & Sponsorships to Nonprofits

–

21

Financial Education Classes Facilitated for 662 Students

Investment Highlights

Strong Financial Performance

- Strong Liquidity & Capital Position
- CET1 of 11.01%
- ACL coverage of 1.99%
- $1.4B of total available liquidity
- 182.1% total available liquidity / uninsured deposits

Conservative Credit Culture

- Extraordinarily well-reserved with our other segment reserve for the largest lending relationship
- Excluding the largest lending relationship, credit quality remains strong & underwriting remains conservative

Carter Bankshares, Inc.

Attractive Markets & Customers

- Well Positioned in Virginia & North Carolina including Fast Growing Markets such as Charlottesville, Charlotte & Raleigh

Executing Strategic Objectives

- Investments in Human Capital, Brand & Culture, Technology, Loan & Deposit Diversification, Customer Experience, and Safety & Soundness should provide operational leverage and growth going forward

Strategic Initiatives

Superior financial performance and operational excellence.

Growing responsibly with financial safety and soundness in mind is an essential practice that enables the Bank to prosper and remain independent. We're known for our ability to provide exceptional service and build long-lasting relationships with customers. We will continue to build upon this differentiation with exceptional experiences, strong relationships, and community impact by investing in ways to improve the customer experience and gain operational efficiencies.

Grow Responsibly

–

Provide Exceptional Experience

–

Gain Operational Efficiency

Invest	We will invest in human capital strategies to enhance the associate experience. We will continue to drive efficiency and process improvement across all levels of the organization, leveraging technology and automation. We will make significant investments in the new brand strategy working on updating and enhancing the image and reputation of the Bank.
Enhance	We will focus on initiatives around enhancing technology, operations, customer experience, C&I, CRA, ESG, DEI, channel delivery, and product development. From a risk management perspective, we will strengthen change management systems and leverage the Board's ERM Committee.
Expand	We will continue strategies to deepen existing relationships and acquire new relationships in current markets. We will focus on increasing market share in target growth markets. We will focus on expanding through organic growth and opportunistic acquisition.

Expansion

Purchase of two North Carolina branches from First Reliance Bank

On December 10, 2024, Carter Bankshares entered into a definitive Purchase and Assumption Agreement with First Reliance Bancshares under which Carter Bank will acquire deposits and locations associated with First Reliance Bank's two branches in Mooresville and Winston-Salem. Pursuant to the terms of the Agreement, Carter Bank has agreed to assume certain deposit liabilities, and acquire cash, personal property and other fixed assets associated with the Winston-Salem and Mooresville branches.

Overview

$56M
Deposits

10
Associates

Q2/25
Expected Close Date

02
Offices
in North Carolina

"We are excited to announce a branch purchase agreement with First Reliance Bank that will enhance Carter Bank's overall growth. This transaction strengthens our presence, deepens our commitment to North Carolina, and further expands our network between Greensboro and Charlotte. We see this as a crucial step in optimizing our operations in Winston-Salem, as it gives us an immediate presence in the market, and we are gaining further market share in Mooresville. We believe that the Transaction will improve our profitability and deliver exceptional returns to our shareholders. In addition, we received all necessary approvals for the Branch Purchase and anticipate closing the transaction in May. We are looking forward to welcoming the First Reliance Bank customers and branch associates to Carter Bank."

— Litz Van Dyke, CEO

Safety & Soundness

Capital

11.01%
Common Equity Tier 1 Ratio (CET1)

–

12.27%
Total Risk-based Capital Ratio

–

9.67%
Leverage Ratio

–

$17.35
Book Value

Asset Quality

0.06%
Delinquency/Portfolio Loans

–

7.09%
NPL/Portfolio Loans[1]

–

1.99%
ACL/Portfolio Loans[2]

–

0.01%
Net Charge-offs/Portfolio Loans (YTD)

Earnings

0.78%
ROA (YTD)

–

9.27%
ROE (YTD)

–

2.70%
NIM (FTE) (YTD)[3]

–

78.67%
Adjusted Efficiency Ratio (YTD)[3]

Liquidity

$1.4B
Total Liquidity Sources

–

10.50%
Highly Liquid Assets/Total Assets

–

63.83%
Highly Liquid Assets/Uninsured Deposits

–

182.15%
Total Available Liquidity/Uninsured Deposits

[1] 0.44% without the largest NPL relationship, see non-GAAP reconciliation
[2] 1.26% without the largest NPL relationship, see non-GAAP reconciliation
[3] Non-GAAP Financial measure - see Non-GAAP reconciliation

SECTION 02

Financial

Balance Sheet & Income Statement

Operational Results	1Q 2025	4Q 2024	Q/Q Change $	1Q 2024	Y/Y Change $
Net Interest Income	$ 30,138	$ 29,148	**$ 990**	$ 28,419	**$ 1,719**
(Recovery) Provision for Credit Losses	(2,025)	(5,114)	**3,089**	16	**(2,041)**
(Recovery) Provision for Unfunded Commitments	(114)	81	**(195)**	(43)	**(71)**
Noninterest Income	6,901	5,368	**1,533**	5,045	**1,856**
Noninterest Expense	28,042	28,866	**(824)**	26,257	**1,785**
Income Tax Expense	2,183	2,403	**(220)**	1,423	**760**
Net Income	$ 8,953	$ 8,280	**$ 673**	$ 5,811	**$ 3,142**
Balance Sheet Condition					
Assets	$ 4,700,287	$ 4,659,189	**$ 41,098**	$ 4,554,946	**$ 145,341**
Loans	3,687,495	3,624,826	**62,669**	3,509,071	**178,424**
Allowance for Credit Losses	(73,518)	(75,600)	**2,082**	(96,536)	**23,018**
Securities	745,390	718,400	**26,990**	768,832	**(23,442)**
Deposits	4,200,927	4,153,421	**47,506**	3,830,521	**370,406**
Borrowings	55,000	70,000	**(15,000)**	310,500	**(255,500)**
Shareholders' Equity	$ 401,766	$ 384,313	**$ 17,453**	$ 359,066	**$ 42,700**

$1.0M / $1.7M
Net Interest Income up Q/Q & Y/Y

$(2.0)M / $(5.1)M
(Recovery) for Credit Losses 1Q25 & 4Q24

$0.7M /$3.1M
Net Income up Q/Q & Y/Y

$62.7M / $178.4M
Loan Growth up Q/Q & Y/Y

$47.5M / $370.4M
Deposits up Q/Q & Y/Y

$15.0M / $255.5M
Borrowings down Q/Q & Y/Y

Financial / Shareholder Ratios

Shareholder Ratios	1Q 2025	4Q 2024	Q/Q Change	1Q 2024	Y/Y Change
Diluted Earnings Per Share (QTD)	$ 0.39	$ 0.36	**$ 0.03**	$ 0.25	**$ 0.14**
Financial Ratios					
Return on Avg Assets (QTD)	0.78%	0.71%	**0.07%**	0.52%	**0.26%**
Return on Avg Shareholders' Equity (QTD)	9.27%	8.58%	**0.69%**	6.59%	**2.68%**
Net Interest Margin (FTE)(QTD)[1]	2.70%	2.58%	**0.12%**	2.60%	**0.10%**
Adjusted Efficiency Ratio (QTD)[1]	78.67%	82.76%	**(4.09)%**	79.01%	**(0.34)%**
Asset Quality Ratios					
NPL / Portfolio Loans	7.09%	7.15%	**(0.06)%**	8.76%	**(1.67)%**
NPA / Total Assets plus OREO	7.10%	7.17%	**(0.07)%**	8.82%	**(1.72)%**
ACL / Portfolio Loans	1.99%	2.09%	**(0.10)%**	2.75%	**(0.76)%**
Net Chg-offs / Portfolio Loans (QTD annualized)	0.01%	0.02%	**(0.01)%**	0.06%	**(0.05)%**

$0.03 / $0.14

Diluted EPS up Q/Q & Y/Y

0.07% / 0.26%

ROA up Q/Q & Y/Y

0.69% / 2.68%

ROE up Q/Q & Y/Y

0.12% / 0.10%

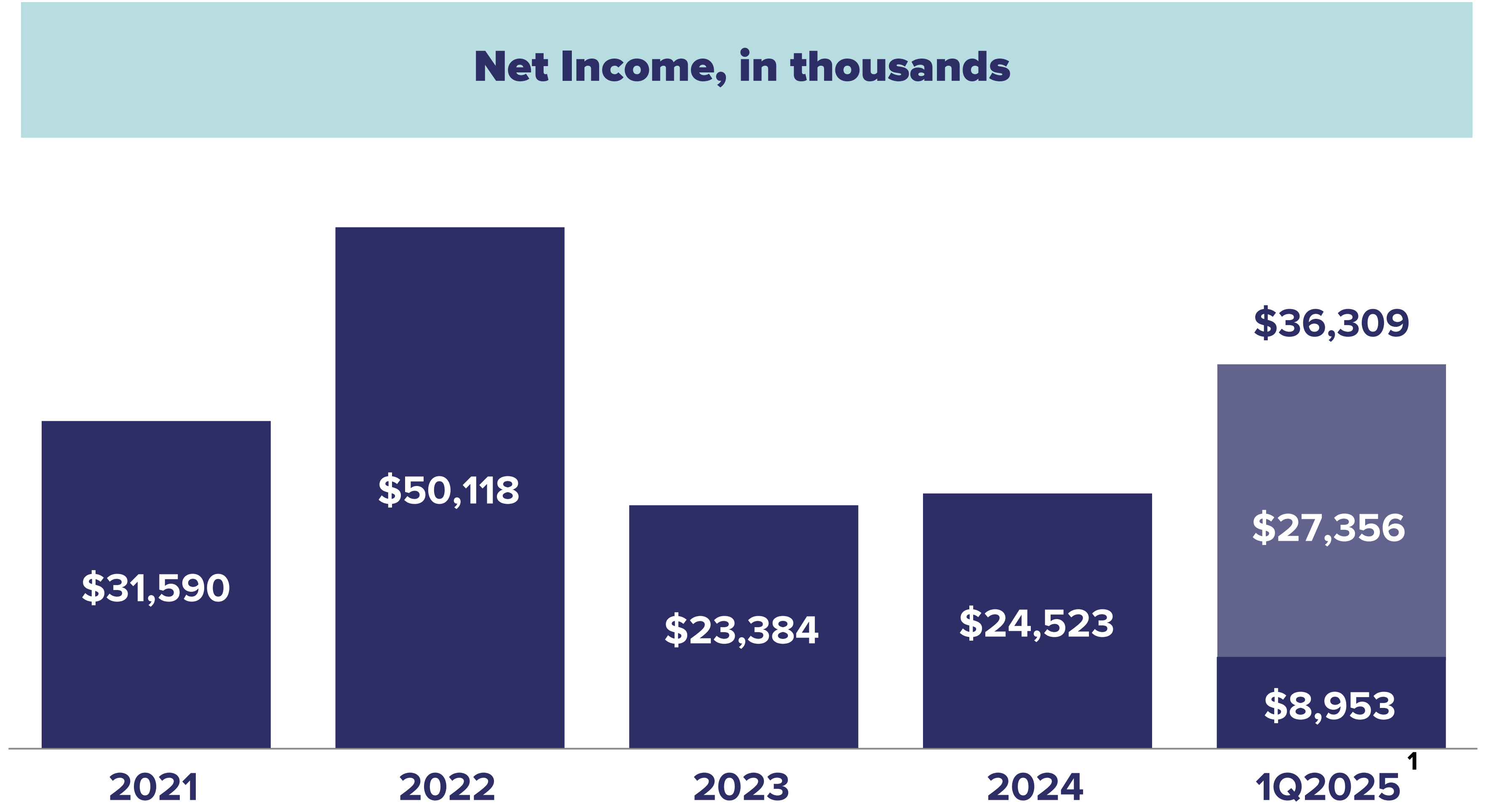
NIM (FTE) up Q/Q & Y/Y

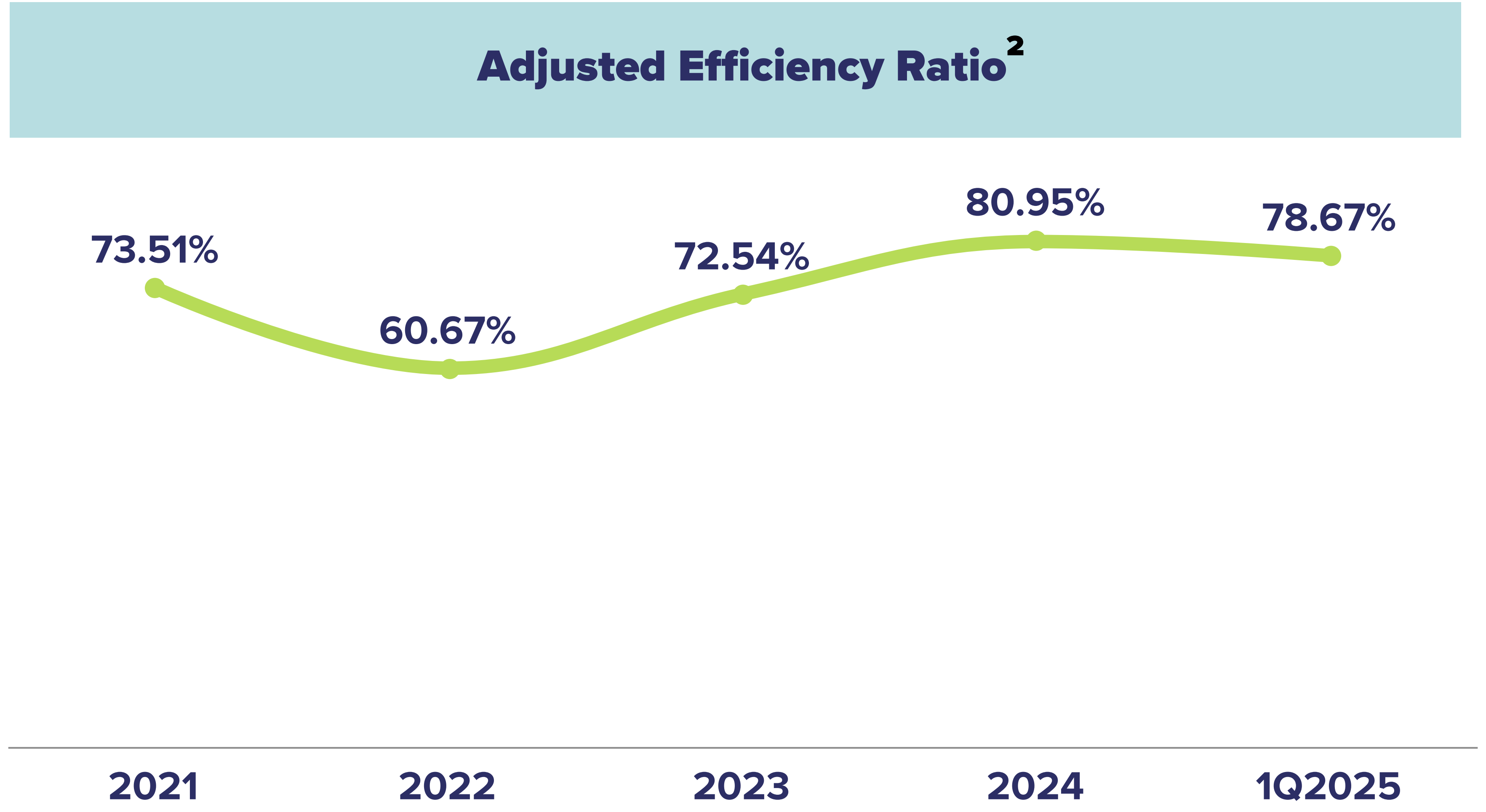
$6.9M / $28.9M

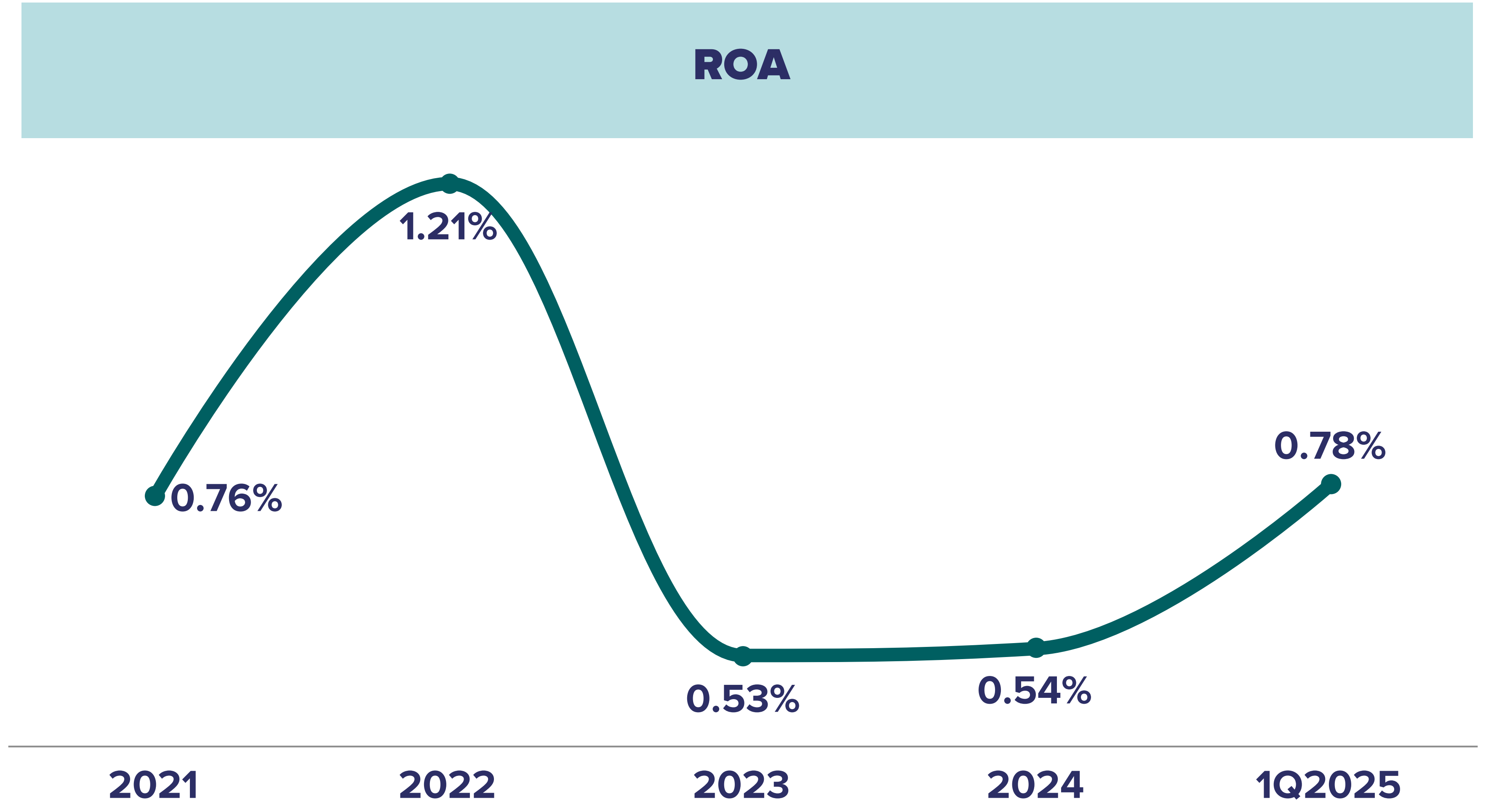
Curtailment Payments made 1Q25 & 4Q24

[1]Non-GAAP Financial measure - see Non-GAAP reconciliation

Financial Performance Trends







Carter Bankshares, Inc.

[1] Net Income for the quarter ended March 31, 2025 is annualized
[2] Non-GAAP Financial Measure - see Non-GAAP reconciliation

Capital Management

- Focus on maintaining a strong regulatory capital position in excess of regulatory thresholds.
- Ensure capital levels are commensurate with the Company's risk profile and strategic plan objectives.
- Since December of 2021, 3.8 million shares have been repurchased at a total cost of $59.8 million at an average cost per share of $15.95.

REGULATORY CAPITAL		
11.01%	12.27%	9.67%
TIER 1	TOTAL	LEVERAGE

Carter Bankshares	Regulatory Well Capitalized	Actual	Excess ($) (In Thousands)	Excludes Impact of Large NPL	Excess ($) Excludes Impact of Large NPL (In Thousands)
Common Equity Tier 1 Ratio ("CET 1")	6.50%	11.01%	$ 187,744	12.76%	$ 252,657
Tier 1 Risk-based Ratio	8.00%	11.01%	125,345	12.76%	192,119
Total Risk-based Capital Ratio	10.00%	12.27%	94,450	14.02%	162,173
Leverage Ratio	5.00%	9.67%	221,291	10.87%	278,140
Critically Undercapitalized Category	Tangible equity to total assets ≤ 2%				
Capital Conservation Buffer	≤ 2.5% composed of CET 1				

	Actual ($) 03/31/25	Cumulative AOCL Impact 03/31/25	Other Segment Reserve Impact 03/31/25[1]
Book Value per Common Share	$ 17.35	$ (2.43)	$ (0.94)
		$ (3.37)	
Adjusted Book Value[2]	**$ 20.72**		

[1]Non-GAAP Financial measure - see Non-GAAP reconciliation
[2]During 2024 and 2025, $7.4M of the other segment reserve release from the $56.8M curtailment payments resulted in a $0.26 per share increase in book value.

Liquidity

$1.4B

TOTAL AVAILABLE LIQUIDITY

Continue to maintain a strong liquidity position:

- Ongoing FHLB collateral pledging[1]
- Maintain three unsecured lines of credit
- Maintain one secured line of credit
- Majority of bond portfolio is unpledged
- Available sources to leverage unpledged bonds
  - Federal Reserve Discount Window
  - Federal Home Loan Bank of Atlanta
  - Secured Federal Funds Lines

Strong coverage of uninsured deposits:

- Total available liquidity / uninsured deposits 182.1%

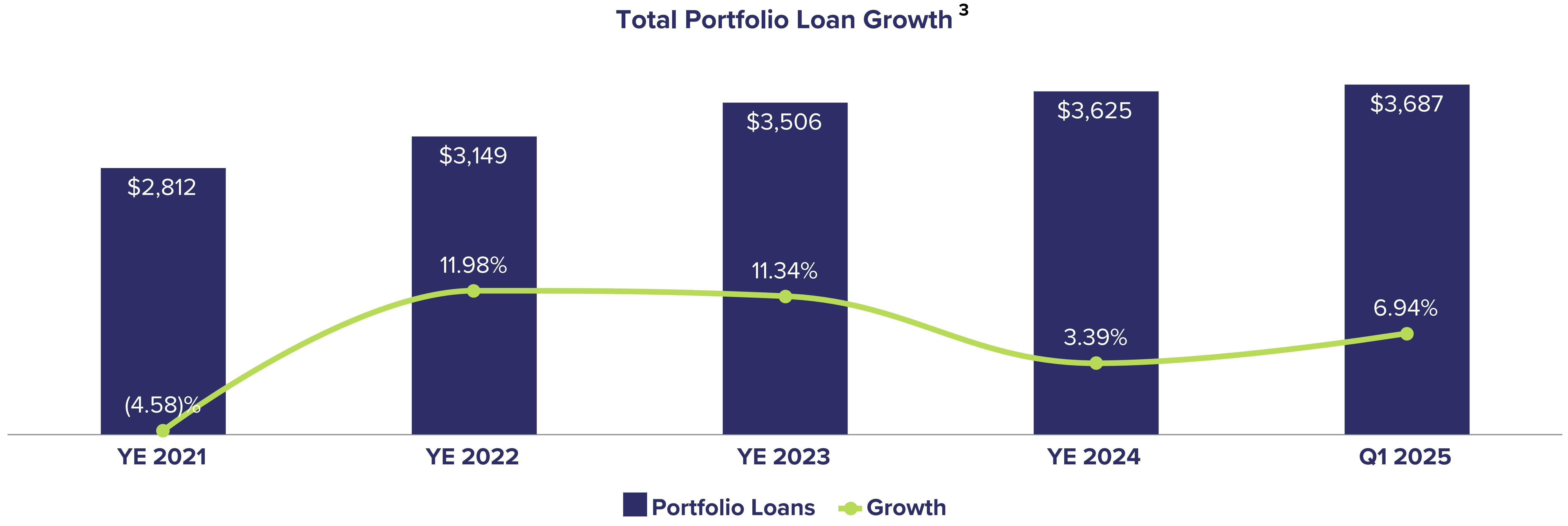
$ in thousands	March 31, 2025	December 31, 2024	Change
Cash and Due From Banks, including Interest-bearing Deposits	$ 88,999	$ 131,171	$ (42,172)
FHLB Borrowing Availability[1]	743,209	735,294	7,915
Unsecured Lines of Credit	30,000	30,000	—
Collateralized Lines of Credit	45,000	45,000	—
Unpledged Investment Securities	447,178	418,350	28,828
Excess Pledged Securities	54,294	33,022	21,272
Total Liquidity Sources	**$ 1,408,680**	**$ 1,392,837**	**$ 15,843**

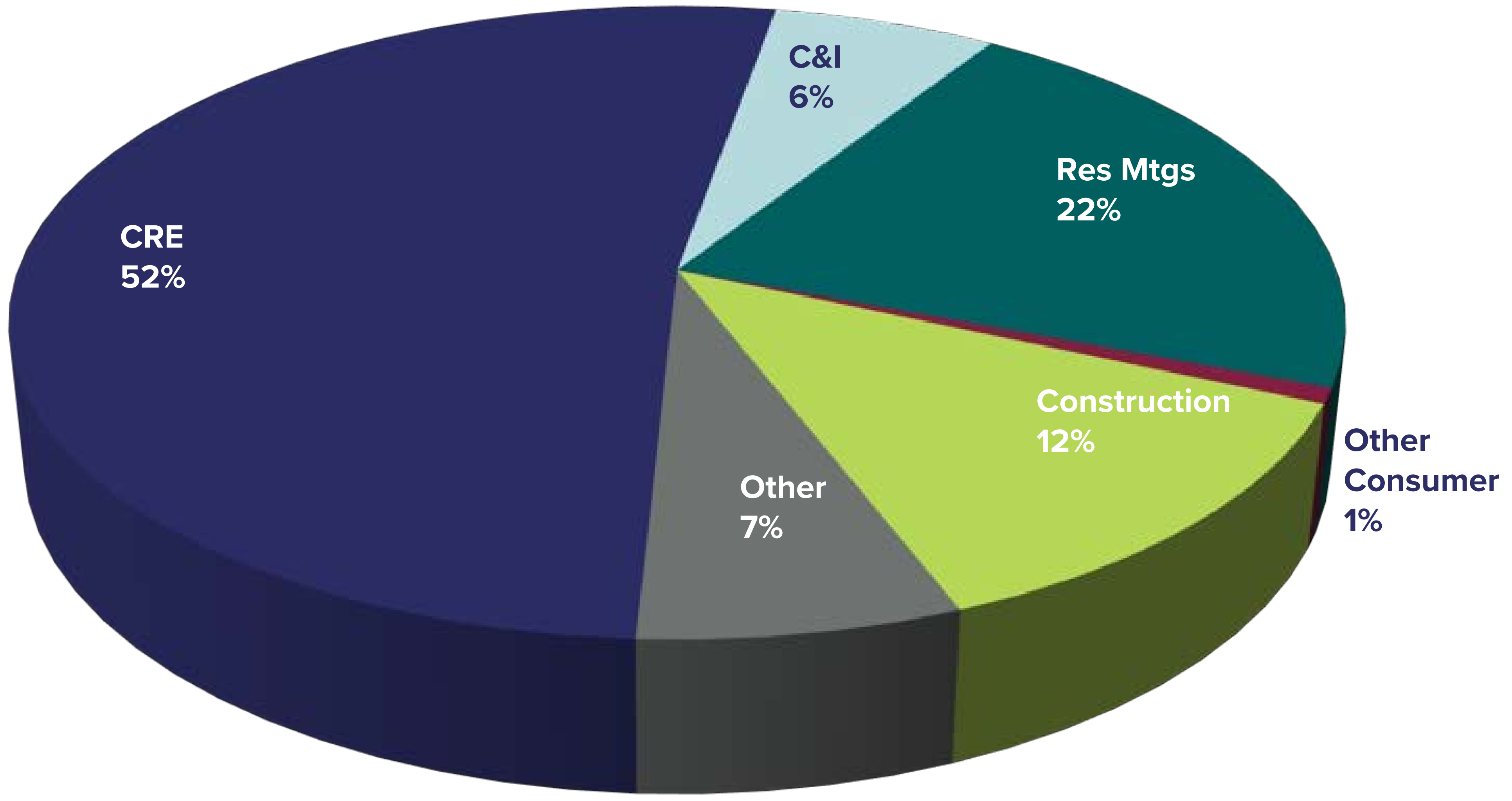
[1]For the periods presented above, the Company maintained a secured FHLB Borrowing Facility with FHLB of Atlanta equal to 25% of the Bank's assets approximating $1.2 billion, with available borrowing capacity subject to the amount of eligible collateral pledged at any given time.

Loan Composition

$ in thousands	For the Period Ending 3/31/2025	12/31/2024	3/31/2024	Variance Quarter	Year
Commercial Real Estate	$ 1,915,863	$ 1,869,831	$ 1,728,929	$ 46,032	$ 186,934
Commercial and Industrial	234,024	230,483	257,176	3,541	(23,152)
Residential Mortgages	801,253	777,471	788,125	23,782	13,128
Other Consumer	28,804	28,908	32,428	(104)	(3,624)
Construction	459,285	462,930	397,219	(3,645)	62,066
Other[1]	248,266	255,203	305,194	(6,937)	(56,928)
Total Portfolio Loans[2]	**$ 3,687,495**	**$ 3,624,826**	**$ 3,509,071**	**$ 62,669**	**$ 178,424**

- Total portfolio loans increased $178.4M, or 5.1% YoY due to loan growth, primarily in the commercial real estate, residential mortgages and construction segments.
- 72.2% of Loan Production funded at a weighted average rate of 6.92% in Q1 2025, with Construction loans of approximately $450M funding over the next 12-18 months.
- The Other segment is down $56.9M YOY primarily due to curtailment payments made by the Bank's largest lending relationship since these loans were placed in nonaccrual status in the second quarter of 2023.

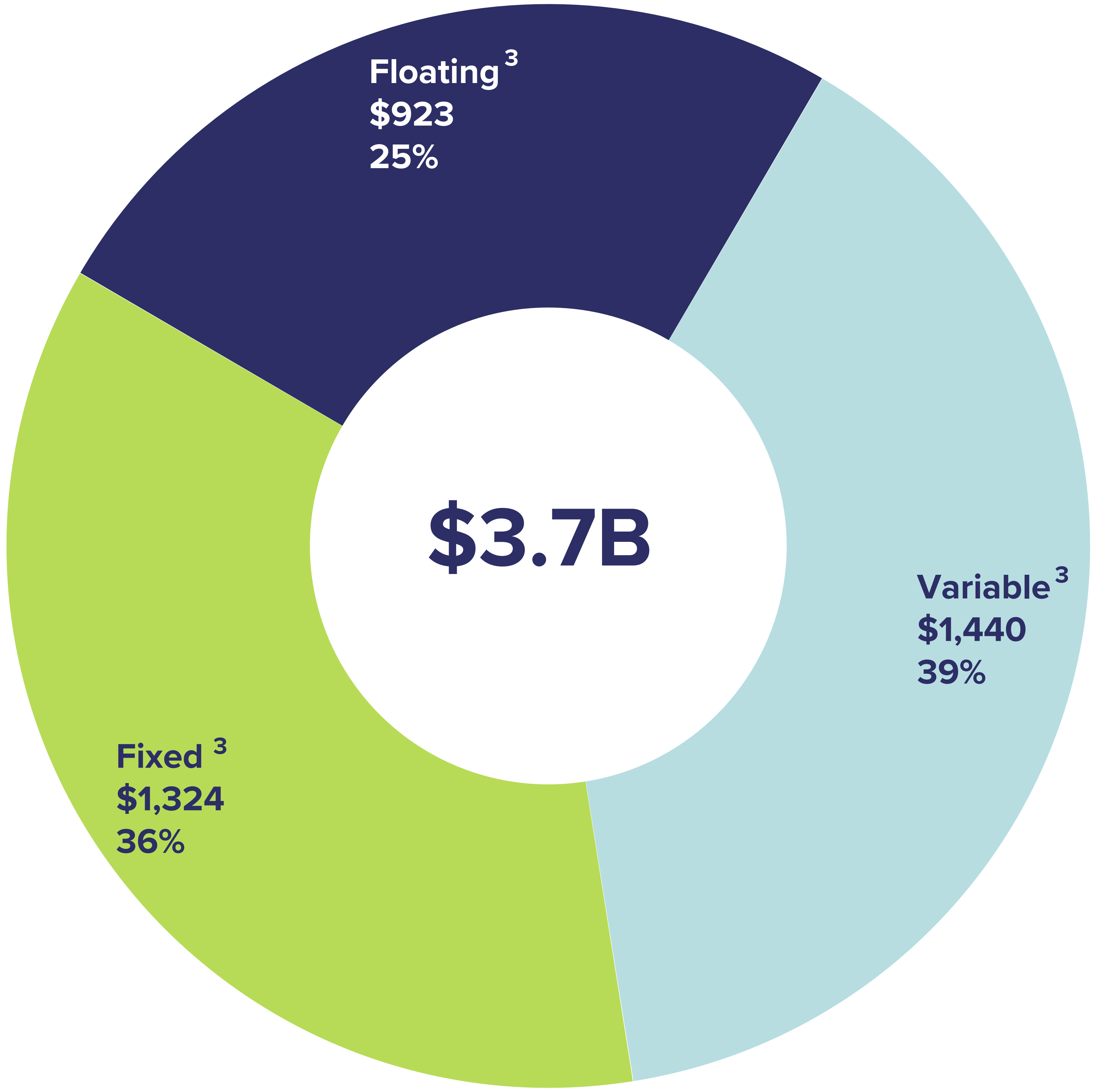




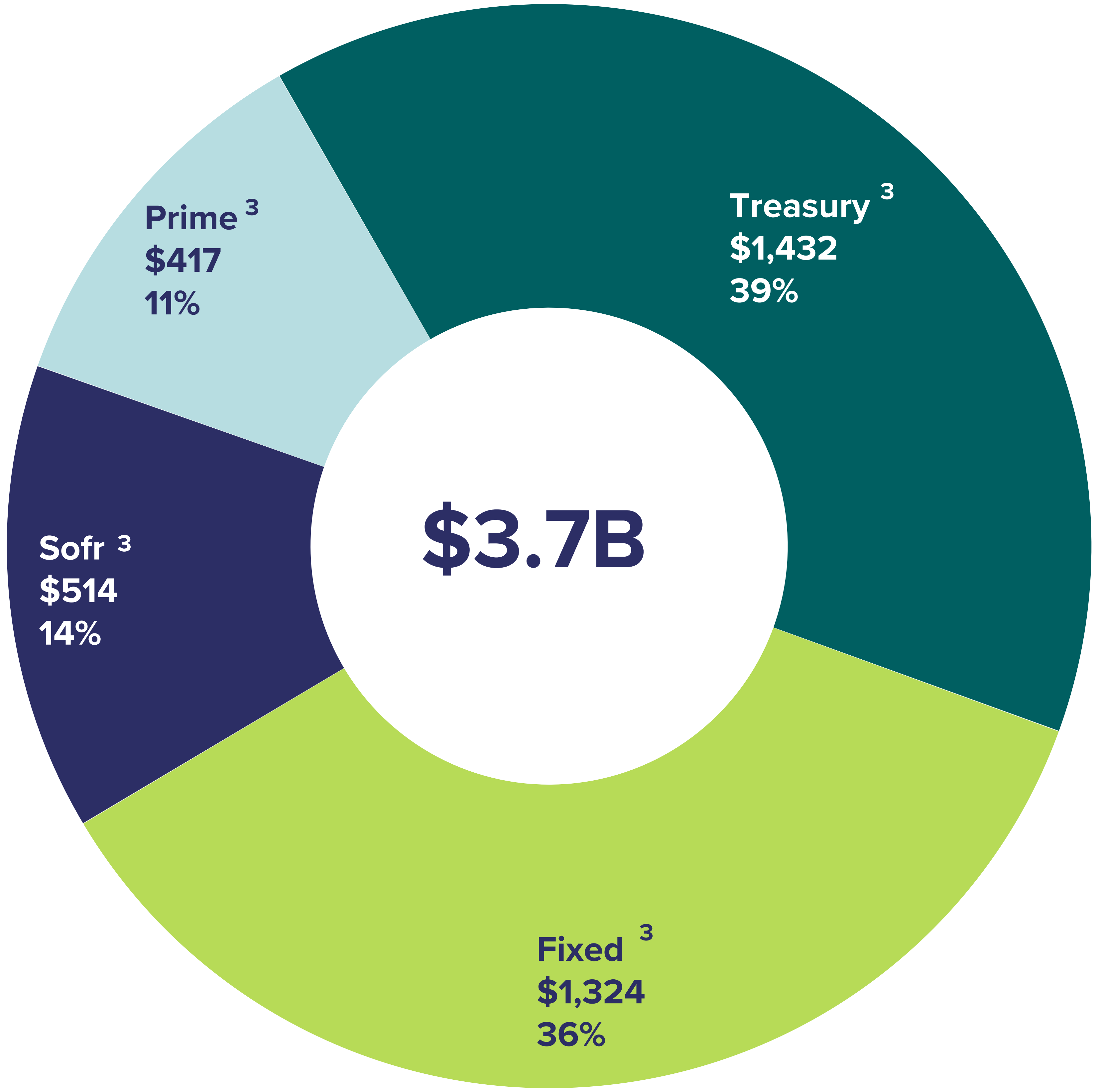
[1] Other loans include unique risk attributes considered inconsistent with our current underwriting standards.
[2] Total Portfolio Loans is net of loans held-for-sale and Loan Portfolio Segments are sourced from Fed. Call Codes (RC-C).
[3] $ in millions

Loan Portfolio Repricing & Index 1Q2025

Loan Portfolio by Rate Type



Loan Portfolio by Rate Index Type



[1]Floating Rate Loans are defined as loans with contractual interest rate terms that allow the loan to reprice at least once each month.
[2]Variable Rate Loans are defined as loans with contractual interest rate terms that allow the loan to reprice at least once during the life of the loan agreement, but not more frequently than once per quarter.
[3] $ in millions

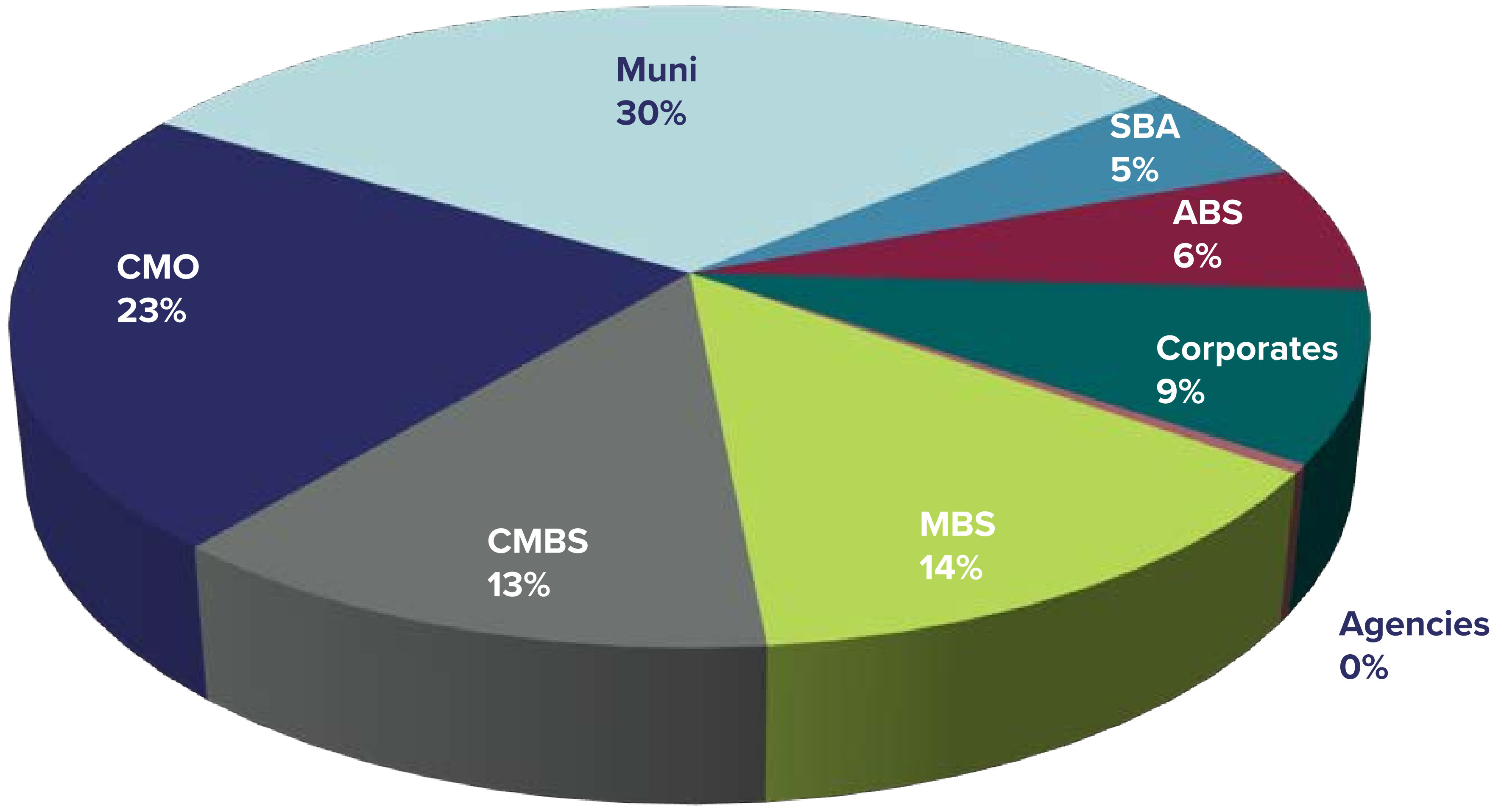
Top Ten (10) Relationships (Total Commitment)

$ in thousands	For the Periods Ending 3/31/2025	12/31/2024	Change	% of Gross Loans	% of RBC
1. Hospitality, Agriculture & Energy	$ 245,064	$ 251,982	$ (6,918)	6.65%	48.01%
2. Multifamily	58,804	58,871	(67)	1.59%	11.52%
3. Health Care Facility / Long-Term Care	52,565	52,855	(290)	1.43%	10.30%
4. Multifamily	51,990	51,990	—	1.41%	10.19%
5. Retail & Office	51,516	52,913	(1,397)	1.40%	10.09%
6. Warehouse	49,228	49,661	(433)	1.34%	9.64%
7. Long-Term Care	46,199	46,199	—	1.25%	9.05%
8. Health Care Facility	44,779	44,779	—	1.21%	8.77%
9. Warehouse	44,349	44,577	(228)	1.20%	8.69%
10. Retail	44,334	44,511	(177)	1.20%	8.69%
Top Ten (10) Relationships	**$ 688,828**	**$ 698,338**	**$ (9,510)**	**18.68%**	**134.95%**
Total Gross Loans	**$ 3,687,495**	**$ 3,624,826**	**$ 62,669**		
% of Total Gross Loans	**18.68%**	**19.27%**	**(0.59)%**		
Concentration (25% of RBC)	$ 127,611	$ 125,190			

Bond Portfolio

$ in thousands	March 31, 2025 Amortized Cost	March 31, 2025 Net Unrealized (Losses)/ Gains	March 31, 2025 Fair Value	December 31, 2024 Amortized Cost	December 31, 2024 Net Unrealized (Losses)/ Gains	December 31, 2024 Fair Value
U.S. Government Agency Securities	$ 25,226	$ (602)	$ 24,624	$ 27,634	$ (684)	$ 26,950
Residential Mortgage-Backed Securities	107,642	(9,169)	98,473	106,593	(10,440)	96,153
Commercial Mortgage-Backed Securities	20,989	(517)	20,472	22,233	(646)	21,587
Other Commercial Mortgage-Backed Securities	31,570	(1,810)	29,760	24,064	(2,094)	21,970
Asset Backed Securities	120,898	(7,981)	112,917	127,978	(9,457)	118,521
Collateralized Mortgage Obligations	177,602	(9,051)	168,551	158,610	(10,022)	148,588
States and Political Subdivisions	262,671	(35,851)	226,820	262,879	(41,698)	221,181
Corporate Notes	70,750	(6,977)	63,773	70,750	(7,300)	63,450
Total Debt Securities	**$ 817,348**	**$ (71,958)**	**$ 745,390**	**$ 800,741**	**$ (82,341)**	**$ 718,400**

- The bond portfolio is 100% available-for-sale.
- Our portfolio consists of 45.3% of securities issued by United States government sponsored entities and carry an implicit government guarantee.
- States and political subdivisions comprise 30.4% of the portfolio and are largely general obligation or essential purpose revenue bonds, which have performed very well historically over all business cycles, and are rated AA and AAA.
- At March 31, 2025, the Company held 57.5% fixed rate and 42.5% floating rate securities.
- The material improvement in unrealized losses was largely due to bond maturities, amortizations and lower intermediate-term interest rates.
- Securities comprise 15.9% of total assets at March 31, 2025.
- Shorter maturity profile with an average life of 5.21 years; less interest rate risk with an effective duration of 3.86; and higher than peer book yield of 3.36%

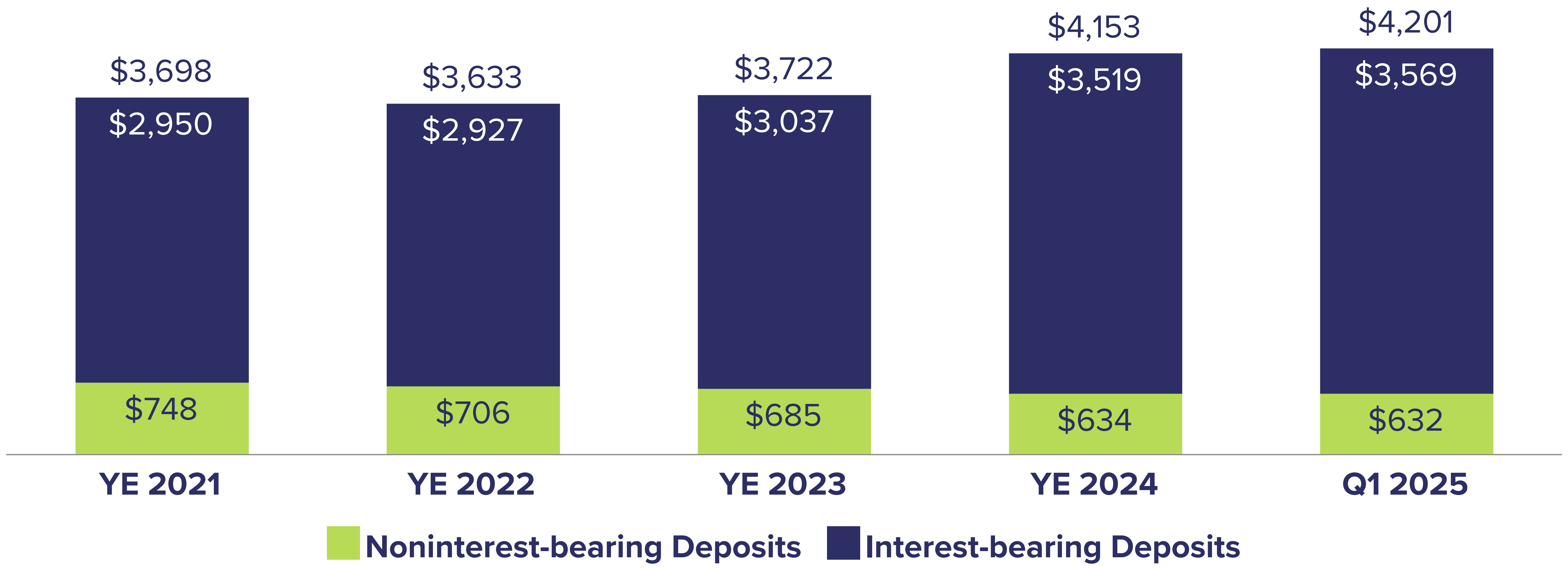


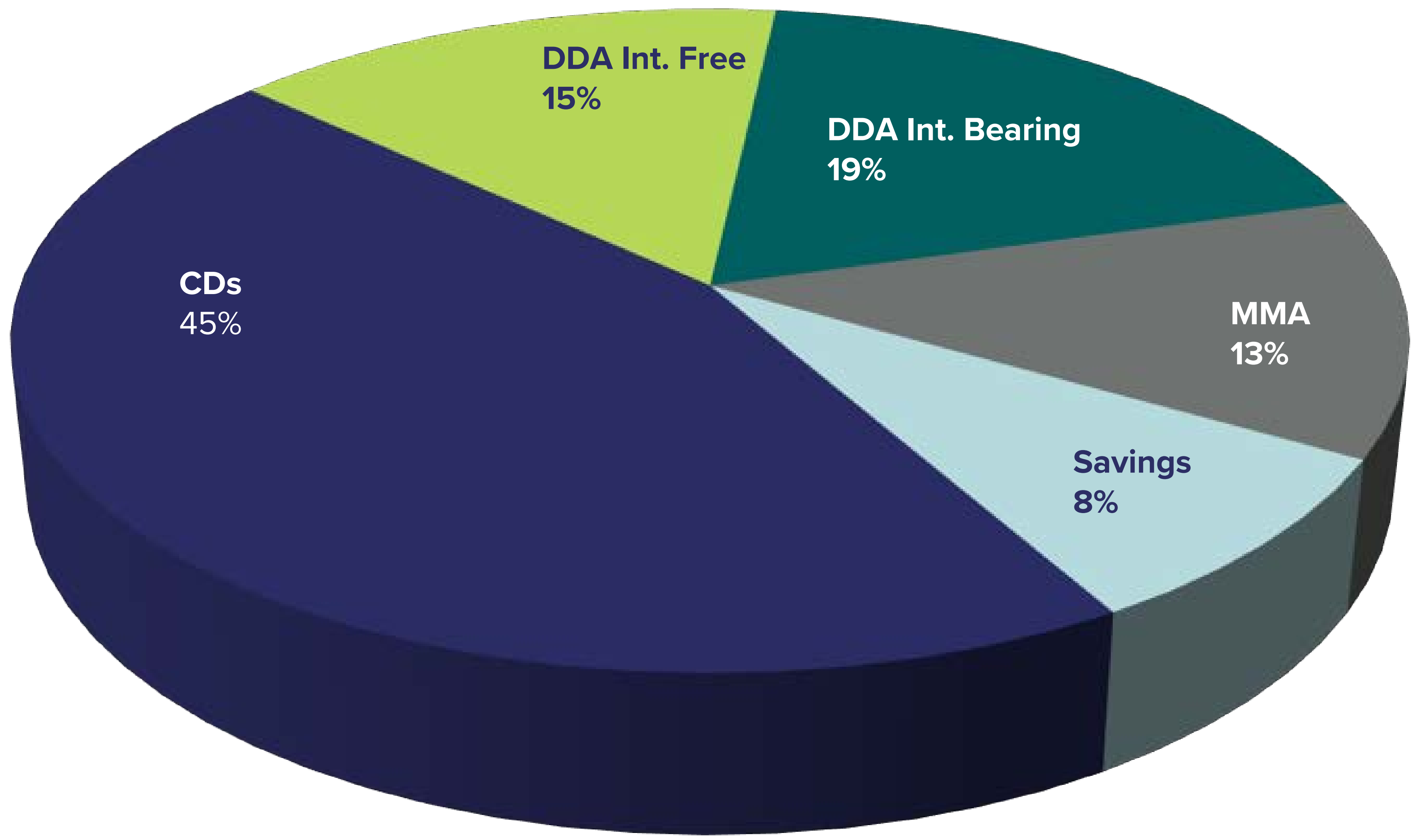
Deposit Composition

$ in thousands	For the Period Ending 3/31/2025	12/31/2024	3/31/2024	Variance Quarter	Year
Lifetime Free Checking	$ 631,714	$ 634,436	$ 671,981	$ (2,722)	$ (40,267)
Interest-Bearing Demand	794,059	726,947	515,614	67,112	278,445
Money Market	528,381	512,162	520,785	16,219	7,596
Savings	353,394	355,506	427,461	(2,112)	(74,067)
Certificates of Deposits	1,893,379	1,924,370	1,694,680	(30,991)	198,699
Total Deposits	**$ 4,200,927**	**$ 4,153,421**	**$ 3,830,521**	**$ 47,506**	**$ 370,406**

- Total deposits increased $370.4M YoY
- Diversified and granular deposit base, approximately 78.7% Retail Customers
- Approximately 81.6% of Deposits, including Collateralized Muni deposits are FDIC Insured
- Partnership with IntraFi for available coverage over $250K FDIC insured limit

Total Deposits Composition[1]





[1] Period end balances at, $ in millions

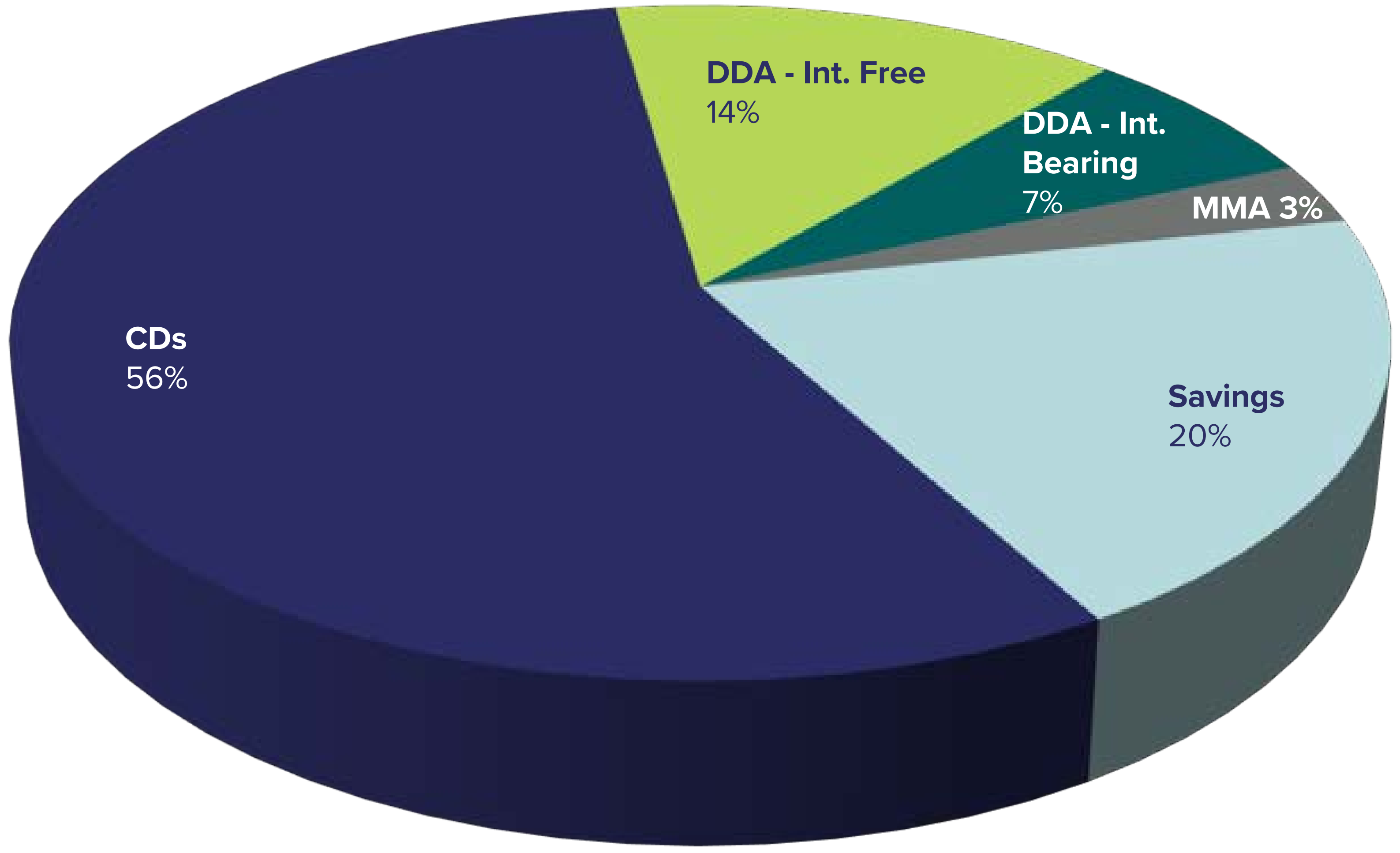
Deposits

Goal is to enhance and diversify funding sources with a focus on lower cost/core relationships (both retail and commercial):

- Deposits currently stand at $4.2B
- CD Portfolio ($1.9B) is relatively short with 81.8% of the retail portfolio scheduled to mature within 12 months and 97.4% of the retail portfolio scheduled to mature within 24 months, allowing for opportunities to lower deposit costs quickly when short term rates begin to ease
- Multiple strategies are in place to grow all non maturity deposit accounts with a focus on lower cost of funds
- Established product road map and working to expand deposit offerings for retail and commercial customers

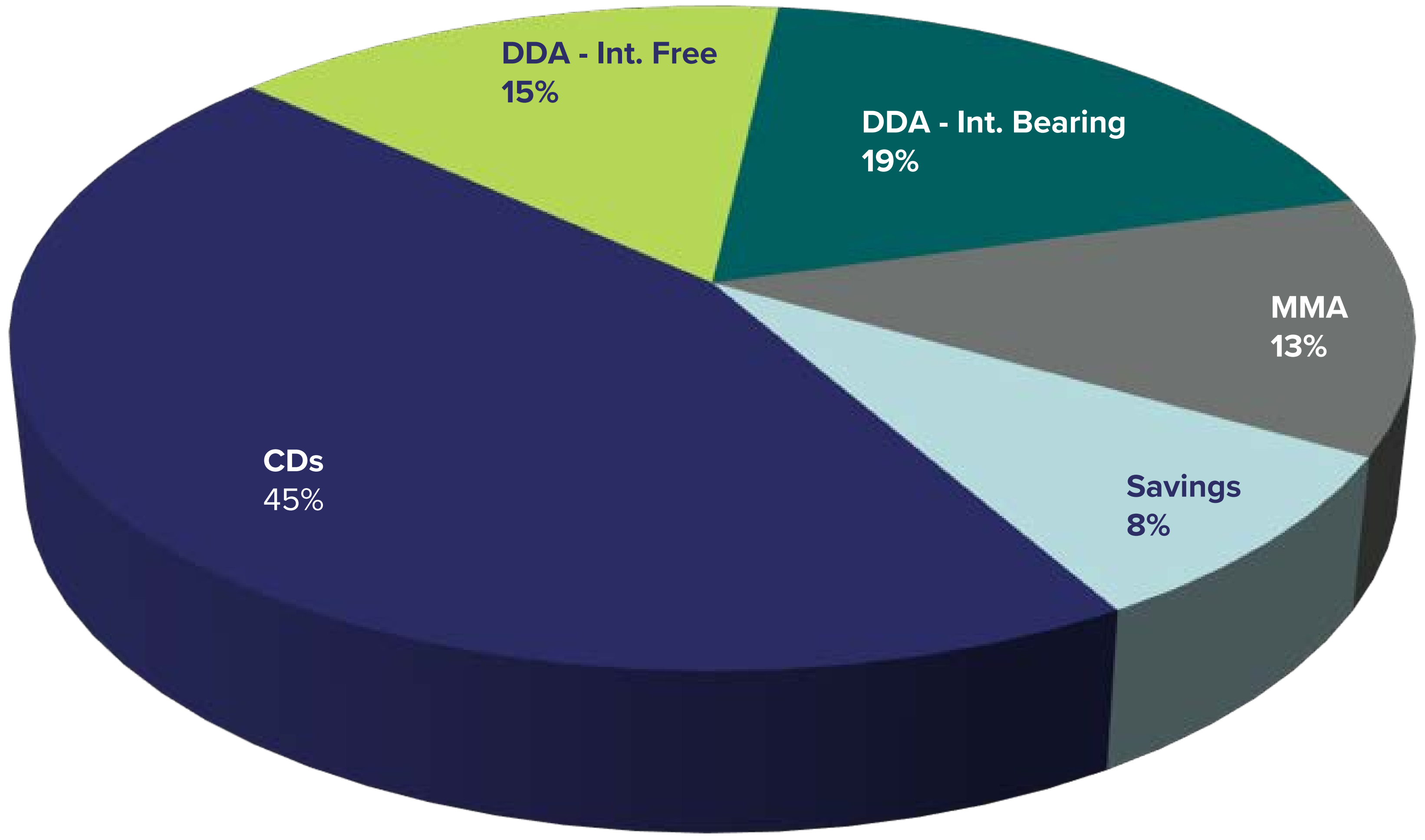
Past

Deposit Mix - 12/31/2017



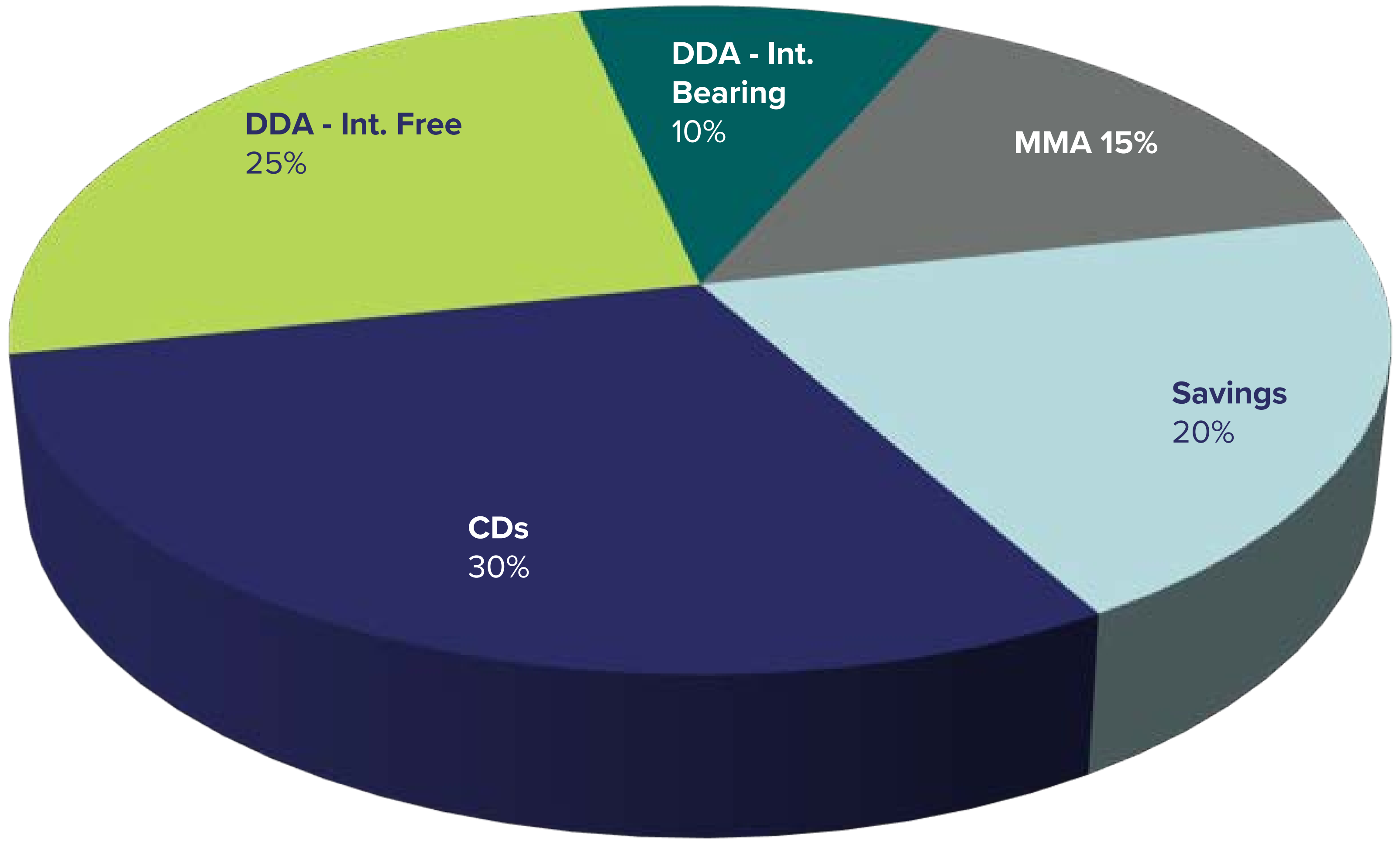
Present

Deposit Mix - 03/31/2025



Future

Deposit Mix - Target



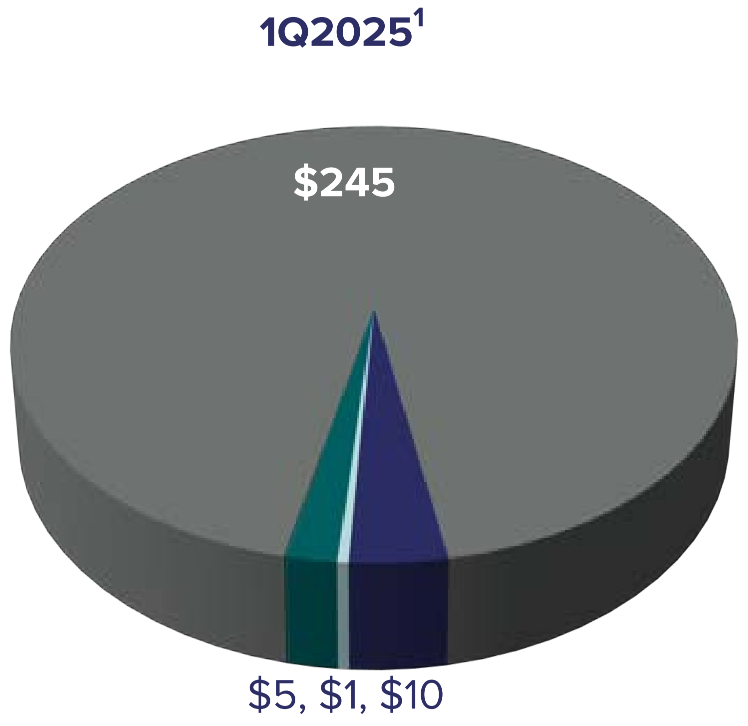
SECTION 03

Asset Quality

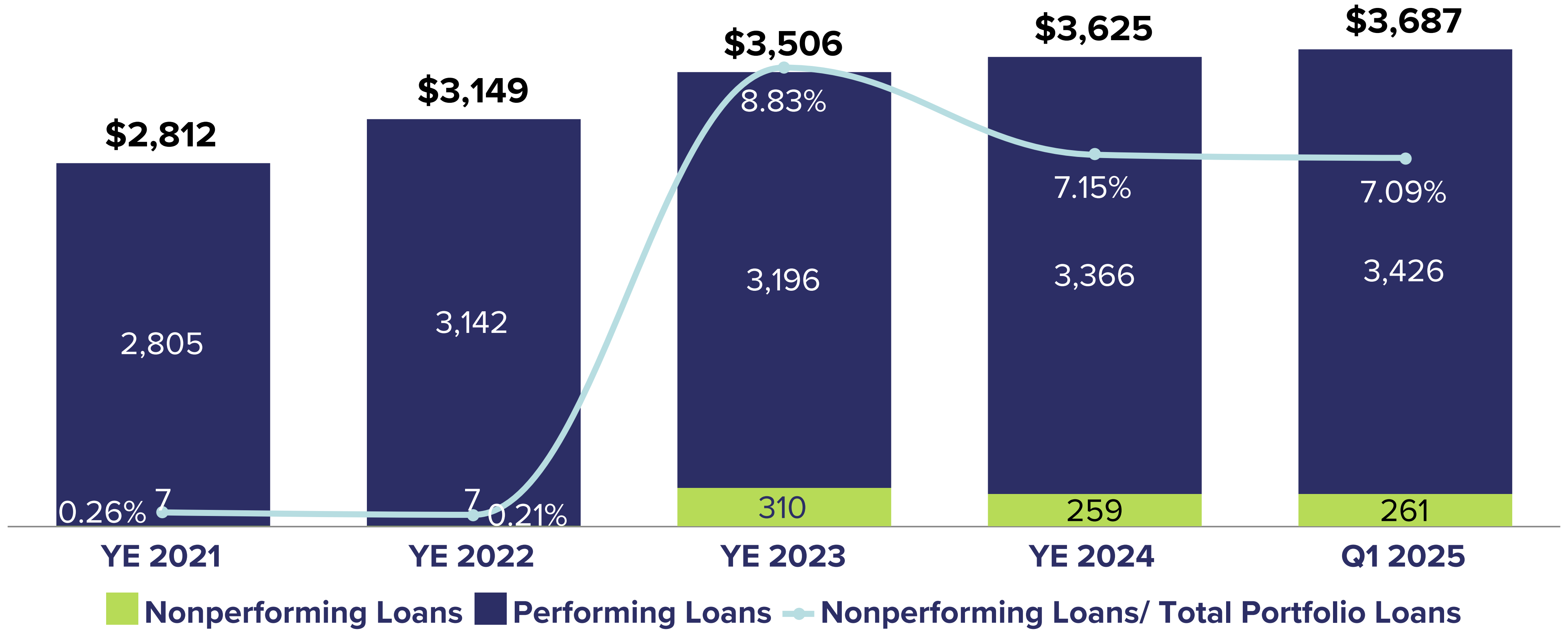
Asset Quality

Nonperforming Loan Breakdown

	YE 2021	YE 2022	YE 2023	YE[1] 2024	Q1[1] 2025
NPL					
CRE	$ 3	$ 2	$ 1	$ 1	$ 10
C&I	1	—	—	1	1
Res. Mtg.	1	1	4	5	5
Other Consumer	2	4	—	—	—
Construction	—	—	3	—	—
Other	—	—	302	252	245
Total NPL	**$ 7**	**$ 7**	**$ 310**	**$ 259**	**$ 261**

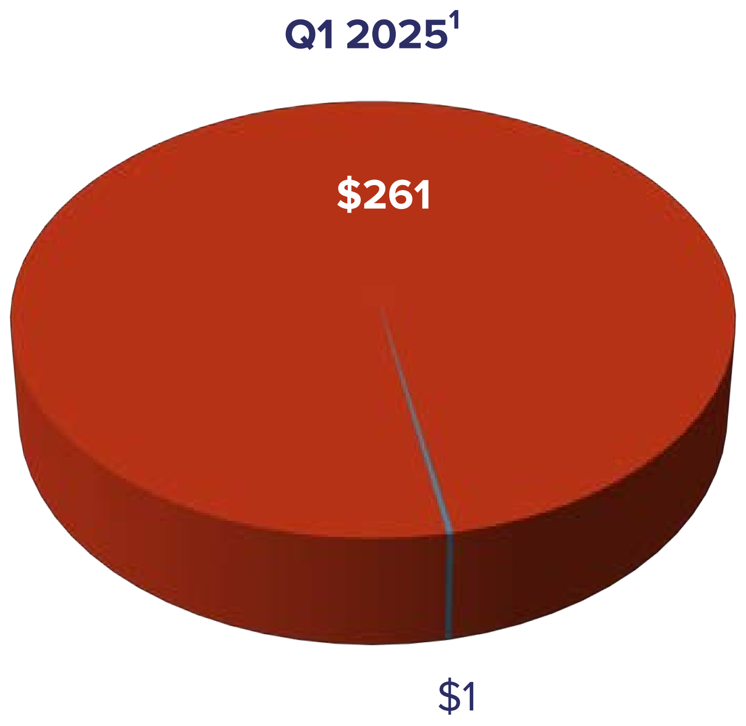


Nonperforming Loans / Total Portfolio Loans

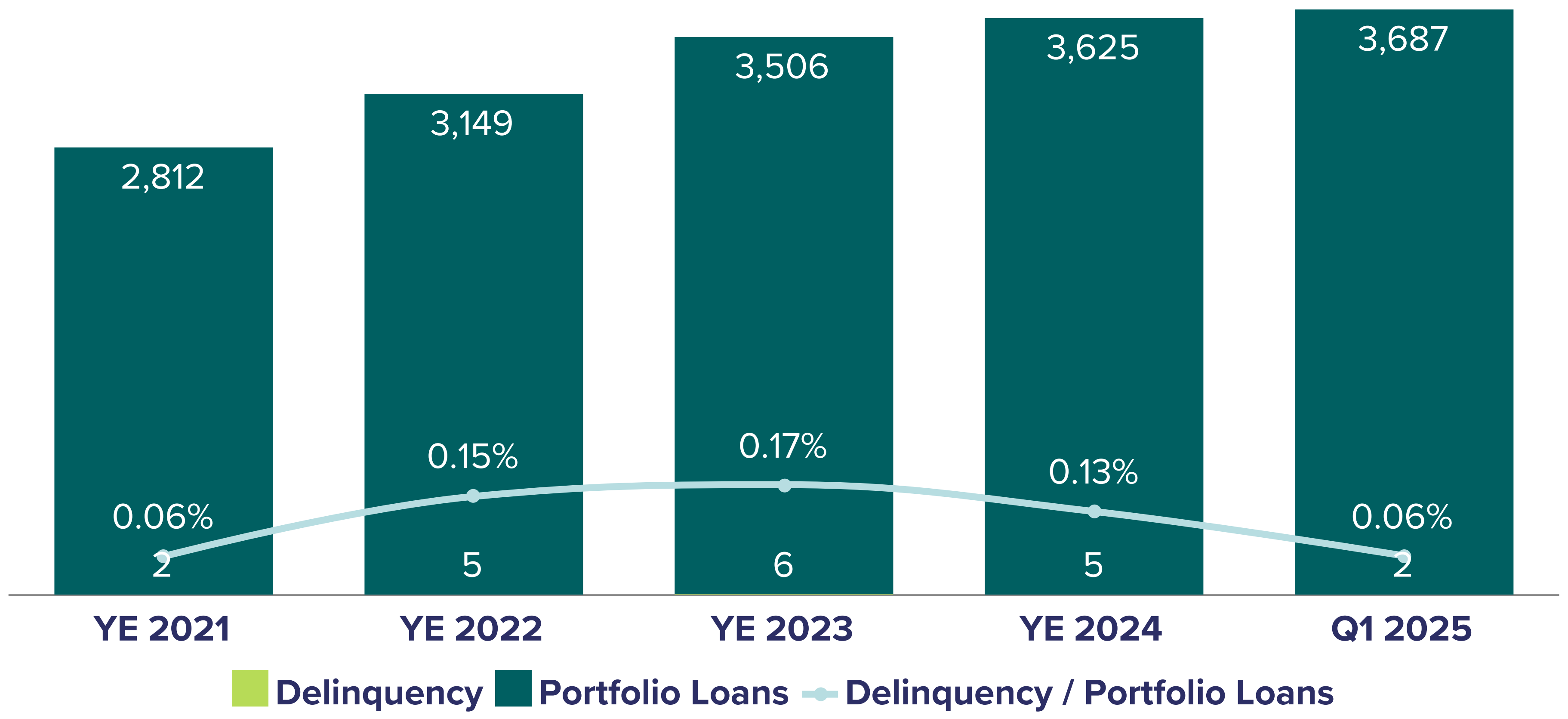


Nonperforming Assets

	YE 2021	YE 2022	YE 2023	YE 2024	Q1 2025
NPA					
NPLs	$ 7	$ 7	$ 310	$ 259	$ 261
OREO	11	8	2	1	1
Total NPA	**$ 18**	**$ 15**	**$ 312**	**$ 260**	**$ 262**



Delinquency / Portfolio Loans

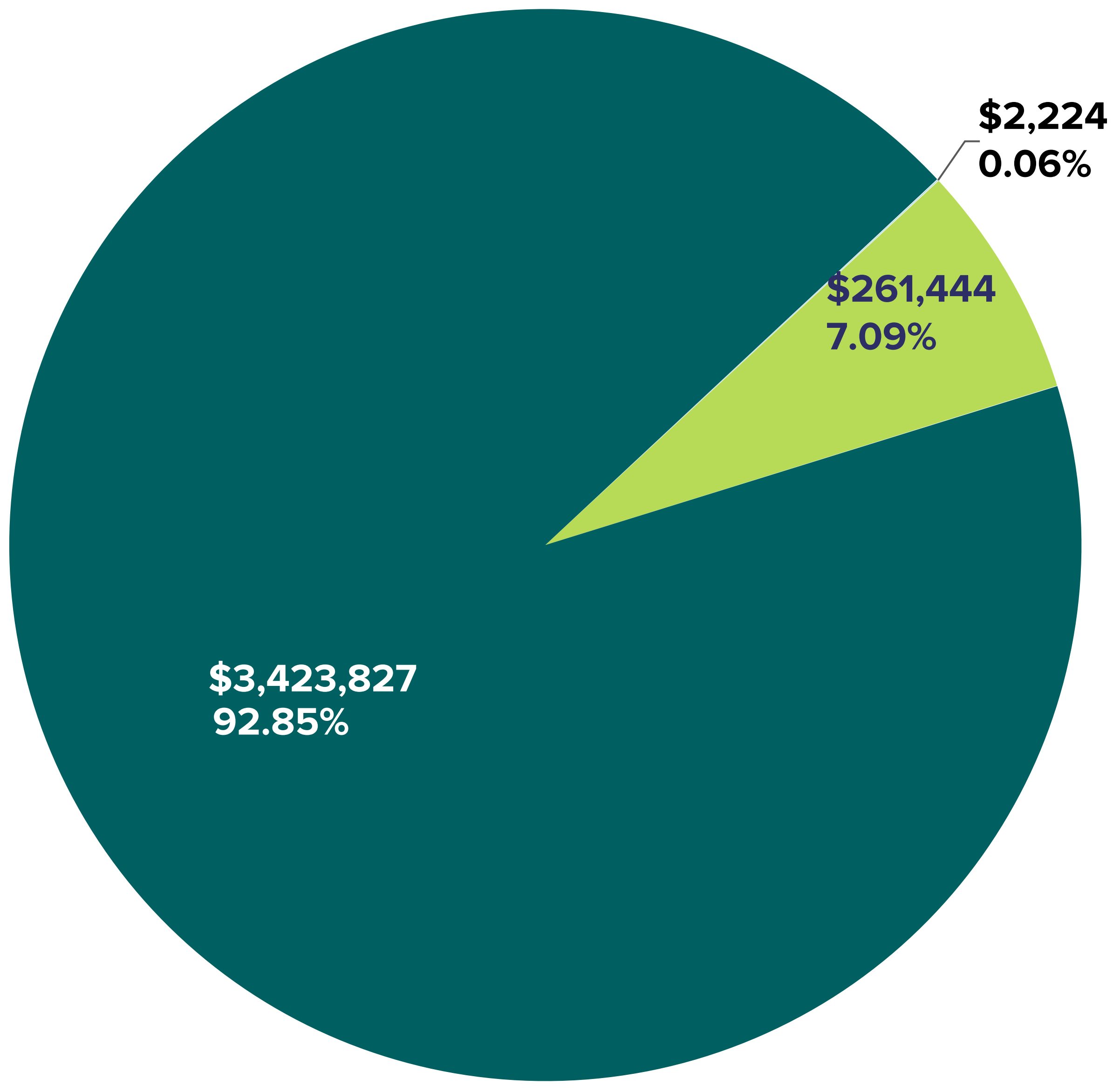


[1]The Company placed commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest credit relationship, which has a current principal balance of $245.1 million in nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.
$ in millions

Delinquency Trends

Delinquency Trends

Delinquency Trends



March 31, 2025

$ in thousands	Current	30-89 Days Past Due	NPL	Total Portfolio Loans
Commercial Real Estate	$ 1,905,870	$ 260	$ 9,733	$ 1,915,863
Commercial and Industrial	232,169	785	1,070	234,024
Residential Mortgages	794,999	928	5,326	801,253
Other Consumer	28,515	251	38	28,804
Construction	459,072	—	213	459,285
Other[1]	3,202	—	245,064	248,266
Total	**$ 3,423,827**	**$ 2,224**	**$ 261,444**	**$ 3,687,495**

COMMENTARY:

- **The $245.1M commercial loans placed in "Other" which comprises the largest lending relationship represents 93.7% of the total nonperforming loans**
- **Excluding the largest lending relationship, the Q1 2025 NPL & delinquency ratios are significantly better than peers (0.44% vs 0.65%) and (0.06% vs 0.46%), respectively**

[1]Represents the Bank's largest lending relationship with a current principal balance of $245.1 million placed on nonaccrual status during the second quarter of 2023.
Note: Other Real Estate Owned was $0.6 million as of March 31, 2025.
Note: Peers include BHB, AROW, CCBG, CCNE, CFFI, CHCO, CTBI, FBMS, FCBC, FRST, GSBC, HTBI, MPB, MVBF, ORRF, PFIS, RBCA.A, SHBI, SMBK, SYBT, UVSP WASH

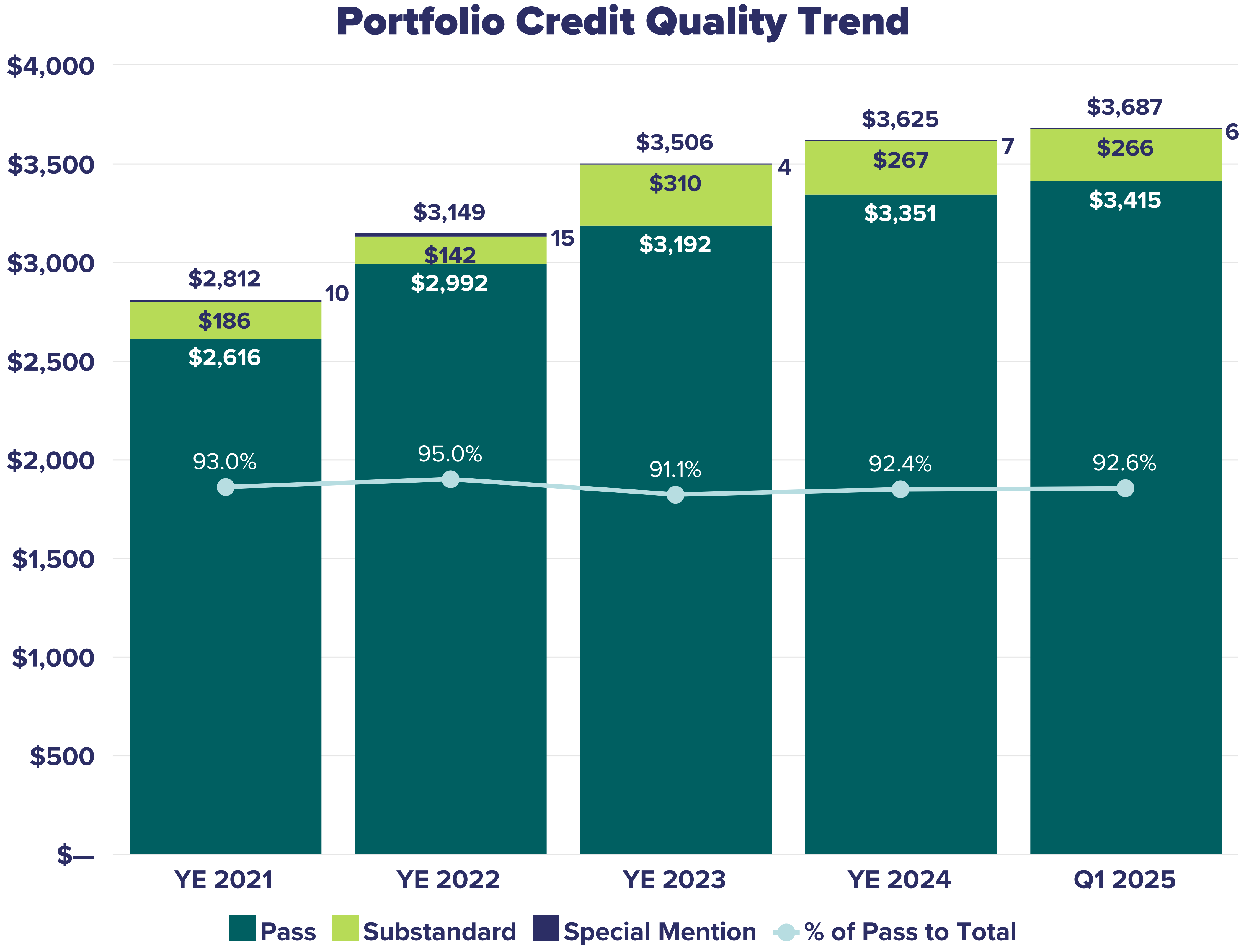
Nonperforming Relationships

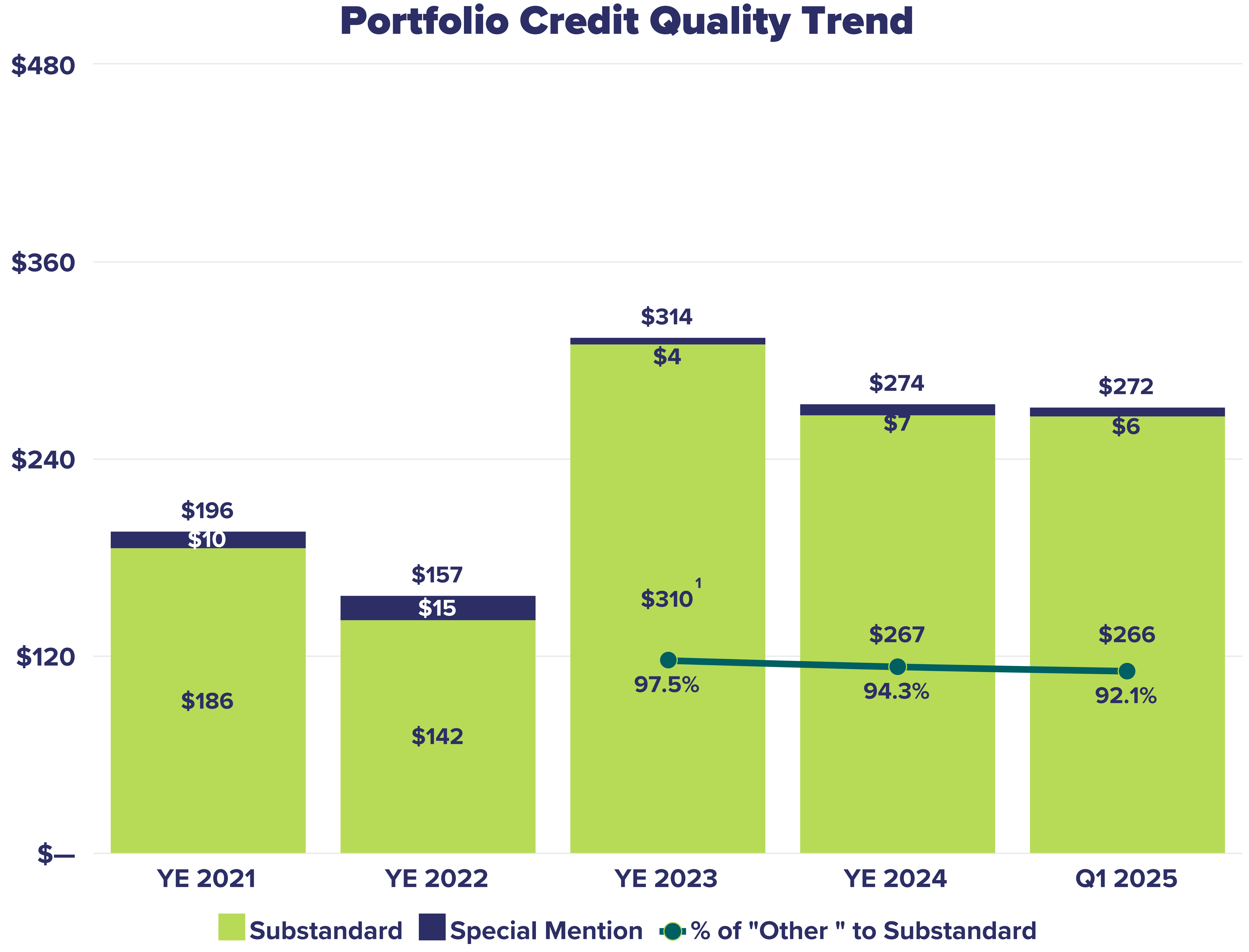
$ in thousands	Nonaccrual Balance 3/31/2025	12/31/2024	Change	Comments
1. Other	$ 245,064	$ 251,982	$ (6,918)	Other
2 CRE	9,504	—	9,504	Commercial Property
3. Residential Construction	2,018	2,053	(35)	Residential Construction
4. Commercial & Industrial	1,022	1,026	(4)	Purchase Business Equipment
5. Residential	520	527	(7)	Residential Mortgage Loan
6. CRE	—	419	(419)	Commercial Property
Subtotal: Top 5 Nonaccrual Loans	**$ 258,128**	**$ 256,007**	**$ 2,121**	
Total Nonaccrual Loans	$ 261,444	$ 259,349	$ 2,095	
Top 5 Nonaccrual Loans / Total Nonaccrual Loans	98.73%	98.71%	0.02%	
Total Portfolio Loans	$ 3,687,495	$ 3,624,826	$ 62,669	
Total Nonaccrual Loans / Total Portfolio Loans	7.09%	7.15%	(0.06)%	
Total Nonaccrual Loans excluding "Other[1]" / Total Portfolio Loans	0.44%	0.20%	0.24%	

Carter Bankshares, Inc.

[1] The Company placed commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship which has a current principal balance of $245.1 million, on nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.

Loan Portfolio - Risk Ratings

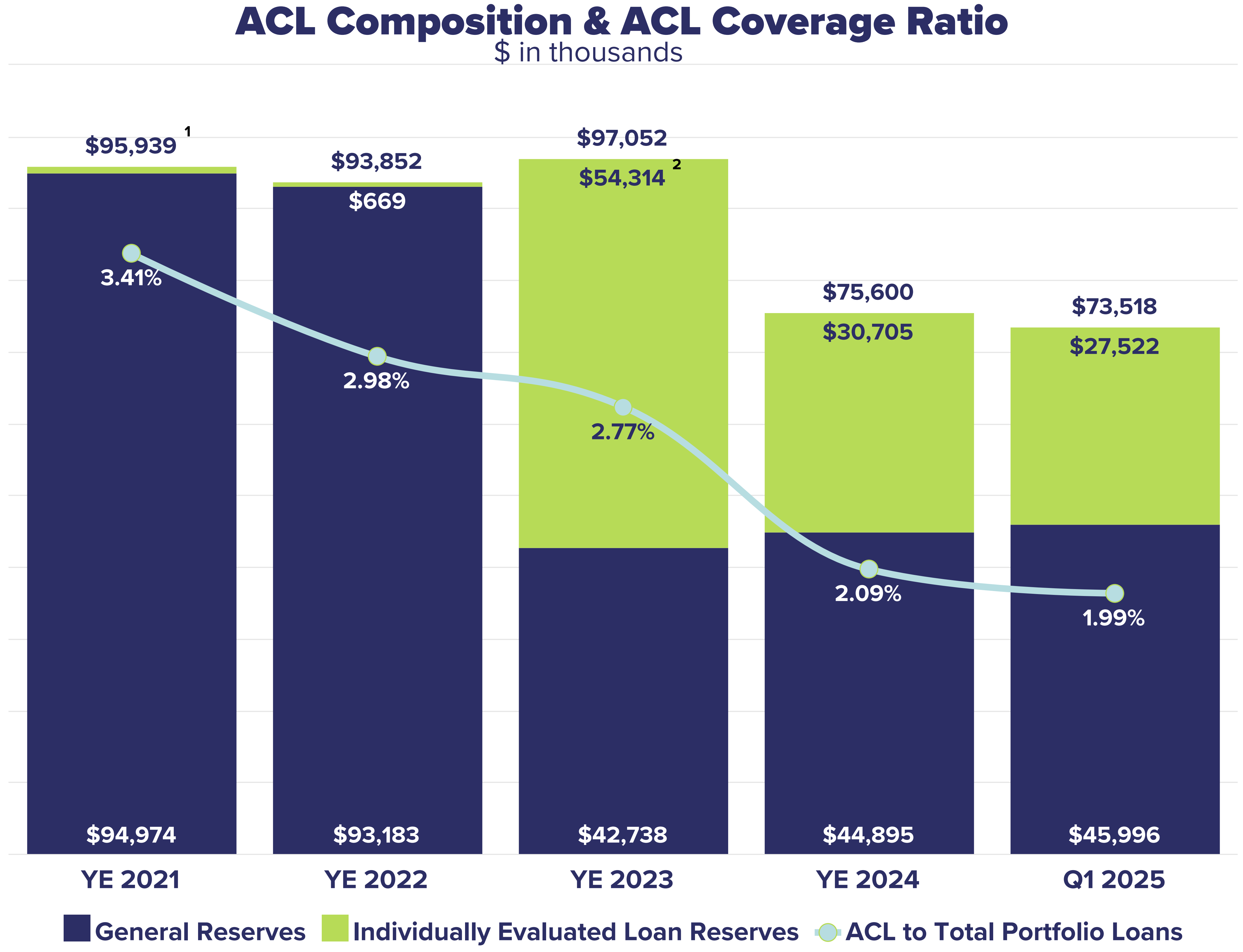


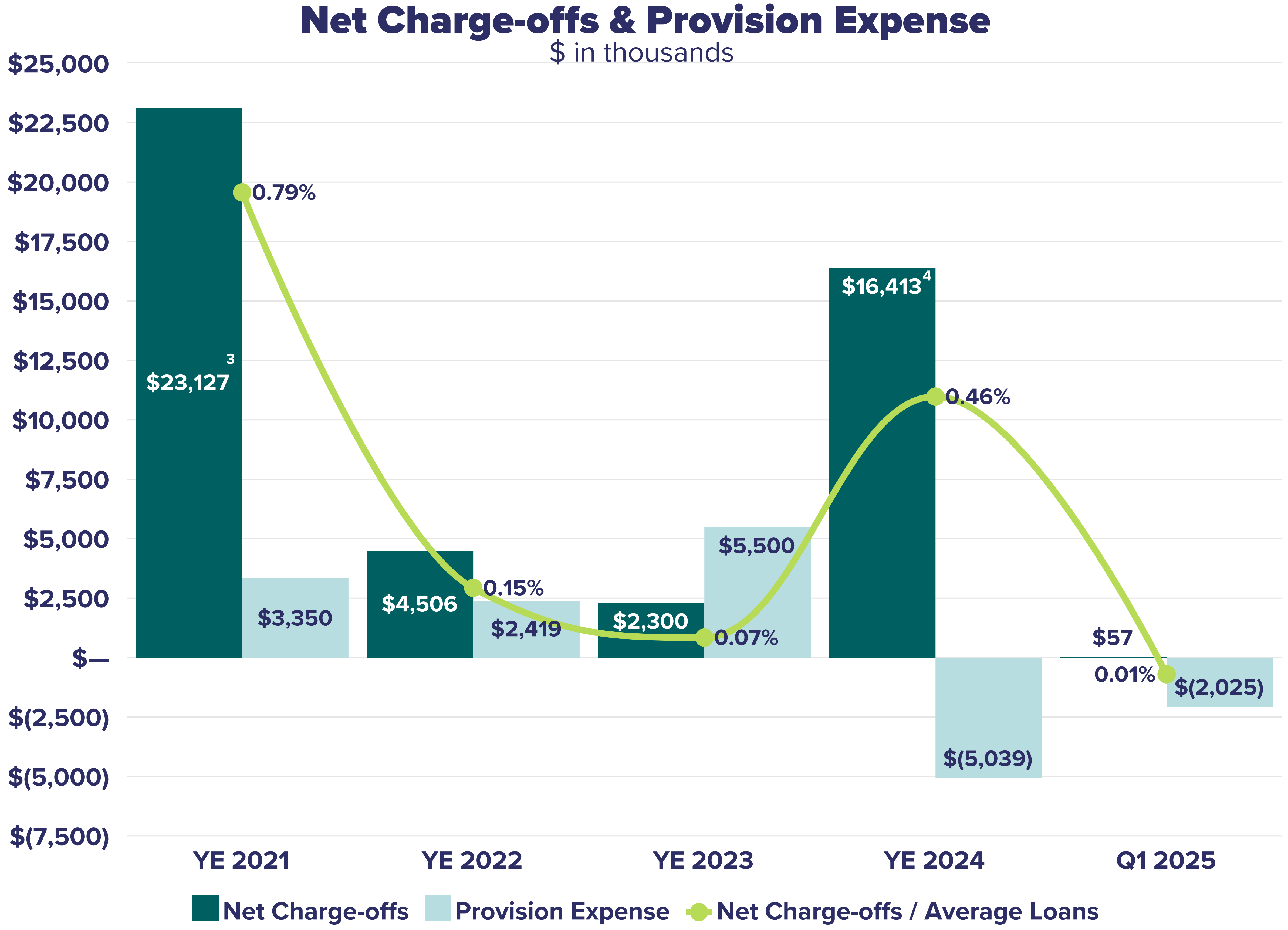


Carter Bankshares, Inc.

[1] The Company placed $301.9 million of commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship which has a current principal balance of $245.1 million on nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.
$ in millions

Net Charge-offs & Provision Expense



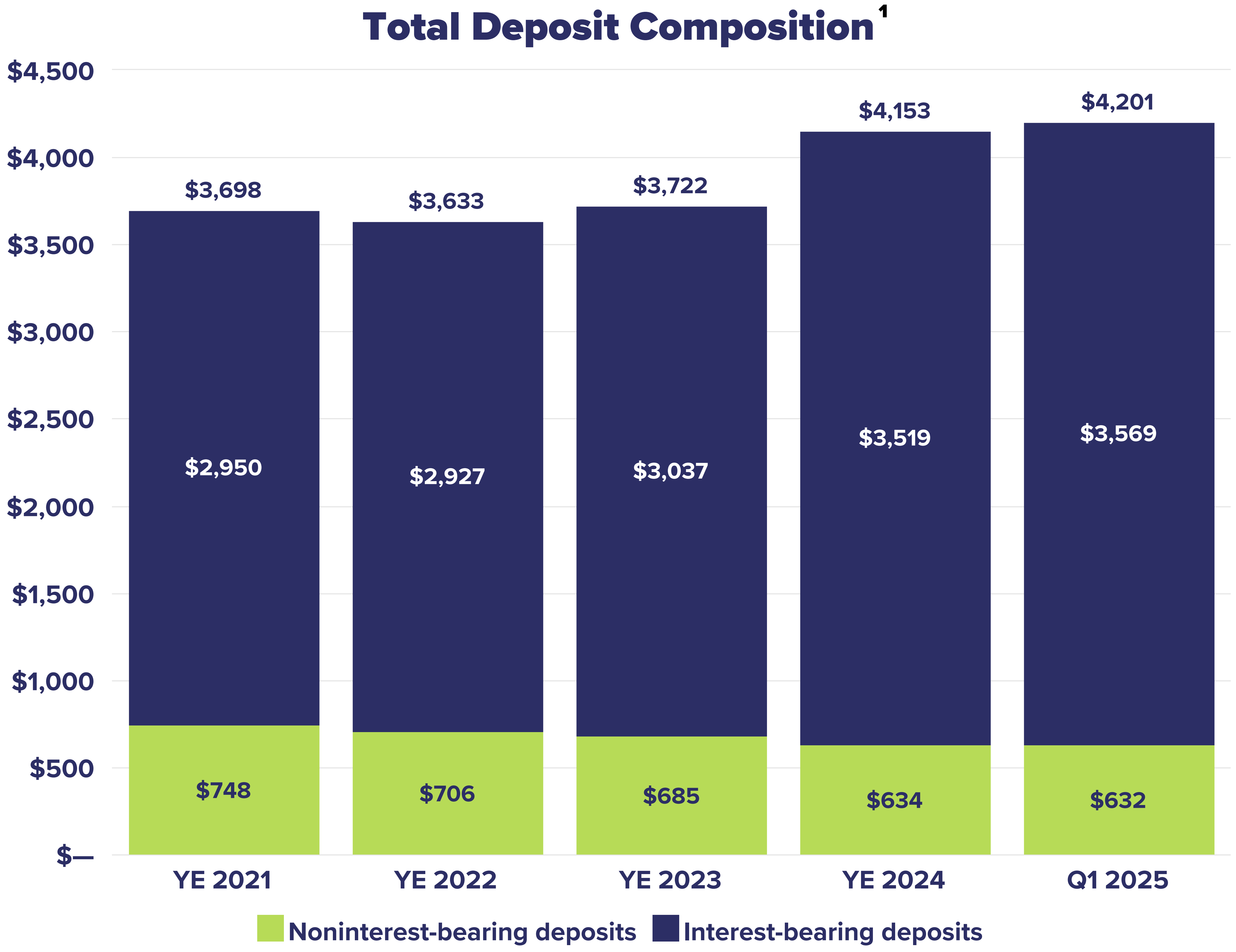


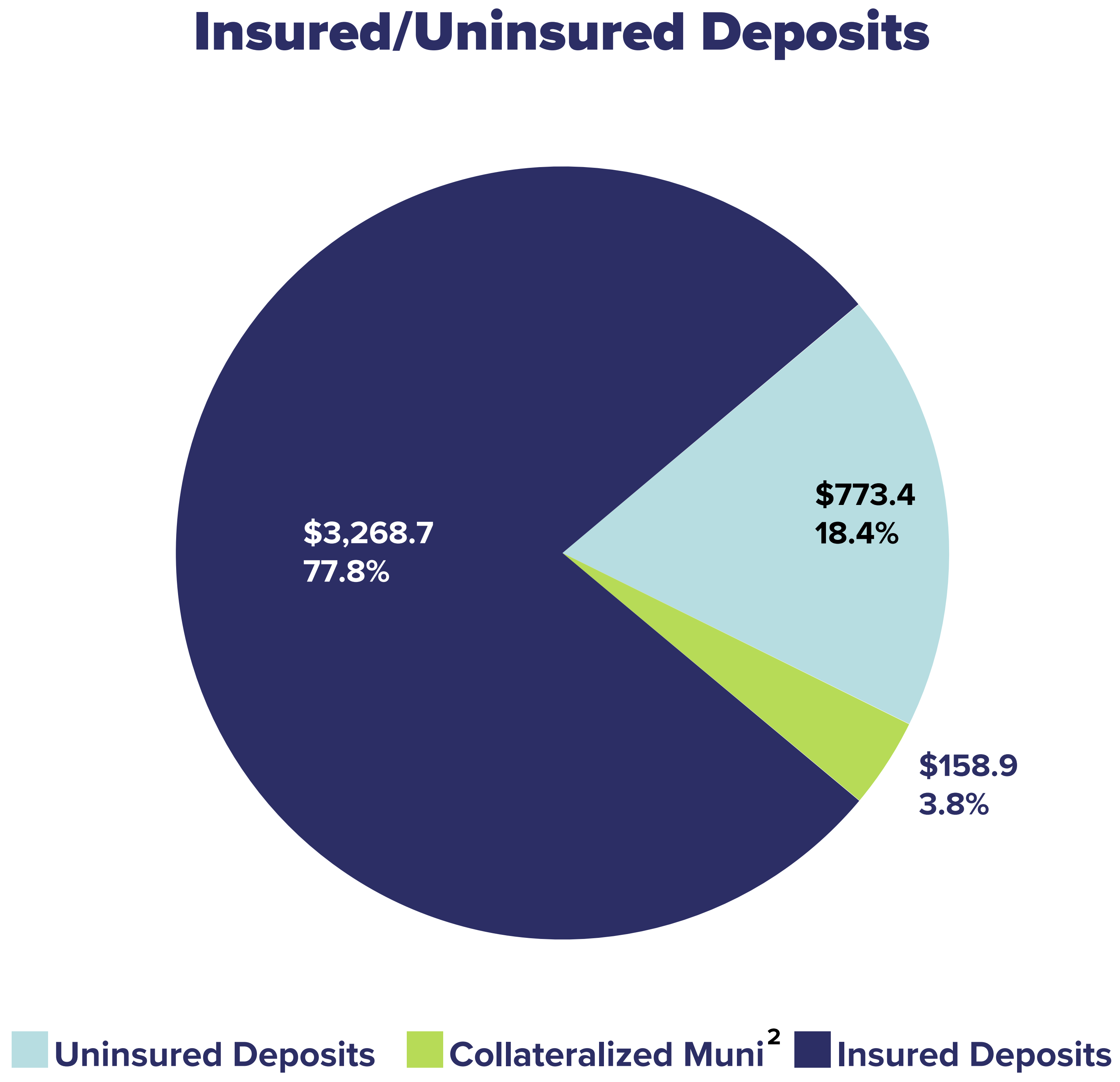
[1] Included in 2021 is the $61.6 million Day 1 adjustment related to the adoption ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments".
[2] The individually evaluated loans increased $53.6 million during the second quarter of 2023 due to our largest lending relationship, that was previously reserved in general reserves within the Other segment, moved to nonperforming status and is currently individually evaluated.
[3] YTD Net charge-offs for 2021 consist of $9.2 million for nine sold loans that were a part of two relationships in 3Q21 and $6.3 million and $1.9 million in 2Q21 for the resolution of our two largest nonperforming credits, which were previously reserved.
[4] YTD Net charge-offs for YE 2024 consist of a $15.0 million principal charge-off related to the Other segment of the loan portfolio.

SECTION 04

Deposit Mix

Deposits





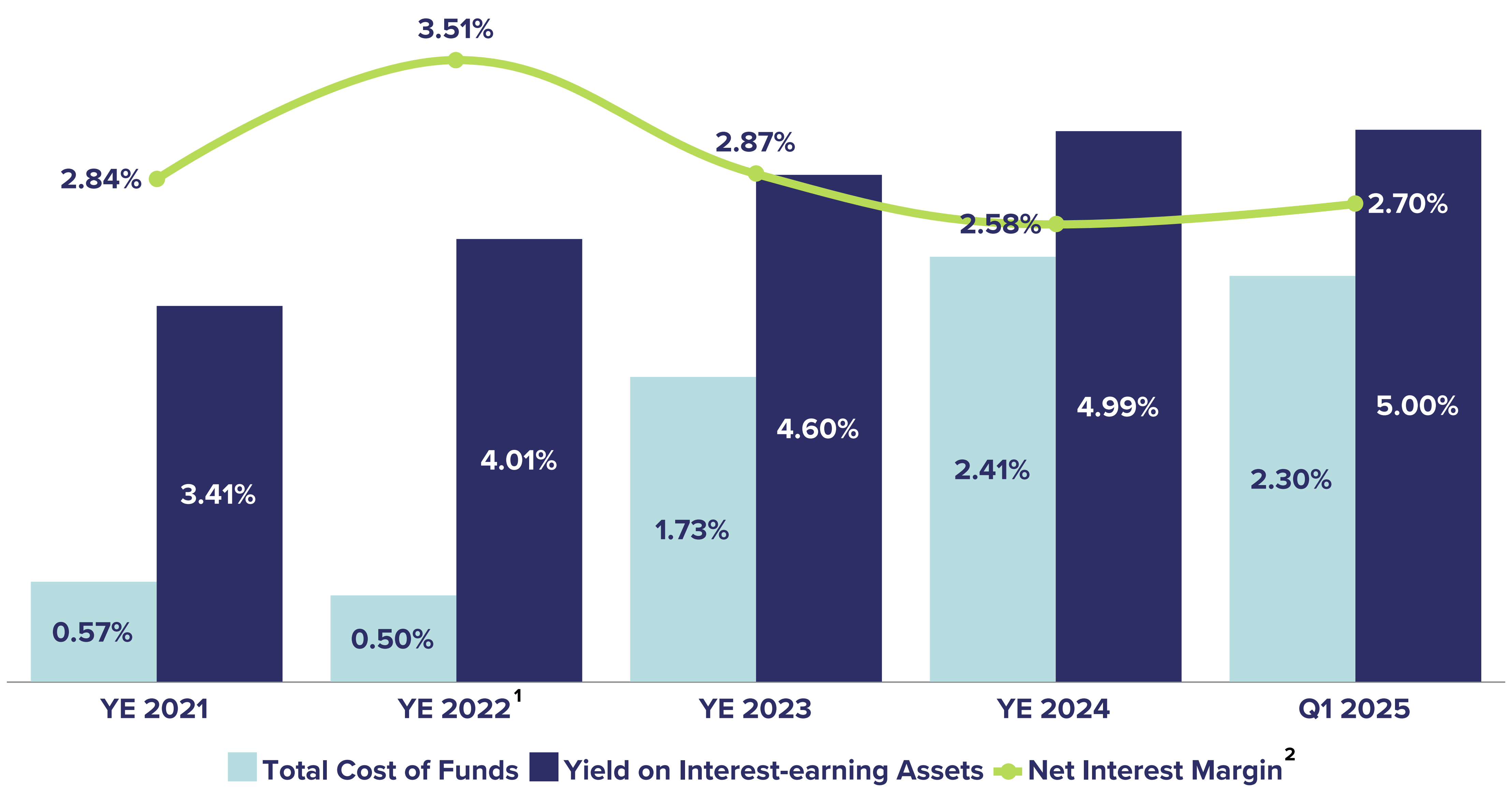
- Well-diversified deposit base of $210,238 customers
  - – average commercial deposit account balance is $48.0K
  - – average retail deposit account balance is $16.2K
- Deposit mix of 78.7% Consumer / 21.3% Business
- At March 31, 2025, the Bank had no deposit relationships greater than, or equal to, 2.0% of total deposits.
- Partnership with IntraFi for available coverage over $250K FDIC insured limit.

Carter Bankshares, Inc.

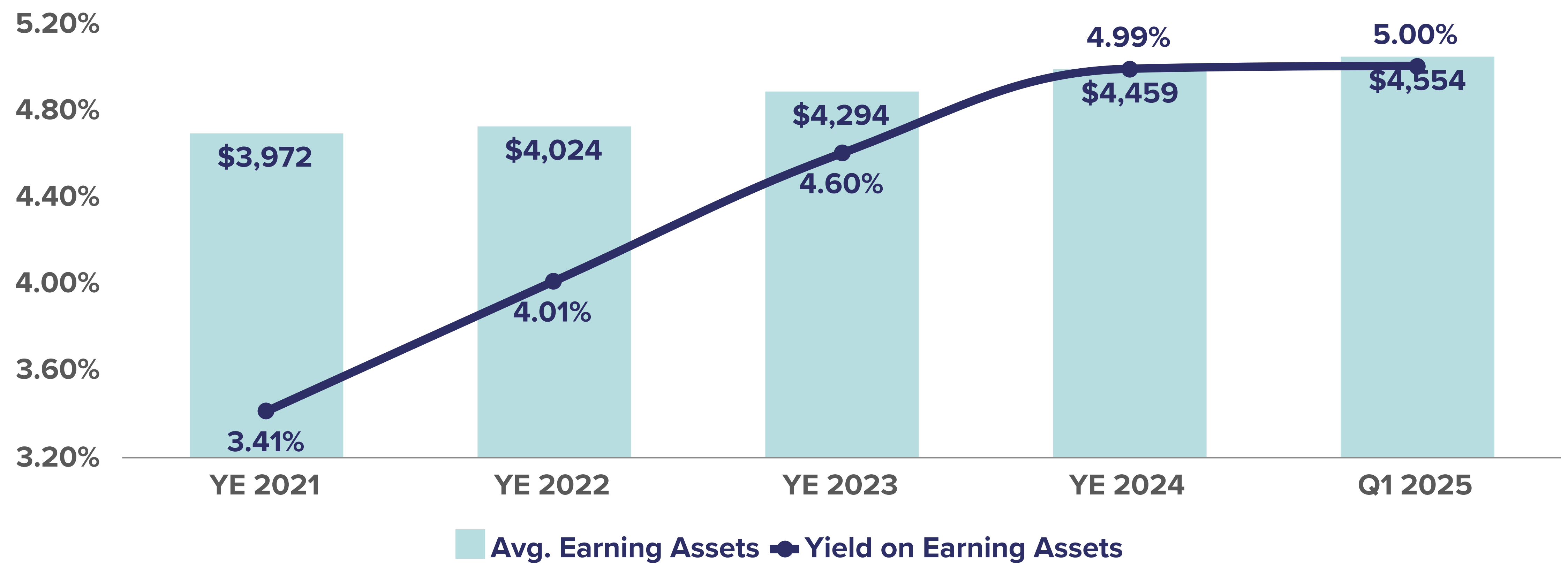
[1] Period end balances, $ in millions
[2] Collateralized Muni deposits are FDIC insured up to $250,000. All balances in excess of $250,000 are fully collateralized with eligible securities

Net Interest Income

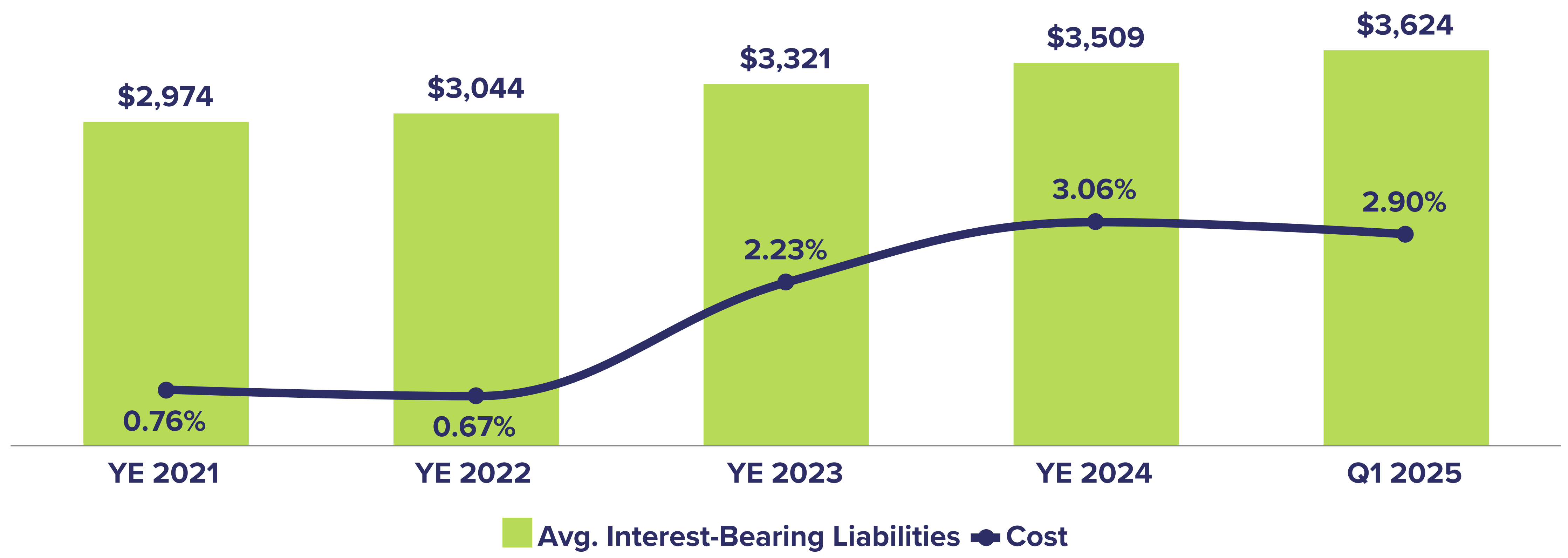
Net Interest Income & NIM



Avg. Earning Assets & Yield



Avg. Interest-Bearing Liabilities & Costs



Average balances, $ in millions

[1] Cost of Funds incorporates the free funds contribution with the rate on total interest-bearing liabilities to illustrate the impact of noninterest-bearing liabilities on the overall cost of funds.

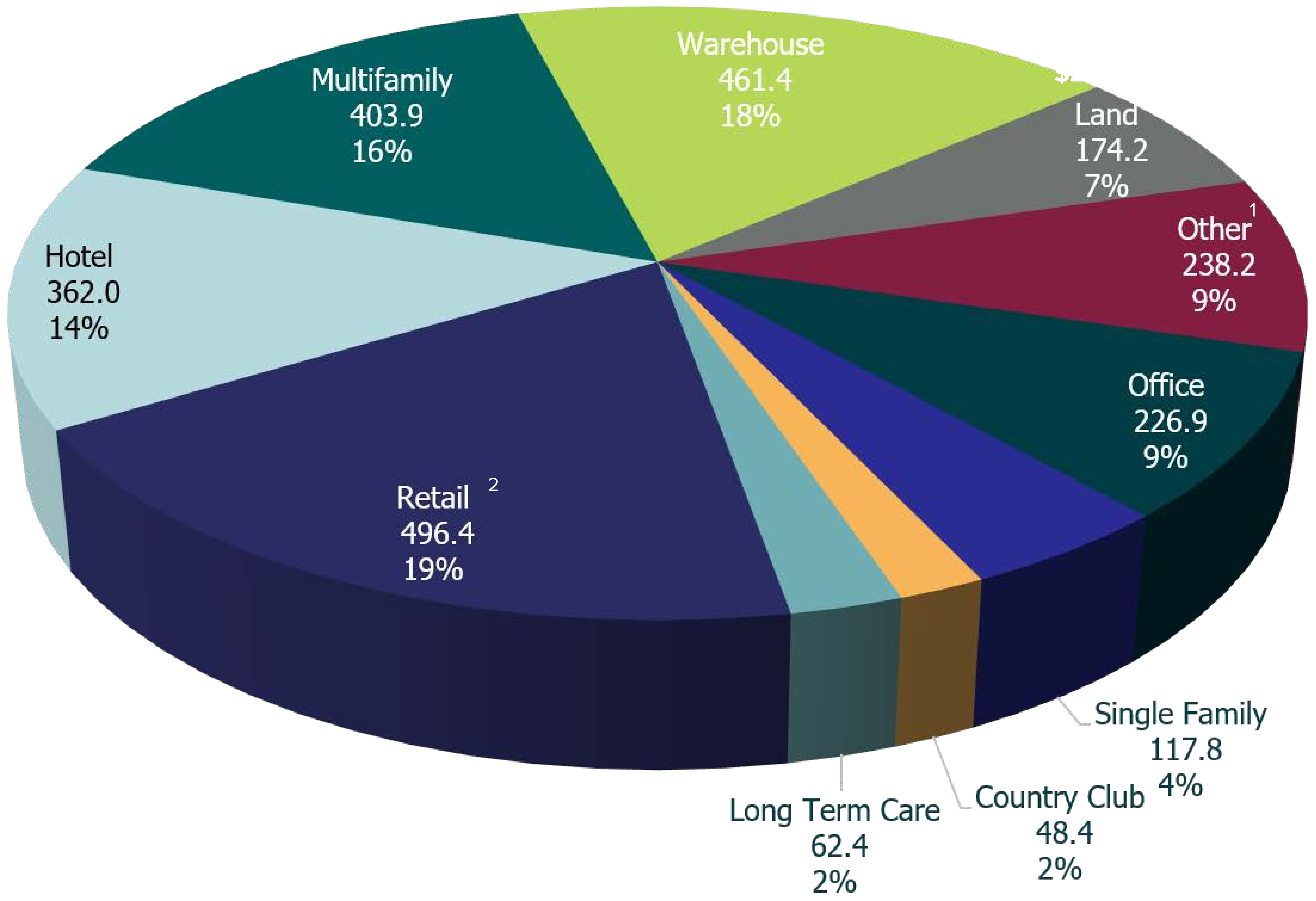
[2] Computed on a fully taxable equivalent basis (FTE) using 21% federal income tax statutory rate for 2021 through 2025.

SECTION 05

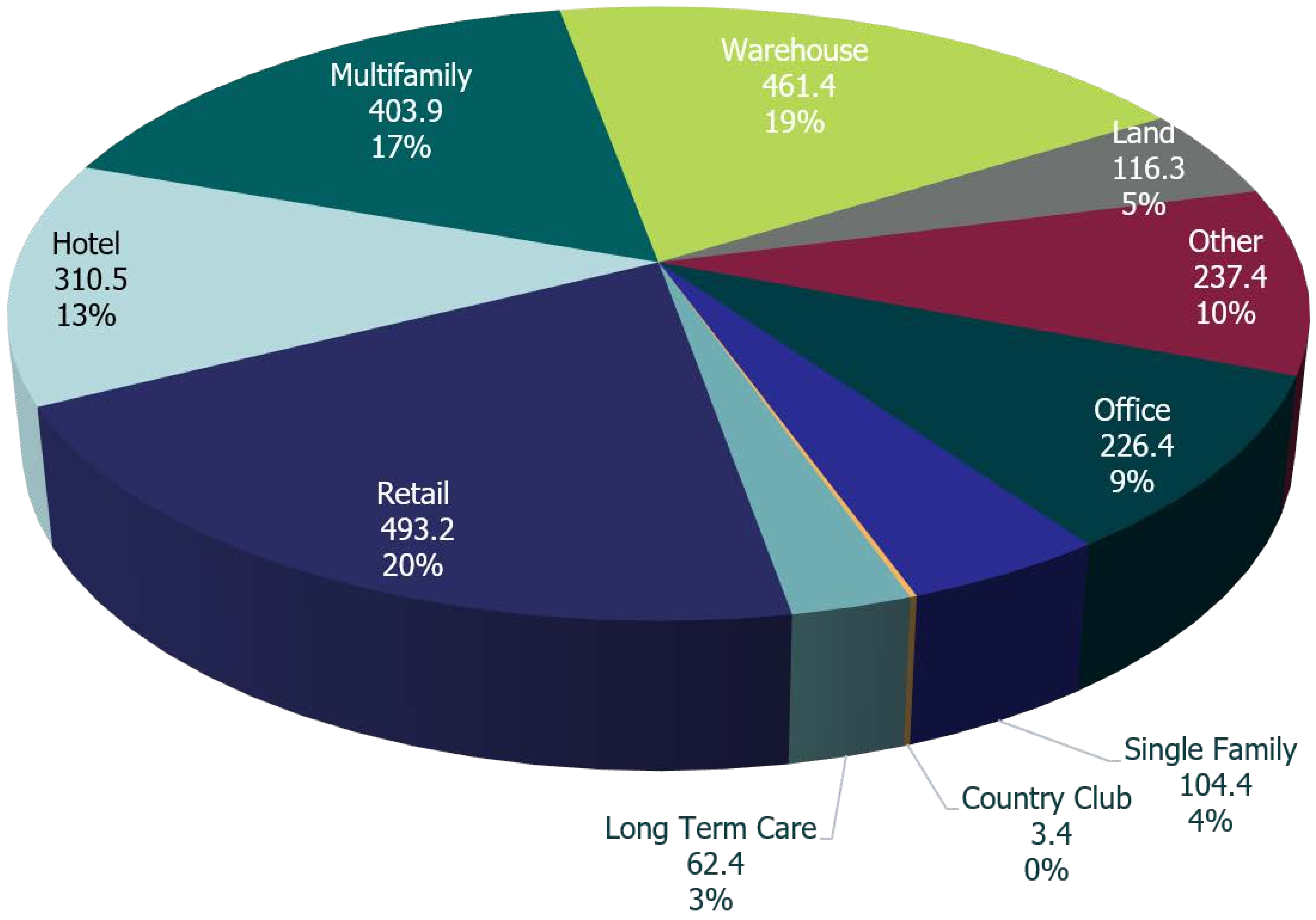
Commercial Loans

CRE Segment Overview

Total CRE: $2,591.6



Total CRE, excluding "Other": $2,419.3



Carter Bankshares, Inc.

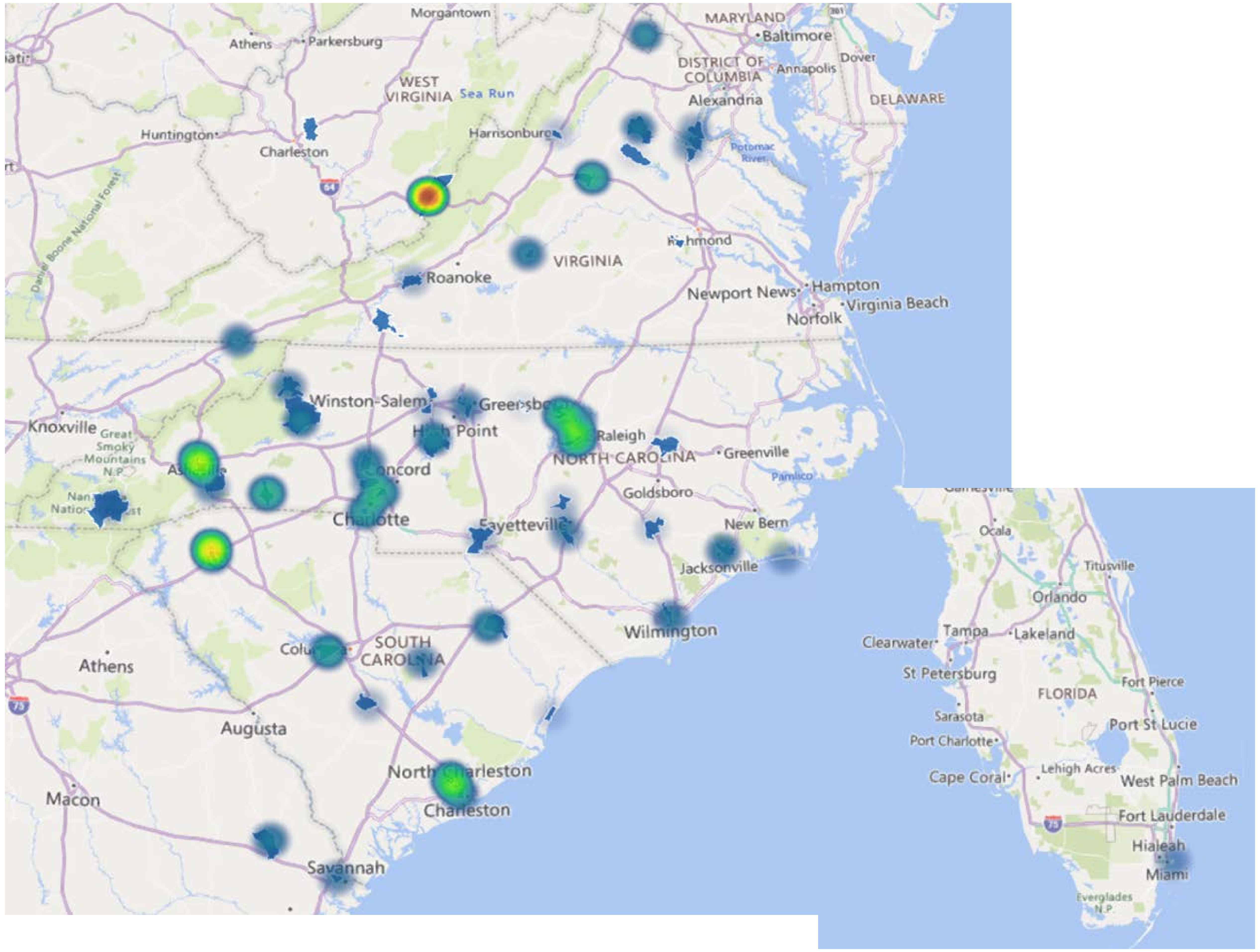
[1] Other CRE & Other Commercial Segments include, but are not limited to, Special / Limited Use, Church, Mobile Home Park, Gas Station, Self-Storage Facilities & Auto Shops
[2] Includes restaurant loans of $34.9 million

Hospitality Metrics

- Total portfolio balance $362.0M
- Geographic diversification (see map)
- Mean loan size in portfolio $6.3M[1]
- Median of loans in portfolio $4.1M[1]
- The largest loan in portfolio $51.6M[1]
- 16.18% are under construction[1]
- Top 10 borrowers make up 45.39% of the total hospitality commitment[1]
- No delinquent loans in the hospitality portfolio[1]
- There are 12.25%* loans in the hospitality portfolio that are adversely classified or NPL[1]
- 92.12% of hospitality portfolio is funded[1]

AVERAGE

4.86	52.0%	$102K
RISK RATING	LTV	DEBT/KEY



*Relates to the Company's largest lending relationship.
[1]Commitment Level

Hospitality Metrics

Category	Hospitality Portfolio Balance	Percentage of Total Balance	Hospitality Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Key - Total Commitment
Hilton	$ 116,422	32.1%	$ 157,022	60.4%	$ 7,761	$ 119
IHG	91,948	25.4%	100,031	55.1%	5,409	92
Upscale Independent/Boutique	61,449	17.0%	61,449	29.0%	20,483	83
Independent	26,334	7.3%	26,392	48.8%	3,762	223
Wyndham	23,100	6.4%	23,100	56.9%	2,310	40
Marriott	19,797	5.5%	29,823	50.2%	4,949	85
Radisson	10,525	2.9%	10,526	50.1%	2,631	36
Best Western	7,514	2.1%	7,514	35.5%	1,878	17
Choice	4,939	1.3%	4,939	45.4%	1,646	27
Hospitality Totals	**$ 362,028**	**100.0%**	**$ 420,796**	**52.0%**	**$ 5,648**	**$ 102**

Category	Hospitality Portfolio Balance	Percentage of Total Balance	Hospitality Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Key - Total Commitment
North Carolina	$ 191,816	53.0%	$ 239,535	55.8%	$ 4,918	$ 111
South Carolina	64,238	17.7%	75,228	60.2%	6,424	103
West Virginia	55,690	15.4%	55,690	24.3%	18,563	69
Virginia	39,968	11.0%	40,027	52.4%	3,074	107
Georgia	10,316	2.9%	10,316	54.5%	5,158	60
Hospitality Totals	**$ 362,028**	**100.0%**	**$ 420,796**	**52.0%**	**$ 7,628**	**$ 102**

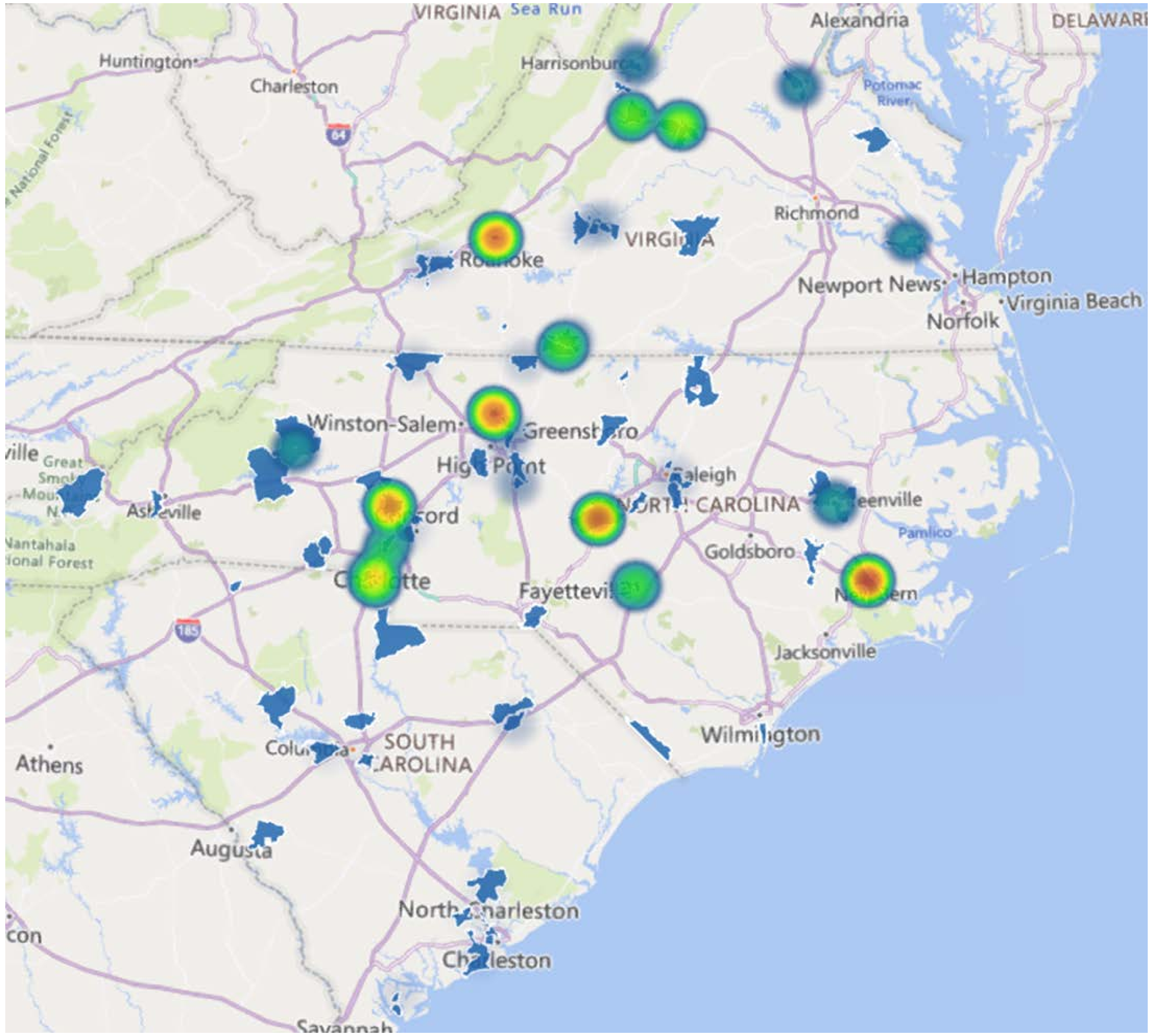
$ in thousands

Multifamily Metrics

- Total portfolio balance $403.9M
- Geographic diversification (see map)
- Mean loan size in portfolio $4.3M[1]
- Median of loans in portfolio $443K[1]
- The largest loan in portfolio $27.0M[1]
- 48.60% are under construction[1]
- Top 10 borrowers make up 52.73% of the total multifamily commitment[1]
- There are no loans in the portfolio that are delinquent[1]
- There are no loans in the portfolio that are considered NPL[1]
- 1.63% of the portfolio is considered adversely classified[1]
- 85.92% of portfolio is funded[1]

AVERAGE

4.84	50.7%	$102
RISK RATING	LTV	DEBT/DOOR



[1] Commitment Level

Multifamily Metrics

Category	Multifamily Portfolio Balance	Percentage of Total Balance	Multifamily Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Door - Total Commitment
Multifamily	$ 325,071	80.5%	$ 451,592	49.7%	$ 5,079	$ 112
Student	70,243	17.4%	70,243	61.7%	7,617	50
Participations in Affordable Housing	8,591	2.1%	10,382	19.7%	179	14
Other[1]	—	—%	50	—%	—	—
Multifamily Totals	**$ 403,905**	**100.0%**	**$ 532,267**	**50.7%**	**$ 3,219**	**$ 102**

Category	Multifamily Portfolio Balance	Percentage of Total Balance	Multifamily Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Door - Total Commitment
Multifamily						
North Carolina	$ 164,399	40.7%	$ 259,534	50.0%	$ 3,044	$ 123
Virginia	125,132	31.0%	156,485	46.6%	3,476	86
South Carolina	44,131	10.9%	46,005	51.9%	1,839	119
Student Housing						
Virginia	48,877	12.1%	48,877	59.5%	5,431	55
South Carolina	19,544	4.8%	19,544	68.1%	19,544	40
North Carolina	1,822	0.5%	1,822	50.6%	1,822	8
Multifamily Totals	**$ 403,905**	**100.0%**	**$ 532,267**	**50.7%**	**$ 5,859**	**$ 102**

$ in thousands

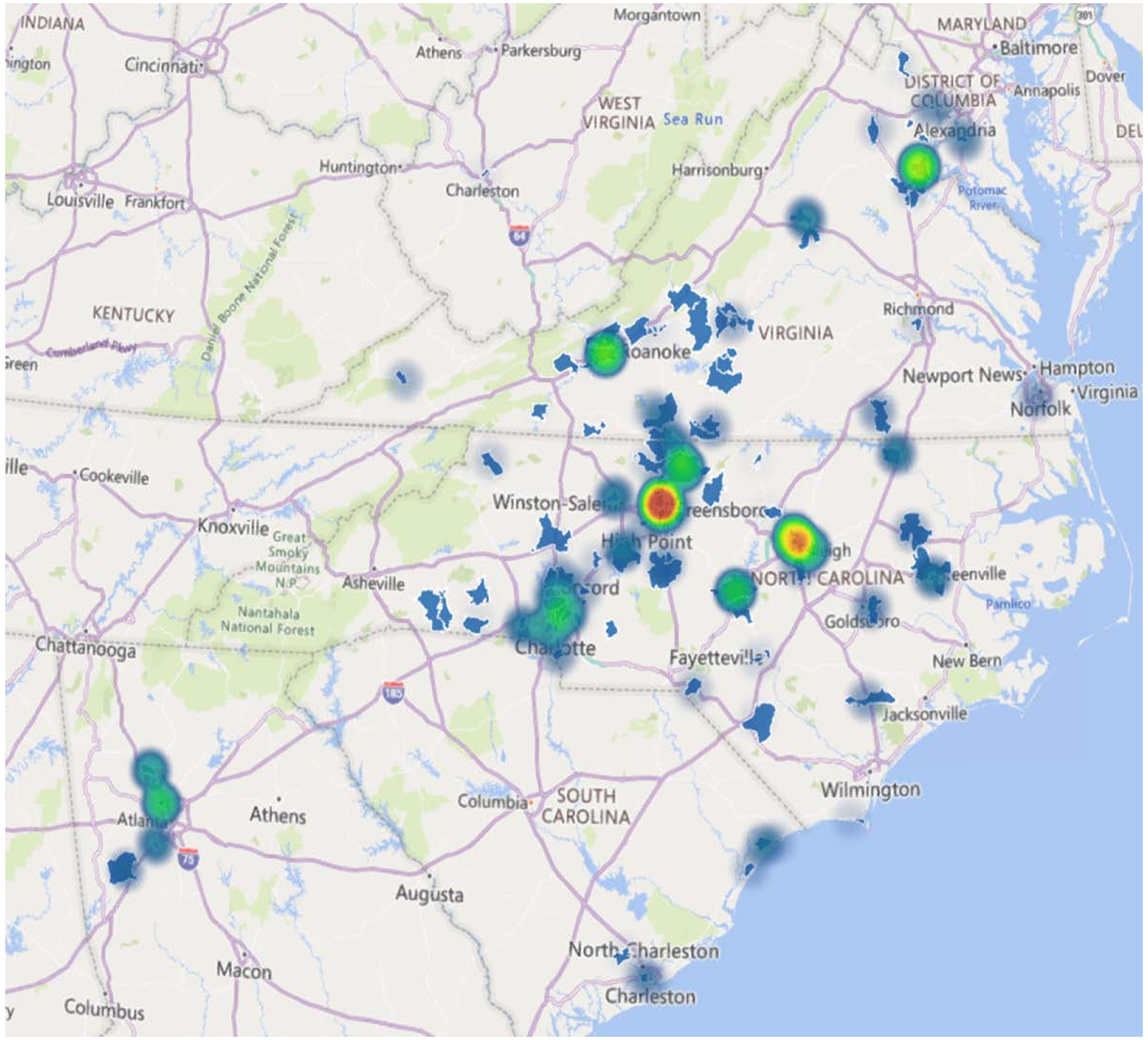
[1] The Other category consists of multifamily properties for which we do not have the data.

Retail Metrics

- Total portfolio balance $461.5M**
- Geographic diversification (see map)
- Mean loan size in portfolio $3.0M[1]
- Median of loans in portfolio $1.23M[1]
- The largest loan in portfolio $28M[1]
- 14.10% are under construction[1]
- Top 10 borrowers make up 32.84% of the total retail commitment[1]
- 0.03% of this portfolio are considered delinquent[1]
- 0.01% of this portfolio are considered adversely classified[1]
- 0.01% are in NPL status[1]
- 95.50% of retail portfolio is funded[1]

AVERAGE

4.22	58.9%	$128
RISK RATING	LTV	DEBT/SQ FT



** Excludes restaurant loans of $34.9 million
[1] Commitment Level

Retail Metrics

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
Anchored Strip Centers	$ 249,258	54.0%	$ 251,626	58.7%	$ 5,303	$ 120
Unanchored Strip Centers	111,511	24.2%	130,139	54.1%	1,923	151
Outparcels/Single Tenant	70,004	15.2%	72,808	68.4%	1,373	132
Power Centers[2]	28,292	6.1%	28,878	60.7%	7,073	101
Big Box	2,402	0.5%	2,402	44.5%	801	42
Retail Totals[1]	**$ 461,467**	**100.0%**	**$ 485,853**	**58.9%**	**$ 3,294**	**$ 128**

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size
North Carolina	$ 275,837	59.8%	$ 295,332	53.4%	$ 3,245
Virginia	88,004	19.1%	88,392	64.6%	1,760
Georgia	37,428	8.1%	41,931	81.0%	2,339
South Carolina	36,104	7.8%	36,104	63.0%	4,513
Ohio	10,502	2.3%	10,502	58.0%	10,502
Florida	9,730	2.1%	9,730	75.4%	9,730
Maryland	3,491	0.7%	3,491	31.7%	3,491
West Virginia	371	0.1%	371	44.9%	371
Retail Totals[1]	**$ 461,467**	**100.0%**	**$ 485,853**	**58.9%**	**$ 4,494**

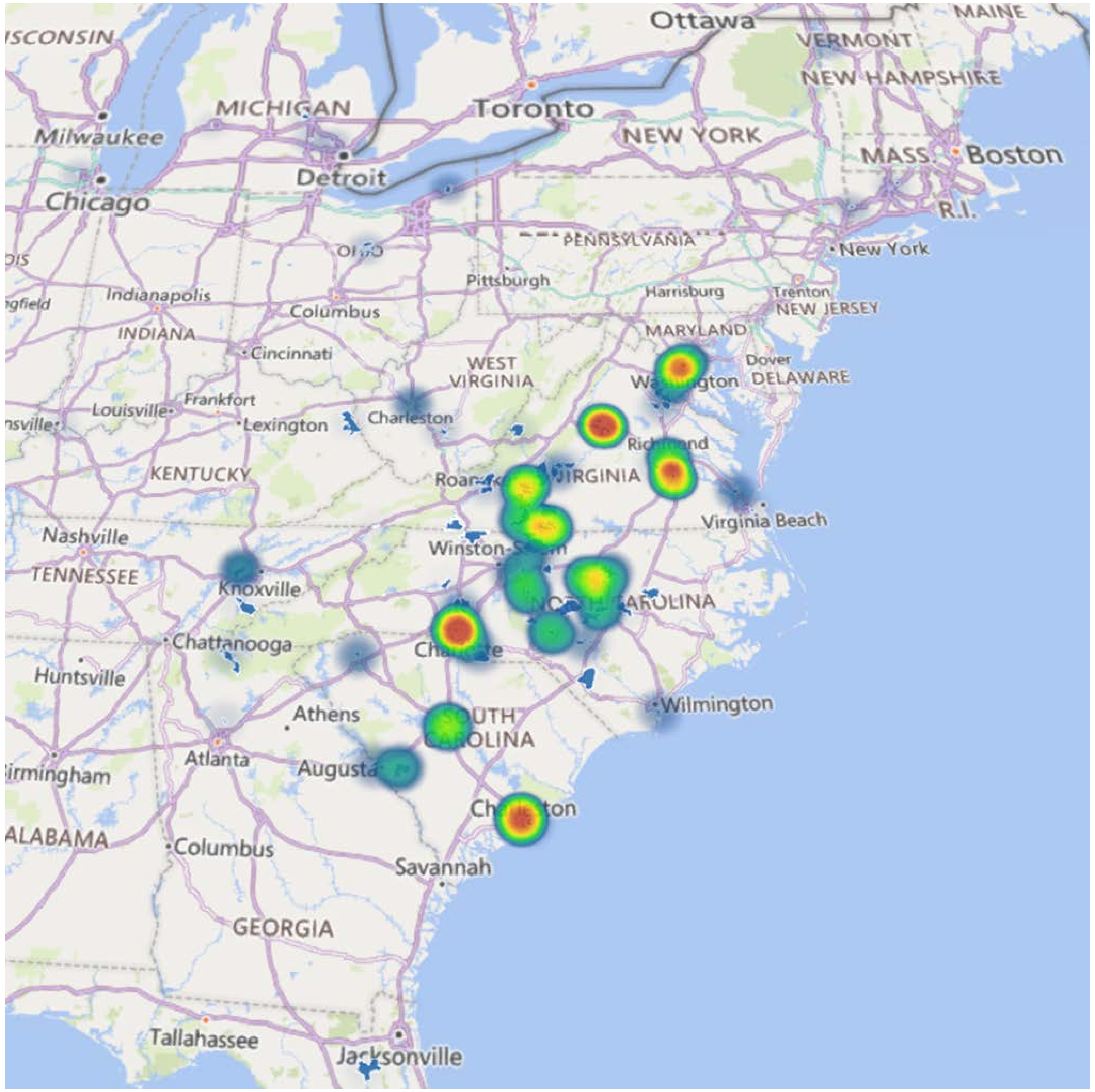
$ in thousands
[1] Excludes restaurant loans of $34.9 million
[2] A Power Center is a large outdoor shopping mall that usually includes three or more "Big Box" stores.

Office Metrics

- Total portfolio balance $226.9M
- Geographic diversification (see map)
- Mean loan size in portfolio $1.93M[1]
- Median of loans in portfolio $397K[1]
- The largest loan in portfolio $23.1M[1]
- 4.28% are under construction[1]
- Top 10 borrowers make up 57.64% of the total office commitment[1]
- 0.18% of this portfolio are considered delinquent[1]
- 0.22% of loans are primarily rated special mention[1]
- 0.22% are in NPL status[1]
- 95.61% of office portfolio is funded[1]

AVERAGE

4.31	$118
RISK RATING	DEBT/SQ FT



Office Metrics

Category	Office Portfolio Balance	Percentage of Total Balance	Office Commitment Balance	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
General Office Space	$ 193,880	85.4%	$ 211,394	$ 2,107	$ 124
Medical Offices	24,953	11.0%	25,689	1,664	83
Veterinary Offices	7,377	3.3%	13,540	388	102
Law Offices	698	0.3%	698	175	67
Office Totals	**$ 226,908**	**100.0%**	**$ 251,321**	**$ 1,083**	**$ 118**

Category	Office Portfolio Balance	Percentage of Total Balance	Office Commitment Balance	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
Virginia	$ 100,572	44.3%	$ 103,323	$ 1,972	$ 100
North Carolina	62,814	27.7%	80,016	1,336	126
South Carolina	38,733	17.1%	43,194	7,747	148
Maryland	6,641	2.9%	6,641	6,641	122
Georgia	5,282	2.3%	5,282	1,056	163
Tennessee	3,024	1.3%	3,024	1,512	54
West Virginia	2,433	1.1%	2,433	811	70
Ohio	1,910	0.9%	1,909	955	106
Michigan	1,634	0.7%	1,634	409	124
Conneticut	1,335	0.6%	1,335	445	91
Vermont	922	0.4%	922	461	164
Illinois	521	0.2%	521	521	130
Maine	369	0.2%	369	369	155
Indiana	288	0.1%	288	288	45
Kentucky	231	0.1%	231	231	73
Florida	199	0.1%	199	199	76
Office Totals	**$ 226,908**	**100.0%**	**$ 251,321**	**$ 1,560**	**$ 118**

$ in thousands

SECTION 06

Non-GAAP Reconciliation

Non-GAAP Statement

Statements in this exhibit include non-GAAP financial measures and should be read along with the accompanying tables in our definitions and reconciliations of GAAP to non-GAAP financial measures. Management uses, and this exhibit references, the adjusted NPL/portfolio loans, adjusted ACL/portfolio loans, adjusted efficiency ratio, the adjusted book value and net interest income and net interest margin, each on a fully taxable equivalent, or FTE, basis, which are non-GAAP financial measures. Management believes the adjusted NPL/portfolio loans, adjusted ACL/portfolio loans, adjusted efficiency ratio, adjusted book value and net interest income and net interest margin on an FTE basis provide information useful to investors in understanding our underlying business, operational performance and performance trends as they facilitate comparisons with the performance of other companies in the financial services industry. Although management believes that these non-GAAP financial measures enhance investors' understanding of our business and performance, these non-GAAP financial measures should not be considered alternatives to GAAP or considered to be more important than financial results determined in accordance with GAAP, nor are they necessarily comparable with non-GAAP measures which may be presented by other companies.

Non-GAAP Reconciliation

Net interest income (FTE) (non-GAAP) and total Interest and dividend income (FTE) (non-GAAP) , which are used in computing net interest margin (FTE) (non-GAAP), and adjusted efficiency ratio (non-GAAP), respectively, provide valuable additional insight into the net interest margin and the efficiency ratio by adjusting for differences in tax treatment of interest income sources. The entire FTE adjustment is attributable to interest income on earning assets, which is used in computing yield on earning assets. Interest expense and the related cost of interest-bearing liabilities and cost of funds ratios are not affected by the FTE components.

	Quarter-to-Date		
Adjusted Net Interest Income (FTE) (Non-GAAP)	**1Q 2025**	**4Q 2024**	**1Q 2024**
(Dollars in Thousands)			
Interest Income (FTE) (Non-GAAP)			
Interest and Dividend Income (GAAP)	$ 56,007	$ 56,502	$ 54,049
Tax Equivalent Adjustment [3]	178	182	206
Interest and Dividend Income (FTE) (Non-GAAP)	**56,185**	**56,684**	**54,255**
Average Earning Assets	$ 4,554,103	$ 4,520,295	$ 4,429,020
Yield on Interest-earning Assets (GAAP)	**4.99%**	**4.97%**	**4.91%**
Yield on Interest-earning Assets (FTE) (Non-GAAP)	**5.00%**	**4.99%**	**4.93%**
Net Interest Income (GAAP)	$ 30,138	$ 29,148	$ 28,419
Tax Equivalent Adjustment [3]	178	182	206
Net Interest Income (FTE) (Non-GAAP)	**30,316**	**29,330**	**28,625**
Average Earning Assets	$ 4,554,103	$ 4,520,295	$ 4,429,020
Net Interest Margin (GAAP)	**2.68%**	**2.57%**	**2.58%**
Net Interest Margin (FTE) (Non-GAAP)	**2.70%**	**2.58%**	**2.60%**

[3] Computed on a fully taxable equivalent basis ("FTE") using a 21% federal income tax rate for the 2025 and 2024 periods.

Non-GAAP Reconciliation

Net interest income (FTE) (non-GAAP) and total interest and dividend income (FTE) (non-GAAP) , which are used in computing net interest margin (FTE) (non-GAAP) , and adjusted efficiency ratio (non-GAAP), respectively, provide valuable additional insight into the net interest margin and the efficiency ratio by adjusting for differences in tax treatment of interest income sources. The entire FTE adjustment is attributable to interest income on earning assets, which is used in computing yield on earning assets. Interest expense and the related cost of interest-bearing liabilities and cost of funds ratios are not affected by the FTE components. The adjusted efficiency ratio (non-GAAP) excludes losses on sales and write-downs of branch premises, net, gains on sales and write-downs of OREO, net, 1035 exchange fee on BOLI, the (gains) losses on sales of securities, net, equity security unrealized fair value (gain) loss, gain on BOLI death benefit and OREO income. This measure is similar to the measure utilized by the Company when analyzing corporate performance and is also similar to the measure utilized for incentive compensation. The Company believes this adjusted measure provides investors with important information about the combined economic results of the Company's operations.

	Quarter-to-Date		
Adjusted Efficiency Ratio (Non-GAAP)	**1Q 2025**	**4Q 2024**	**1Q 2024**
(Dollars in Thousands)			
Noninterest Expense	**$ 28,042**	**$ 28,866**	**$ 26,257**
Less: Gains (Losses) on sales and write-downs of Branch Premises, net	3	(54)	(1)
Less: (Losses) Gains on Sales and write-downs of OREO, net	(81)	14	342
1035 Exchange fee on BOLI	(275)	—	—
Adjusted Noninterest Expense (Non-GAAP)	**27,689**	**28,826**	**26,598**
Net Interest Income	**$ 30,138**	**$ 29,148**	**$ 28,419**
Plus: Taxable Equivalent Adjustment[3]	178	182	206
Net Interest Income (FTE) (Non-GAAP)	**30,316**	**29,330**	**28,625**
Less: Gains on Sales of Securities, net	—	(32)	—
Less: Equity Security Unrealized Fair Value (Gain) Loss	(137)	166	—
Gain on BOLI death benefit	(1,882)	—	—
Less: OREO Income	—	(2)	(8)
Noninterest Income	**6,901**	**5,368**	**5,045**
Net Interest Income (FTE) (Non-GAAP) plus Adjusted Noninterest Income	**35,198**	**34,830**	**33,662**
Efficiency Ratio (GAAP)	**75.71%**	**83.63%**	**78.46%**
Adjusted Efficiency Ratio (Non-GAAP)	**78.67%**	**82.76%**	**79.01%**

[3] Computed on a fully taxable equivalent basis ("FTE") using a 21% federal income tax rate for the 2025 and 2024 periods.

Non-GAAP Reconciliation

The adjusted book value ratio excludes accumulated other comprehensive loss ("AOCL") and adds back the other segment reserve release, net of tax. The Company believes this adjusted measure enables investors to assess the Company's capital levels and capital adequacy without the effects of changes in AOCL and the other segment reserve, some of which are uncertain and difficult to predict, or assuming that the Company realized all the previously unrealized losses on available-for-sale securities at the end of the period or the hypothetical release of the other segment reserve.

Adjusted Book Value (Non-GAAP)		Quarter-to-Date 1Q 2025
(Dollars in Thousands)		
Adjusted Book Value (Non-GAAP)		
Total Shareholders' Equity	$	401,766
Add: AOCL		56,373
Add: Other Segment Reserve Release, net of tax		21,770
Total Shareholders' Equity, excluding AOCI and segment reserve release (Non-GAAP)	**$**	**479,909**
Common Shares Outstanding at End of Period		23,162
Book Value (GAAP)	**$**	**17.35**
Adjusted Book Value (Non-GAAP)	**$**	**20.72**

Non-GAAP Reconciliation

Adjusted Nonperforming Loans ("NPL") to Total Portfolio Loans (Non-GAAP)		March 31, 2025
(Dollars in Thousands)		
Adjusted NPLs (Non-GAAP)		
Total NPL	$	261,444
Less: Bank's Largest Lending Relationship		245,064
Total NPL, excluding Bank's Largest Lending Relationship (Non-GAAP)	**$**	**16,380**
Total Portfolio Loans	$	3,687,495
NPL to Total Portfolio Loans (GAAP)		**7.09%**
Adjusted NPL to Total Portfolio Loans (Non-GAAP)		**0.44%**

Adjusted Allowance for Credit Losses ("ACL") to Total Portfolio Loans (Non-GAAP)		March 31, 2025
(Dollars in Thousands)		
Adjusted ACL (Non-GAAP)		
Total ACL	$	73,518
Less: Bank's Largest Lending Relationship Reserve		27,078
Total ACL, excluding Bank's Largest Lending Relationship Reserve (Non-GAAP)	**$**	**46,440**
Total Portfolio Loans	$	3,687,495
ACL to Total Portfolio Loans (GAAP)		**1.99%**
Adjusted ACL to Total Portfolio Loans (Non-GAAP)		**1.26%**