Investor Presentation

Second 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 assumptions 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, tariffs, 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 loans, 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 geopolitical conflicts 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 Securities and Exchange Commission, 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 made. 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, except as required by law.*

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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

–

64

Branches

–

10

Corporate Centers

Stats

$4.8B

Assets

–

$3.7B

Loans

–

$4.2B

Deposits

Corporate Highlights

Completed the acquisition of two First Reliance Bank North Carolina branches

–

Two Corporate Office Expansions in Winston-Salem and Gastonia, North Carolina

–

71.0% of Loan Production funded at a weighted average rate of 6.82% YTD 2025, with Construction loans of approximately $450M funding over the next 12-18 months.

–

Strong Deposit Growth of 8.8% compared to Q2'24

–

Strong Available Liquidity Position

–

Diversified and Granular Deposit base, approximately 78.0% Retail Customers

Regional Footprint

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

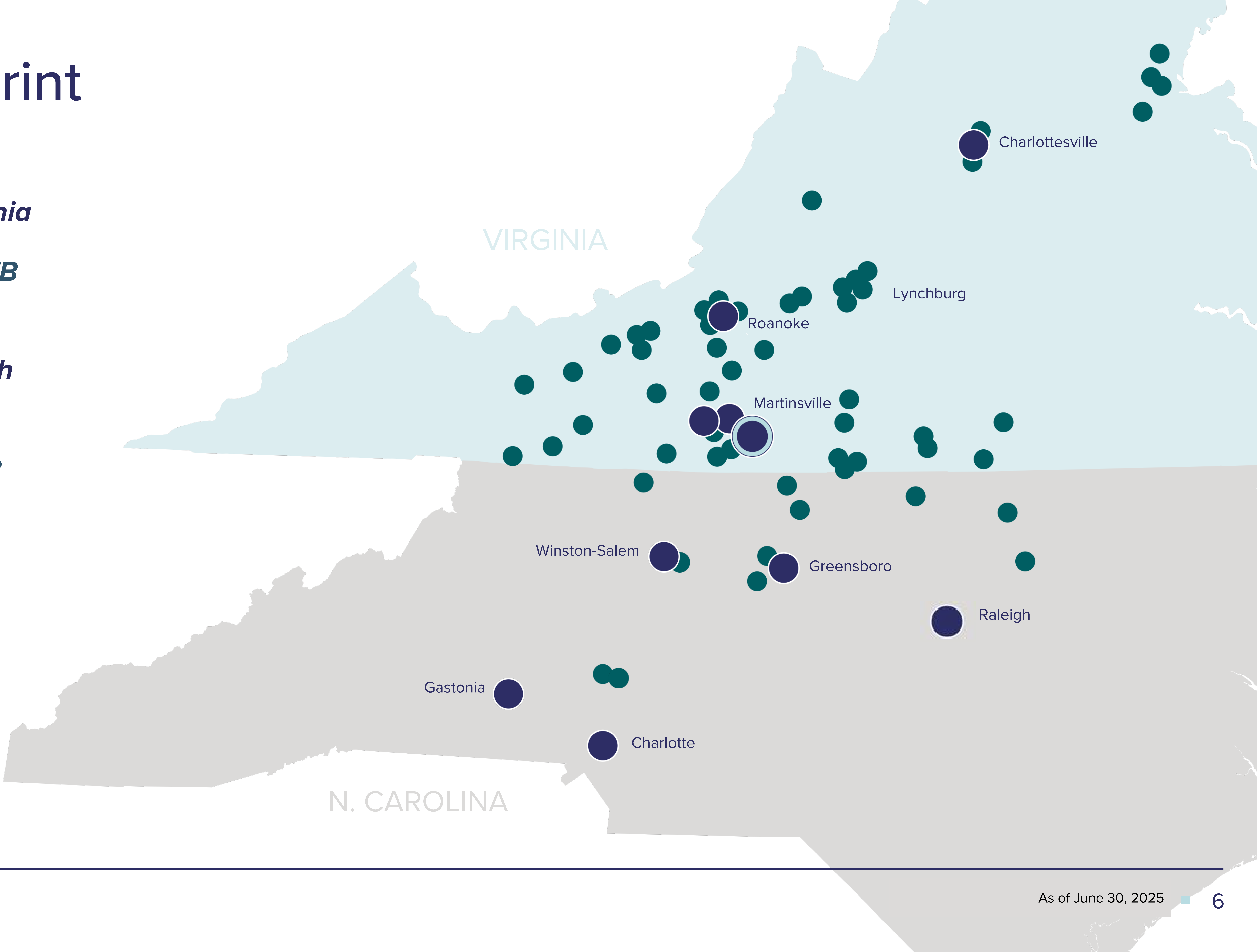
13 Total Branches in North Carolina
–
Total NC Deposits $0.5B

Map Key

Corporate Headquarters

Regional Offices

Branches



Leadership Team

Litz Van Dyke

Chief Executive Officer
40 years in Industry
9 years at the Bank

Bradford Langs

President
Chief Strategy Officer
39 years in Industry
8 years at the Bank

Wendy Bell

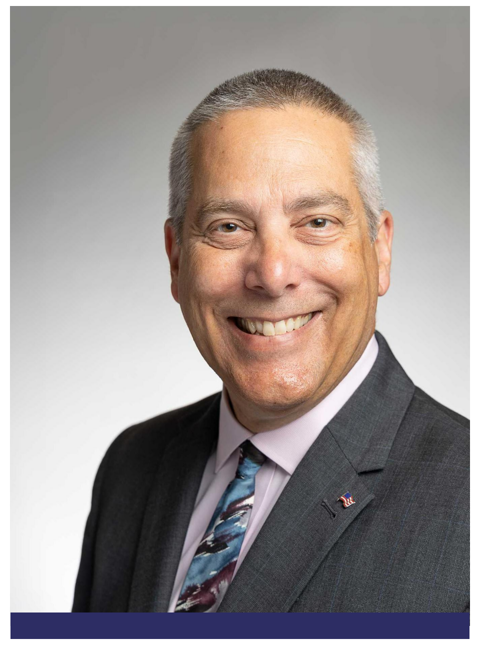
Senior Executive Vice President
Chief Strategy Officer
41 years in Industry
8 years at the Bank

Loran Adams

Executive Vice President
Director of Regulatory Risk Management
42 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
8 years at the Bank

Rich Spiker

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

Charlie Sword

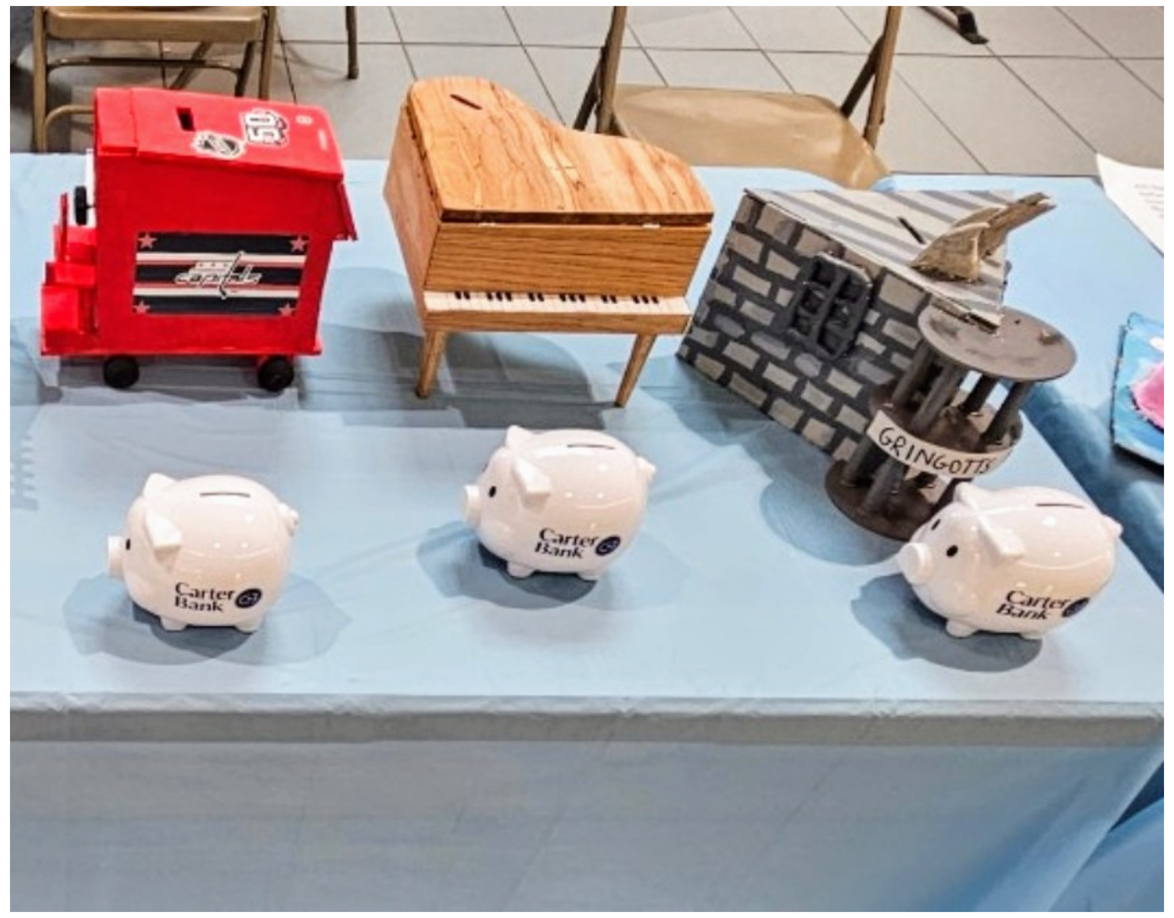
Senior Vice President
Internal Audit Director
19 years in Industry
4 years at the Bank

OUR PURPOSE

To create opportunities for more people and businesses to prosper.

Rewarding Relationships

Corporate & Social Responsibility



For the 6th year in a row, the bank celebrated National Financial Literacy Month by sponsoring the Chancellor Lions Club's Big Oink contest in Fredericksburg, VA.

This annual event encourages contestants from ten age groups, including an adult division, to make a "piggy bank with personality" out of any material in an effort to promote money management and savings.

The bank partnered with the Montgomery County Chamber of Commerce (VA) to award complimentary chamber memberships to four minority-owned businesses. The investment is part of a continued effort to provide opportunity to underserved communities.

Congratulations to the 2025 recipients: Ride-A-Rescue, ITT Cleaning, Anjalia Productions, and MVEE Creations & More.

The Facilities team engaged a local small business' herd of goats to transform a roughly 5-acre wooded area at the bank's headquarters that had become overgrown. This economical and environmentally friendly move also had an 'agri-tainment' factor enjoyed by our Associates.

1,314
Volunteer Community Service Hours

45
Nonprofits Supported by Associates Serving on Boards & Committees

$473,531
Charitable Donations & Sponsorships to Nonprofits

38
Financial Education Classes Facilitated for 662 Students

Investment Highlights

Strong Financial Performance

- Strong Liquidity & Capital Position
- CET1 of 10.87%
- ACL coverage of 1.90%
- $1.4B of total available liquidity
- 179.6% total available liquidity / uninsured deposits

Conservative Credit Culture

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

Carter Bankshares, Inc.

Attractive Markets & Customers

- Well-positioned in Virginia & North Carolina including Fast Growing Markets such as Charlottesville, Charlotte, Greensboro, Roanoke, Raleigh, and Winston-Salem.

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

Completed purchase of two North Carolina branches from First Reliance Bank

At the close of business on May 23, 2025, the Company completed the acquisition of two leased branch facilities and the deposits associated therewith, located in Mooresville, North Carolina and Winston-Salem, North Carolina, from First Reliance Bank (the “Branch Purchase”). In the Branch Purchase the Bank acquired $55.9 million of deposits, as well as cash, personal property and other fixed assets related to the branch locations purchased, and welcomed 10 new associates to its team. The Branch Purchase did not include any loans.

Overview

$56M Deposits	**10** Associates
Q2/25 Close Date	**02** Offices in North Carolina

"We are thrilled to welcome First Reliance’s associates and customers to the Carter family and help the people of Winston-Salem and Lake Norman live life to the fullest.

I'm very proud of our team's hard work to ensure the smoothest transition possible for both the customers and bank associates, and we are very excited to continue building and expanding these relationships."

— Litz Van Dyke, CEO

Safety & Soundness

Capital

10.87%
Common Equity Tier 1 Ratio (CET1)

–

12.12%
Total Risk-based Capital Ratio

–

9.46%
Leverage Ratio

–

$17.89
Book Value

Asset Quality

0.43%
Delinquency/Portfolio Loans

–

6.69%
NPL/Portfolio Loans[1]

–

1.90%
ACL/Portfolio Loans[2]

–

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

Earnings

0.75%
ROA (YTD)

–

8.85%
ROE (YTD)

–

2.76%
NIM (FTE) (YTD)[3]

–

77.06%
Adjusted Efficiency Ratio (YTD)[3]

Liquidity

$1.4B
Total Liquidity Sources

–

10.26%
Highly Liquid Assets/Total Assets

–

62.74%
Highly Liquid Assets/Uninsured Deposits

–

179.62%
Total Available Liquidity/Uninsured Deposits

[1] 0.40% 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	2Q 2025	1Q 2025	Q/Q Change $	2Q 2024	Y/Y Change $
Net Interest Income	$ 32,359	$ 30,138	**$ 2,221**	$ 28,092	**$ 4,267**
(Recovery) Provision for Credit Losses	(2,330)	(2,025)	**(305)**	491	**(2,821)**
Recovery for Unfunded Commitments	(335)	(114)	**(221)**	(236)	**(99)**
Noninterest Income	4,908	6,901	**(1,993)**	5,533	**(625)**
Noninterest Expense	29,304	28,042	**1,262**	27,446	**1,858**
Income Tax Expense	2,118	2,183	**(65)**	1,121	**997**
Net Income	$ 8,510	$ 8,953	**$ (443)**	$ 4,803	**$ 3,707**
Balance Sheet Condition					
Assets	$ 4,784,091	$ 4,700,287	**$ 83,804**	$ 4,532,509	**$ 251,582**
Gross Loans	3,747,367	3,687,495	**59,872**	3,549,521	**197,846**
Allowance for Credit Losses	(71,023)	(73,518)	**2,495**	(96,686)	**25,663**
Securities	755,212	745,390	**9,822**	746,325	**8,887**
Deposits	4,222,239	4,200,927	**21,312**	3,881,301	**340,938**
Borrowings	113,500	55,000	**58,500**	238,000	**(124,500)**
Shareholders' Equity	$ 405,635	$ 401,766	**$ 3,869**	$ 364,411	**$ 41,224**

$2.2M / $4.3M

Net Interest Income up Q/Q & Y/Y

$(2.3)M / $(2.0)M

(Recovery) for Credit Losses 2Q25 & 1Q25

$3.7M

Net Income up Y/Y

$59.9M / $197.8M

Loan Growth up Q/Q & Y/Y

$21.3M / $340.9M

Deposits up Q/Q & Y/Y

$(124.5)M

Borrowings down Y/Y

Financial / Shareholder Ratios

Shareholder Ratios	2Q 2025	1Q 2025	Q/Q Change	2Q 2024	Y/Y Change
Diluted Earnings Per Share (QTD)	$ 0.37	$ 0.39	**$ (0.02)**	$ 0.21	**$ 0.16**
Financial Ratios					
Return on Avg Assets (QTD)	0.72%	0.78%	**(0.06)%**	0.43%	**0.29%**
Return on Avg Shareholders' Equity (QTD)	8.45%	9.27%	**(0.82)%**	5.40%	**3.05%**
Net Interest Margin (FTE)(QTD)[1]	2.82%	2.70%	**0.12%**	2.56%	**0.26%**
Adjusted Efficiency Ratio (QTD)[1]	75.55%	78.67%	**(3.12)%**	81.33%	**(5.78)%**
Asset Quality Ratios					
NPL / Portfolio Loans	6.69%	7.09%	**(0.40)%**	8.46%	**(1.77)%**
NPA / Total Assets plus OREO	6.73%	7.10%	**(0.37)%**	8.52%	**(1.79)%**
ACL / Portfolio Loans	1.90%	1.99%	**(0.09)%**	2.72%	**(0.82)%**
Net Chg-offs / Portfolio Loans (QTD annualized)	0.02%	0.01%	**0.01%**	0.04%	**(0.02)%**

$0.16
Diluted EPS up Y/Y

0.29%
ROA up Y/Y

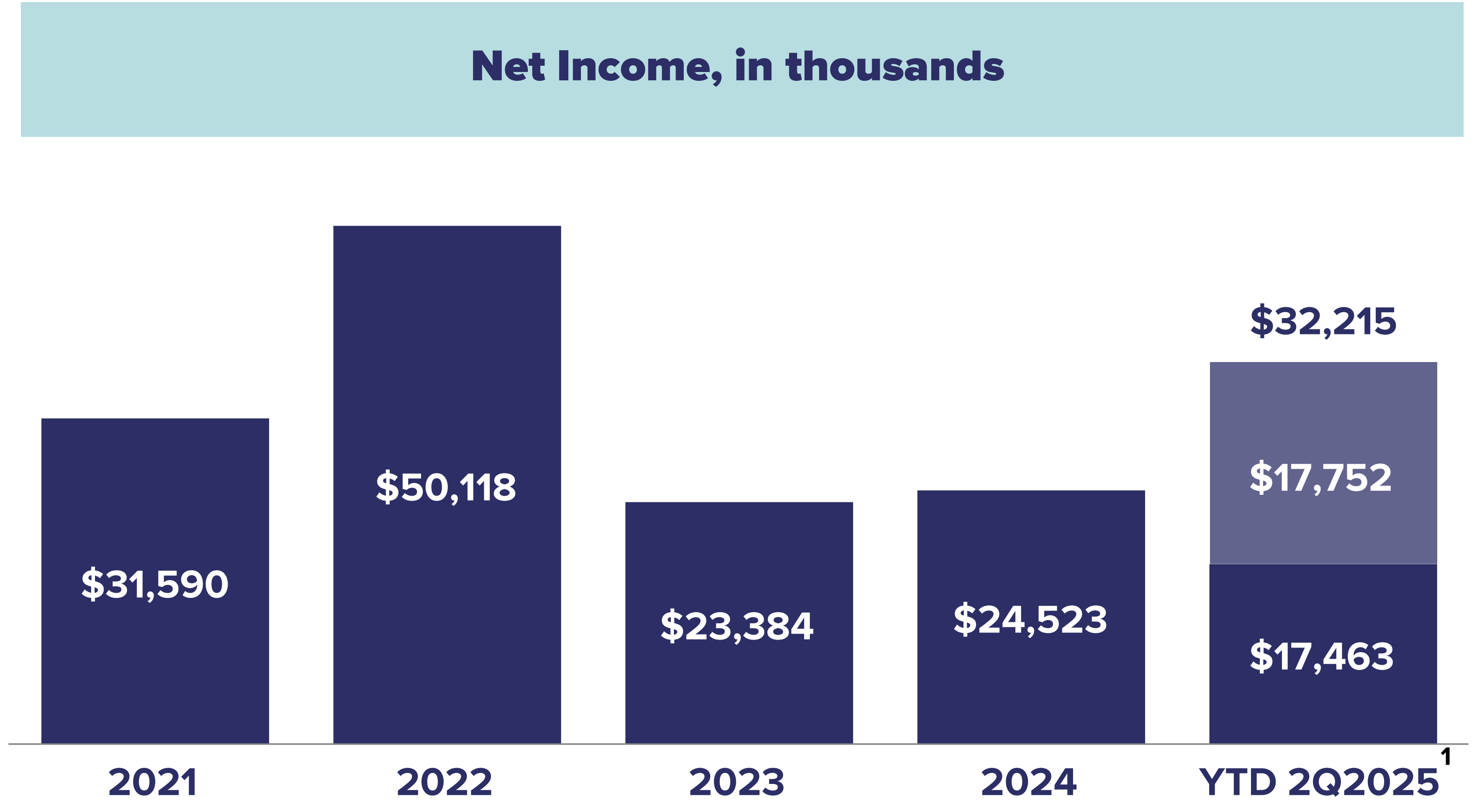
3.05%
ROE up Y/Y

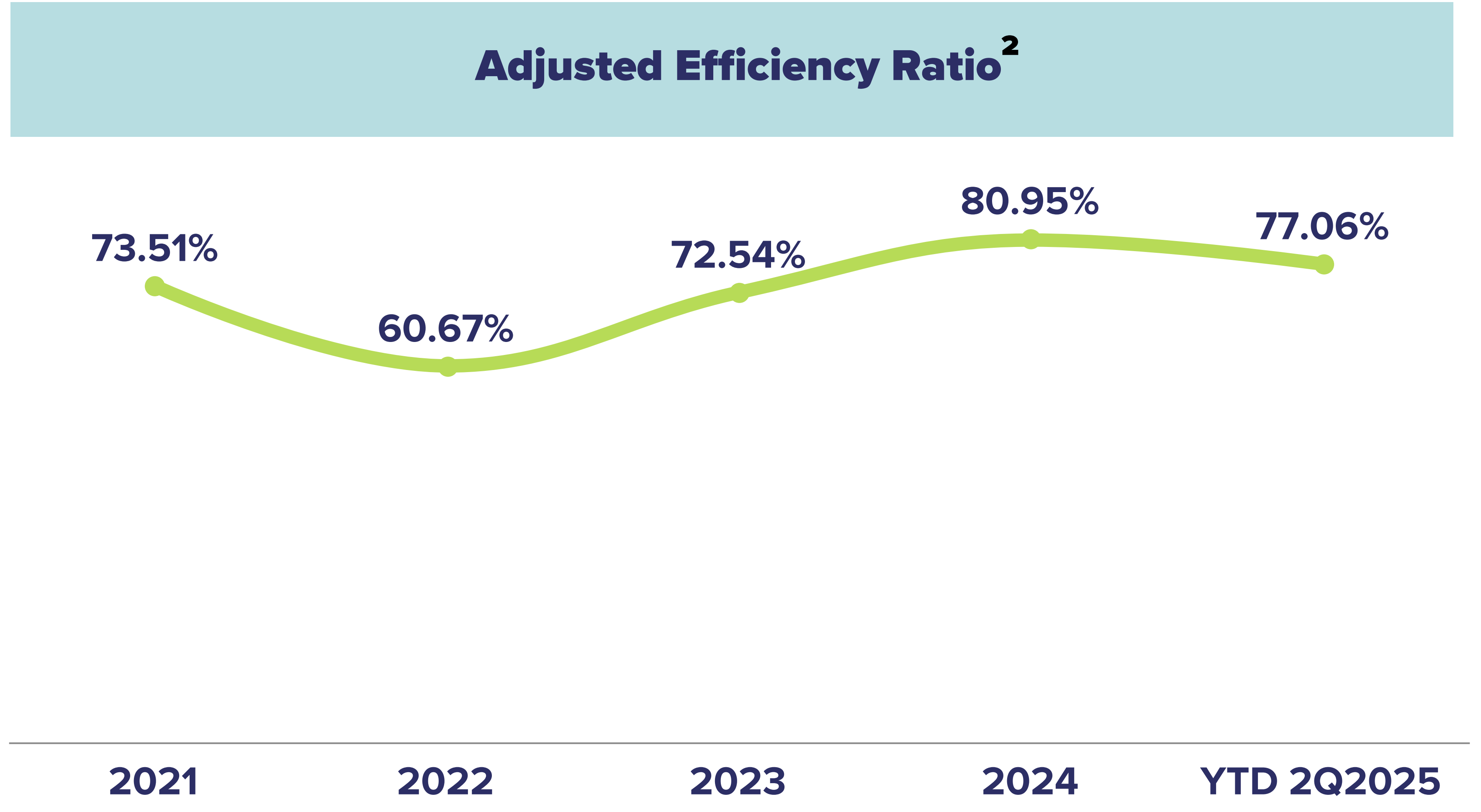
0.12% / 0.26%
NIM (FTE) up Q/Q & Y/Y

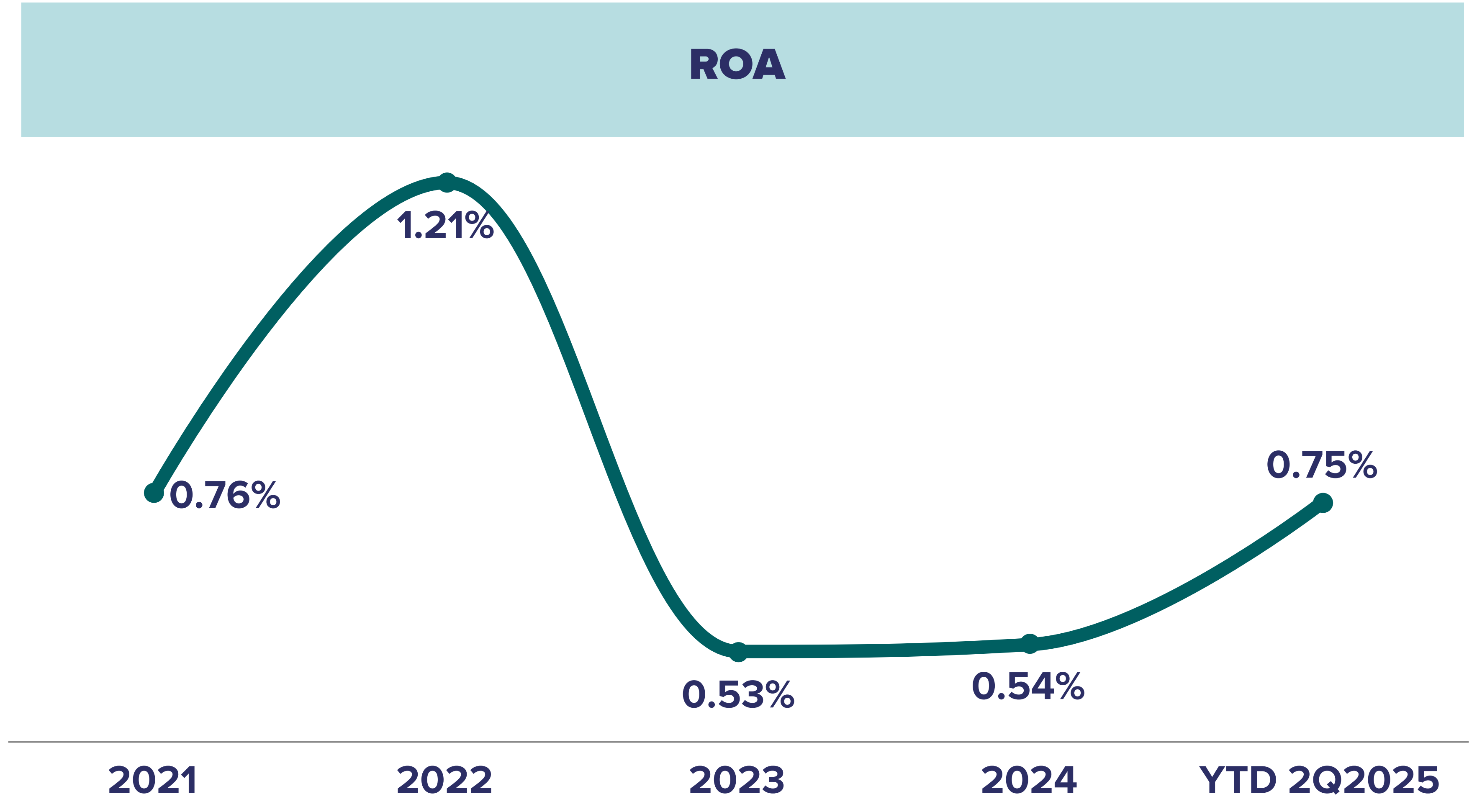
$9.5M / $6.9M
Curtailment Payments made 2Q25 & 1Q25

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

Financial Performance Trends







Carter Bankshares, Inc.

[1] Net Income for the six months ended June 30, 2025 is YTD 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.
- As of June 30, 2025 we purchased 547,332 shares of common stock under 2025 Program, effective May 1, 2025 at a total cost $9.1 million at an average cost per share of $16.70.

REGULATORY CAPITAL

10.87%	12.12%	9.46%
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%	10.87%	$ 183,056	12.71%	$ 252,954
Tier 1 Risk-based Ratio	8.00%	10.87%	120,157	12.71%	191,844
Total Risk-based Capital Ratio	10.00%	12.12%	88,971	13.97%	161,570
Leverage Ratio	5.00%	9.46%	214,884	10.75%	277,031
Critically Undercapitalized Category	Tangible equity to total assets ≤ 2%				
Capital Conservation Buffer	>= 2.5% composed of CET 1				

	Actual ($) 06/30/25	Cumulative AOCL Impact 06/30/25	Other Segment Reserve Impact 06/30/25[1]
Book Value per Common Share	$ 17.89	$ (2.31)	$ (0.85)
		$ (3.16)	
Adjusted Book Value[2]	**$ 21.05**		

[1]Non-GAAP Financial measure - see Non-GAAP reconciliation
[2]During 2024 and 2025, $30.3 million of the other segment reserve released from the $66.4 million of curtailment payments and a decline in reserve rate from 17.99% to 10.18% which resulted in a $1.08 per share increase in book value. Included in the total reserve release is $15.0 million related to the Other segment of the loan portfolio that was charged off during the third quarter of 2024.

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 179.6%

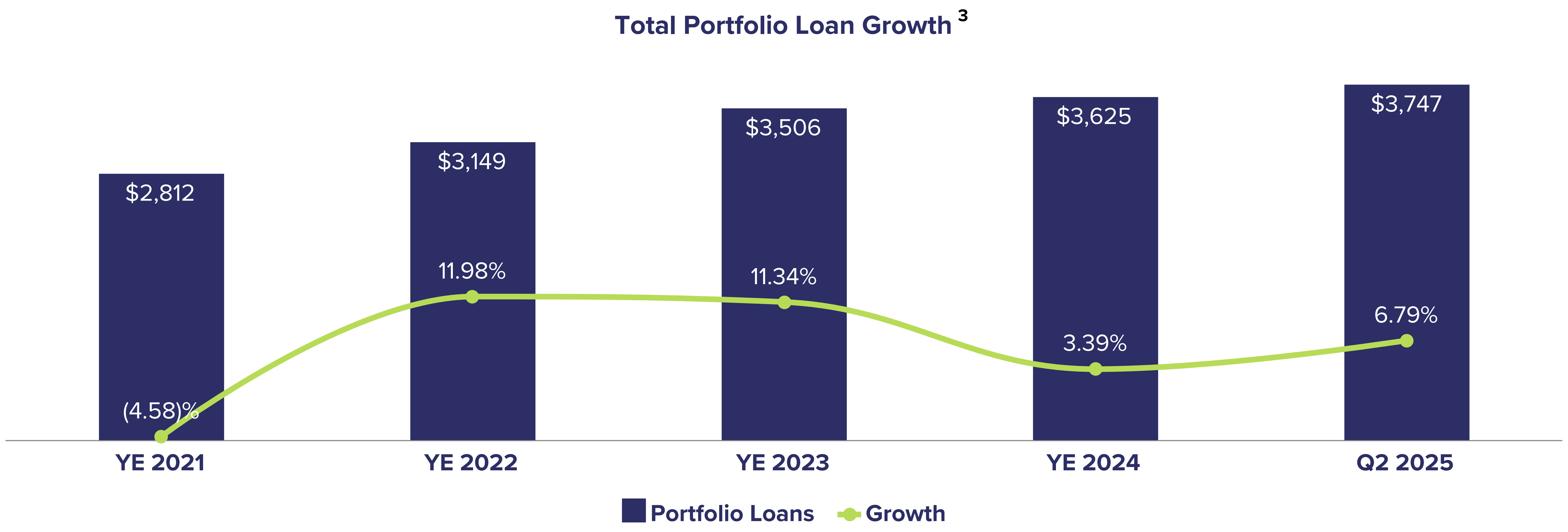
$ in thousands	June 30, 2025	December 31, 2024	Change
Cash and Due From Banks, including Interest-bearing Deposits	$ 99,905	$ 131,171	$ (31,266)
FHLB Borrowing Availability[1]	731,967	735,294	(3,327)
Unsecured Lines of Credit	30,000	30,000	—
Collateralized Lines of Credit	45,000	45,000	—
Unpledged Investment Securities	438,823	418,350	20,473
Excess Pledged Securities	59,839	33,022	26,817
Total Liquidity Sources	**$ 1,405,534**	**$ 1,392,837**	**$ 12,697**

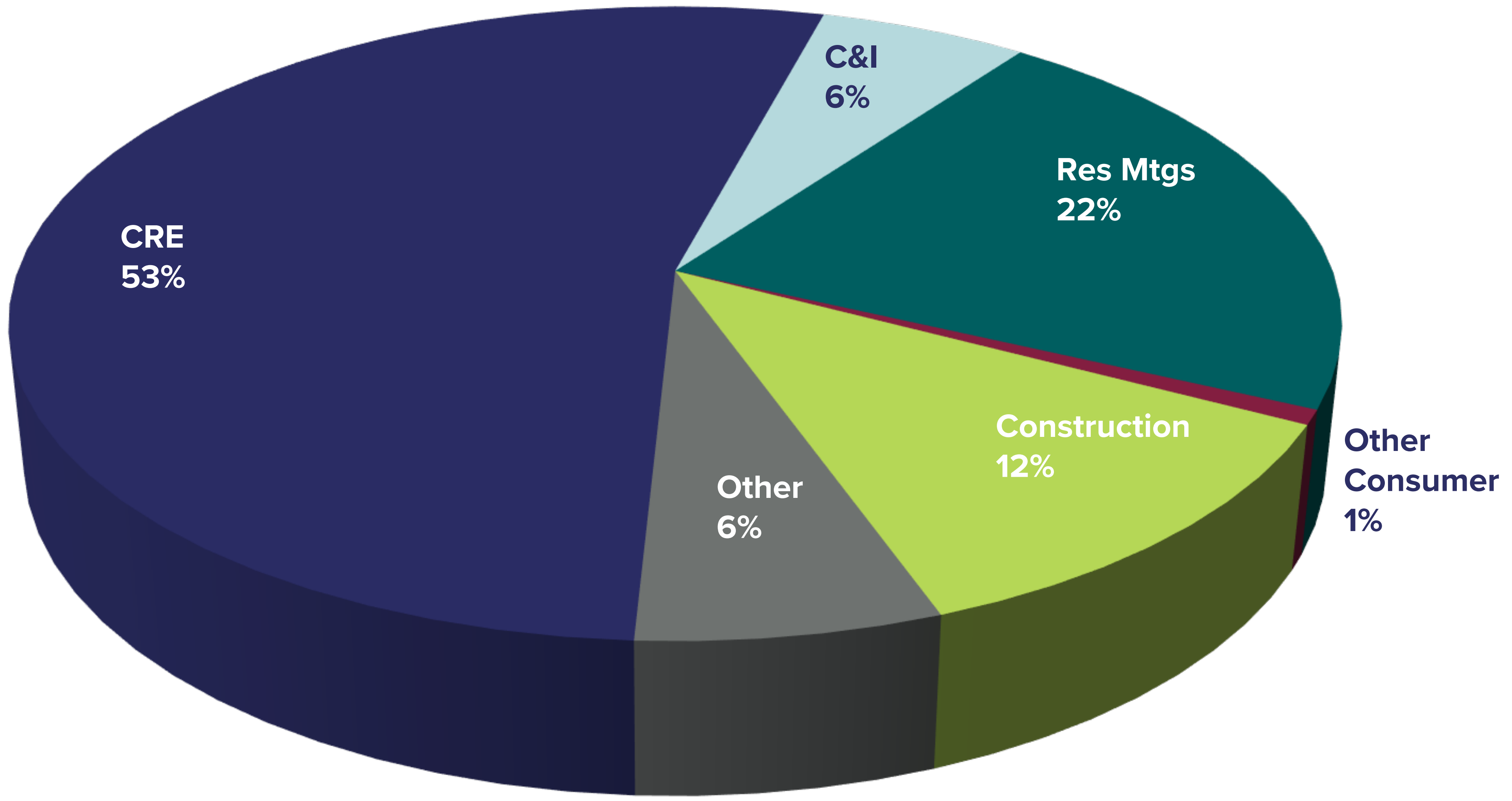
[1]For the periods presented above, the Company maintained a secured FHLB Borrowing Facility with FHLB of Atlanta equal to 25% of the Bank's assets approximating $1.2 billion, with available borrowing capacity subject to the amount of eligible collateral pledged at any given time.

Loan Composition

$ in thousands	For the Period Ending 6/30/2025	3/31/2025	6/30/2024	Variance Quarter	Year
Commercial Real Estate	$ 2,000,766	$ 1,915,863	$ 1,801,397	$ 84,903	$ 199,369
Commercial and Industrial	221,880	234,024	240,611	(12,144)	(18,731)
Residential Mortgages	814,188	801,253	783,903	12,935	30,285
Other Consumer	27,991	28,804	31,284	(813)	(3,293)
Construction	443,573	459,285	394,926	(15,712)	48,647
Other[1]	238,723	248,266	297,400	(9,543)	(58,677)
Total Portfolio Loans[2]	**$ 3,747,121**	**$ 3,687,495**	**$ 3,549,521**	**$ 59,626**	**$ 197,600**

- Total portfolio loans increased $197.6M, or 5.6% YoY due to loan growth, primarily in the commercial real estate, construction and residential mortgage segments.
- 71.0% of Loan Production funded at a weighted average rate of 6.82% YTD 2025, with Construction loans of approximately $450M funding over the next 12-18 months.
- The Other segment is down $58.7M 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.

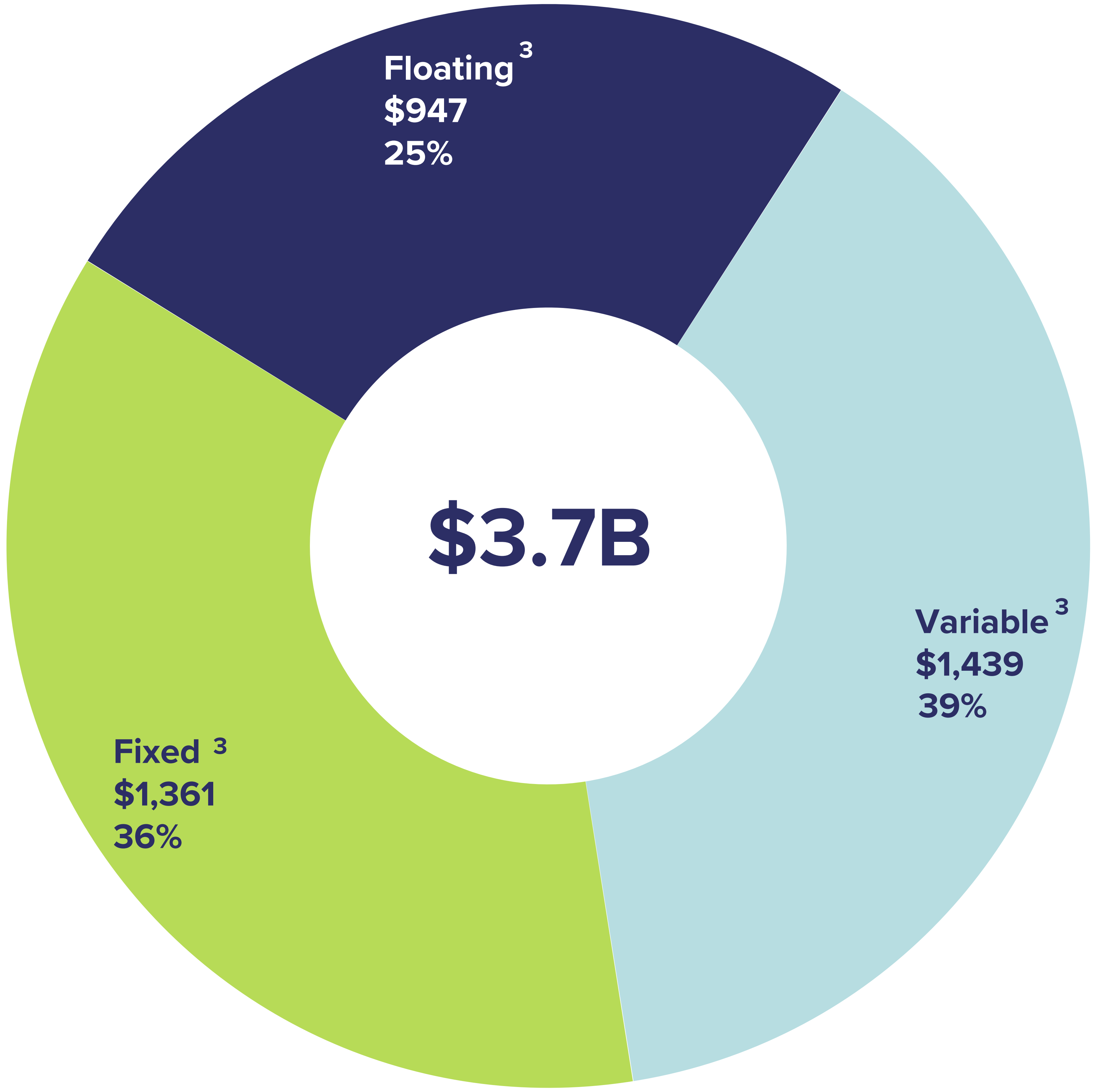




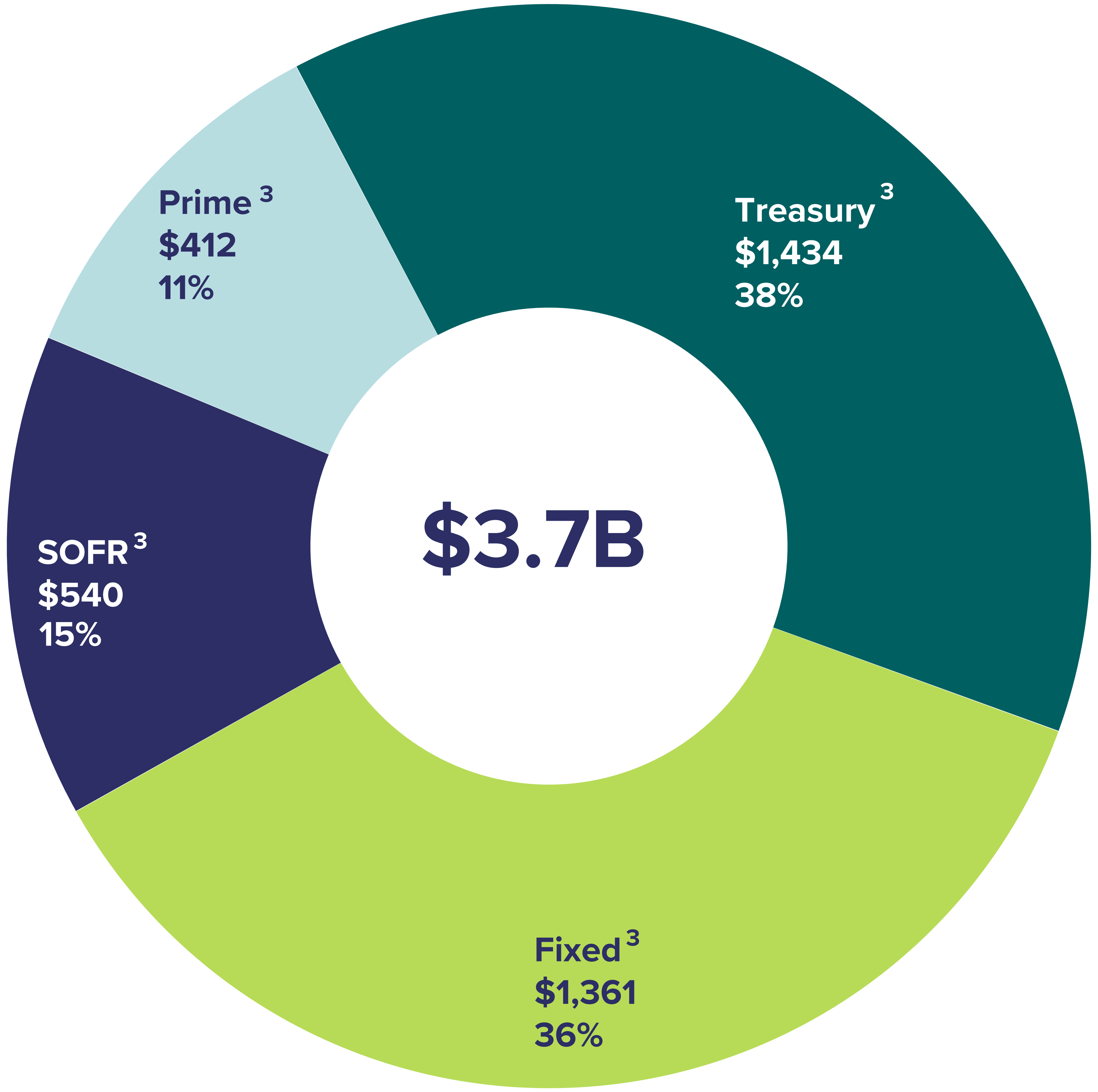
[1] Other loans include unique risk attributes considered inconsistent with our current underwriting standards.
[2] Total Portfolio Loans is net of loans held-for-sale and Loan Portfolio Segments are sourced from Fed. Call Codes (RC-C).
[3] $ in millions

Loan Portfolio Repricing & Index 2Q2025

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

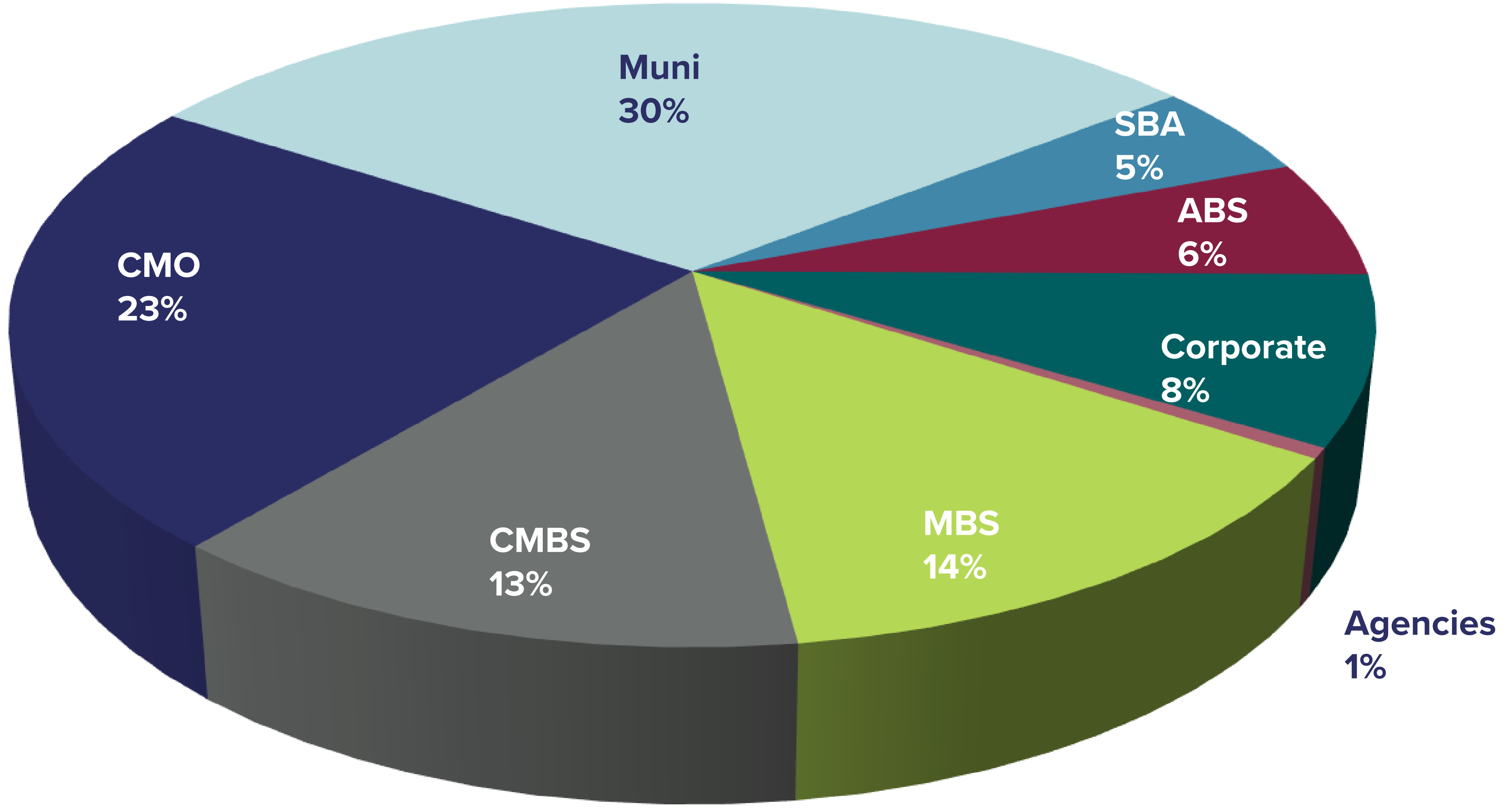
Top Ten (10) Relationships (Total Commitment)

$ in thousands	For the Periods Ending 6/30/2025	12/31/2024	Change	% of Gross Loans	% of RBC
1. Hospitality, Agriculture & Energy	$ 235,542	$ 251,982	$ (16,440)	6.29%	46.34%
2. Multifamily	58,741	58,871	(130)	1.57%	11.56%
3. Office	55,426	40,462	14,964	1.48%	10.90%
4. Multifamily	51,984	51,990	(6)	1.39%	10.23%
5. Retail & Office	51,163	52,913	(1,750)	1.37%	10.07%
6. Warehouse	48,832	49,661	(829)	1.30%	9.60%
7. Retail	48,087	44,511	3,576	1.28%	9.46%
8. Long-Term Care	46,199	46,199	—	1.23%	9.09%
9. Health Care Facility	44,779	44,779	—	1.19%	8.81%
10. Warehouse	43,121	44,577	(1,456)	1.15%	8.48%
Top Ten (10) Relationships	**$ 683,874**	**$ 685,945**	**$ (2,071)**	**18.25%**	**134.54%**
Total Gross Loans	**$ 3,747,367**	**$ 3,624,826**	**$ 122,541**		
% of Total Gross Loans	**18.25%**	**18.92%**	**(0.67)%**		
Concentration (25% of RBC)	$ 127,075	$ 125,190			

Bond Portfolio

$ in thousands	June 30, 2025 Amortized Cost	June 30, 2025 Net Unrealized (Losses)/ Gains	June 30, 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	$ 23,405	$ (507)	$ 22,898	$ 27,634	$ (684)	$ 26,950
Residential Mortgage-Backed Securities	105,587	(8,322)	97,265	106,593	(10,440)	96,153
Commercial Mortgage-Backed Securities	24,987	(390)	24,597	22,233	(646)	21,587
Other Commercial Mortgage-Backed Securities	31,004	(1,426)	29,578	24,064	(2,094)	21,970
Asset Backed Securities	122,292	(7,186)	115,106	127,978	(9,457)	118,521
Collateralized Mortgage Obligations	181,303	(8,711)	172,592	158,610	(10,022)	148,588
States and Political Subdivisions	262,578	(33,410)	229,168	262,879	(41,698)	221,181
Corporate Notes	70,750	(6,742)	64,008	70,750	(7,300)	63,450
Total Debt Securities	**$ 821,906**	**$ (66,694)**	**$ 755,212**	**$ 800,741**	**$ (82,341)**	**$ 718,400**

- The bond portfolio is 100% available-for-sale.
- Our portfolio consists of 45.1% of securities issued by United States government sponsored entities and carry an implicit government guarantee.
- States and political subdivisions comprise 30.3% 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 June 30, 2025, the Company held 58.2% fixed rate and 41.8% floating rate securities.
- The material improvement in unrealized losses was largely due to bond maturities, amortizations and lower intermediate-term interest rates.
- Securities comprise 15.8% of total assets at June 30, 2025.
- Shorter maturity profile with an average life of 5.03 years; less interest rate risk with an effective duration of 3.78; and higher than peer book yield of 3.38%

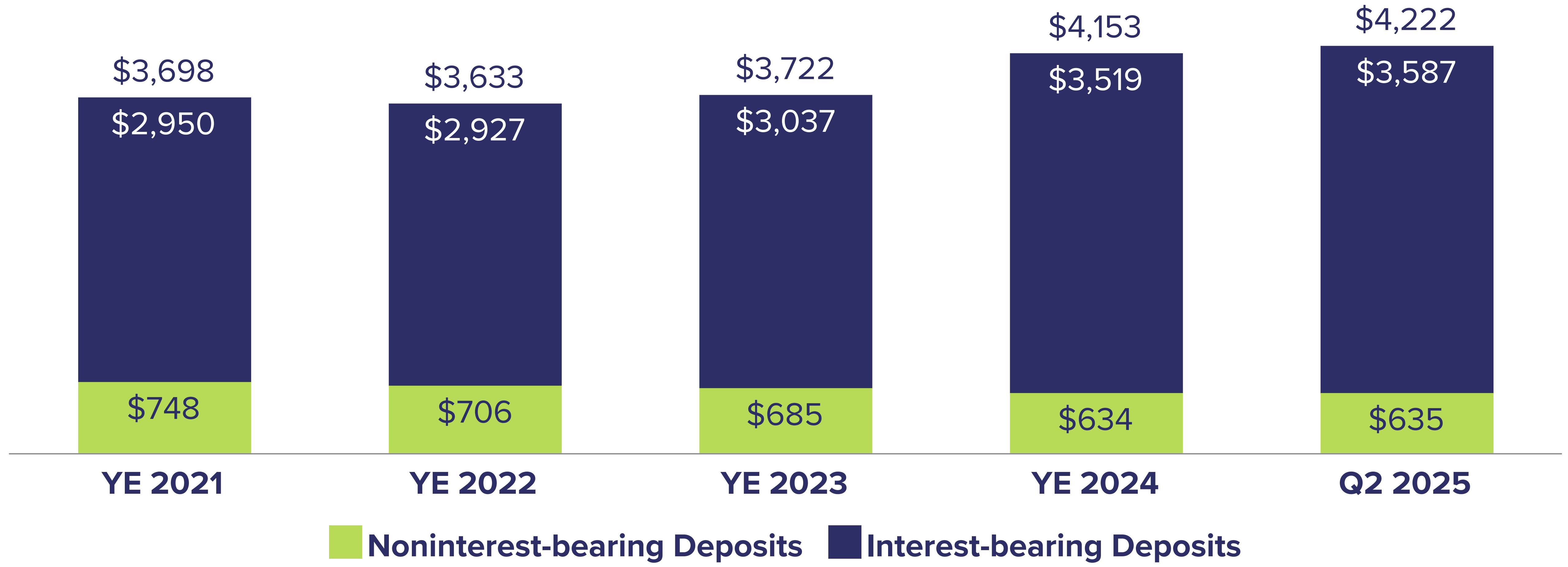


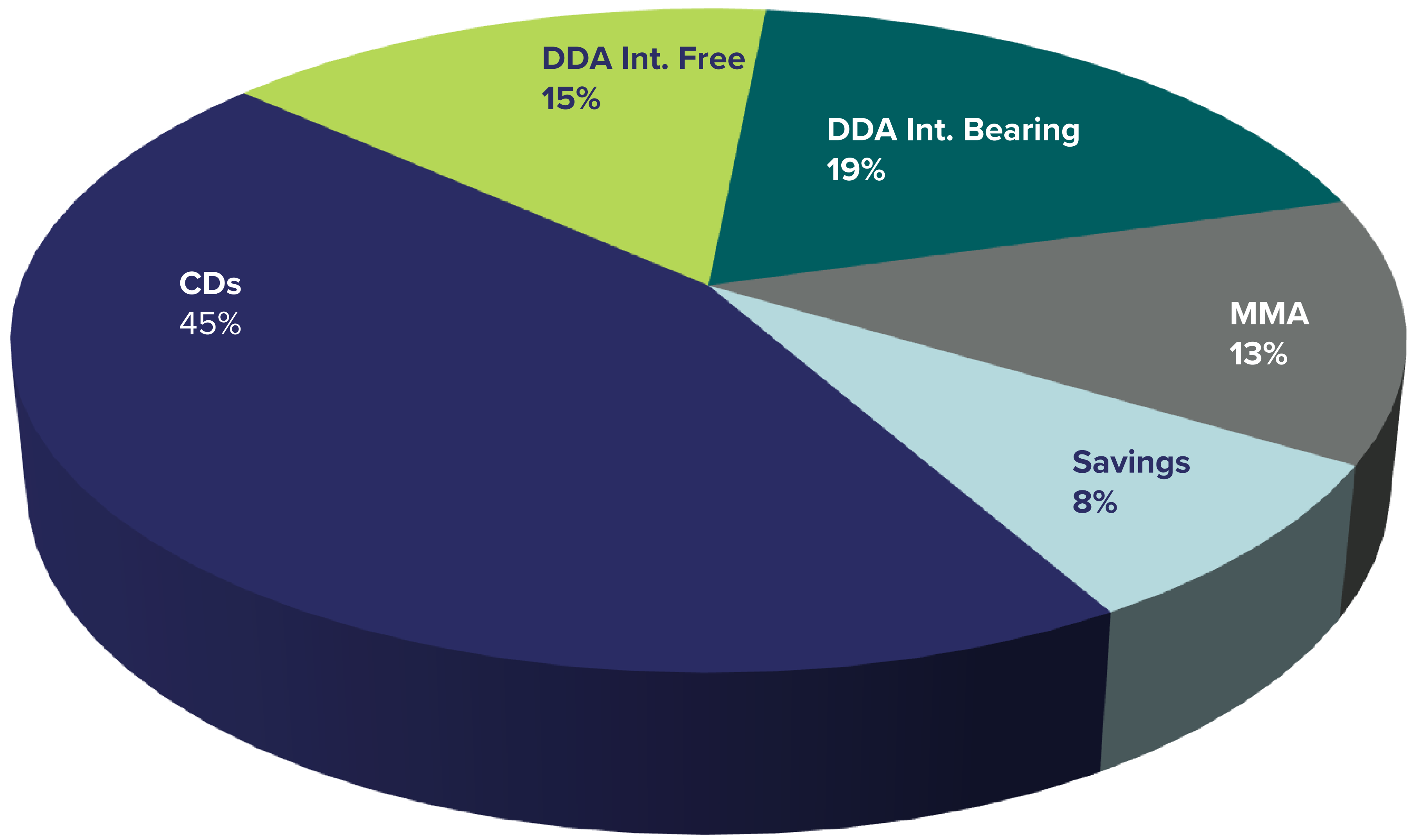
Deposit Composition

$ in thousands	For the Period Ending 6/30/2025	3/31/2025	6/30/2024	Variance Quarter	Year
Lifetime Free Checking	$ 635,192	$ 631,714	$ 653,296	$ 3,478	$ (18,104)
Interest-Bearing Demand	805,013	794,059	565,465	10,954	239,548
Money Market	544,764	528,381	500,475	16,383	44,289
Savings	343,659	353,394	399,833	(9,735)	(56,174)
Certificates of Deposits	1,893,611	1,893,379	1,762,232	232	131,379
Total Deposits	**$ 4,222,239**	**$ 4,200,927**	**$ 3,881,301**	**$ 21,312**	**$ 340,938**

- Total deposits increased $340.9M YoY
- Diversified and granular deposit base, approximately 78.0% Retail Customers
- Approximately 81.5% 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

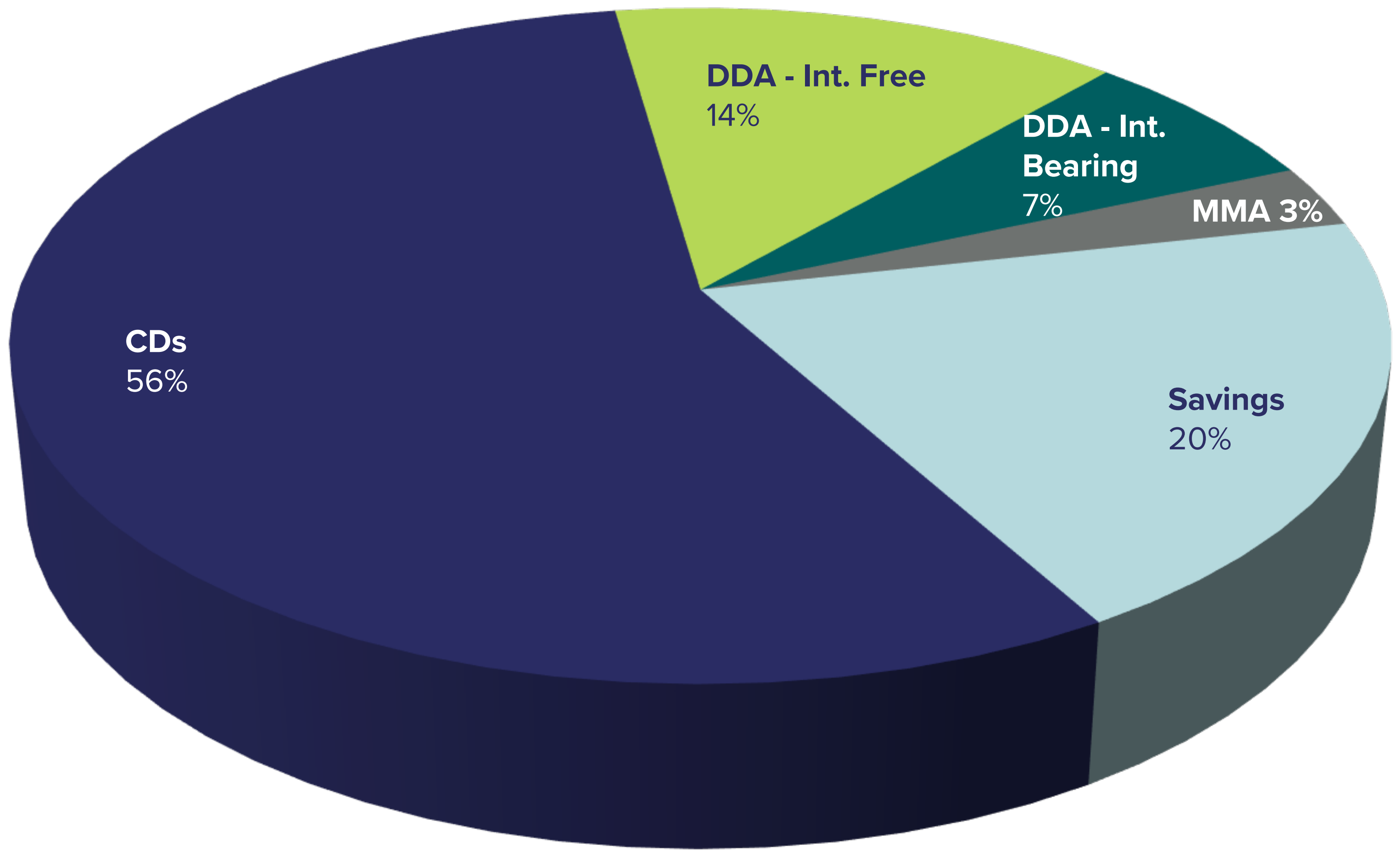
Deposits

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 77.8% of the retail portfolio scheduled to mature within 12 months and 97.6% 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

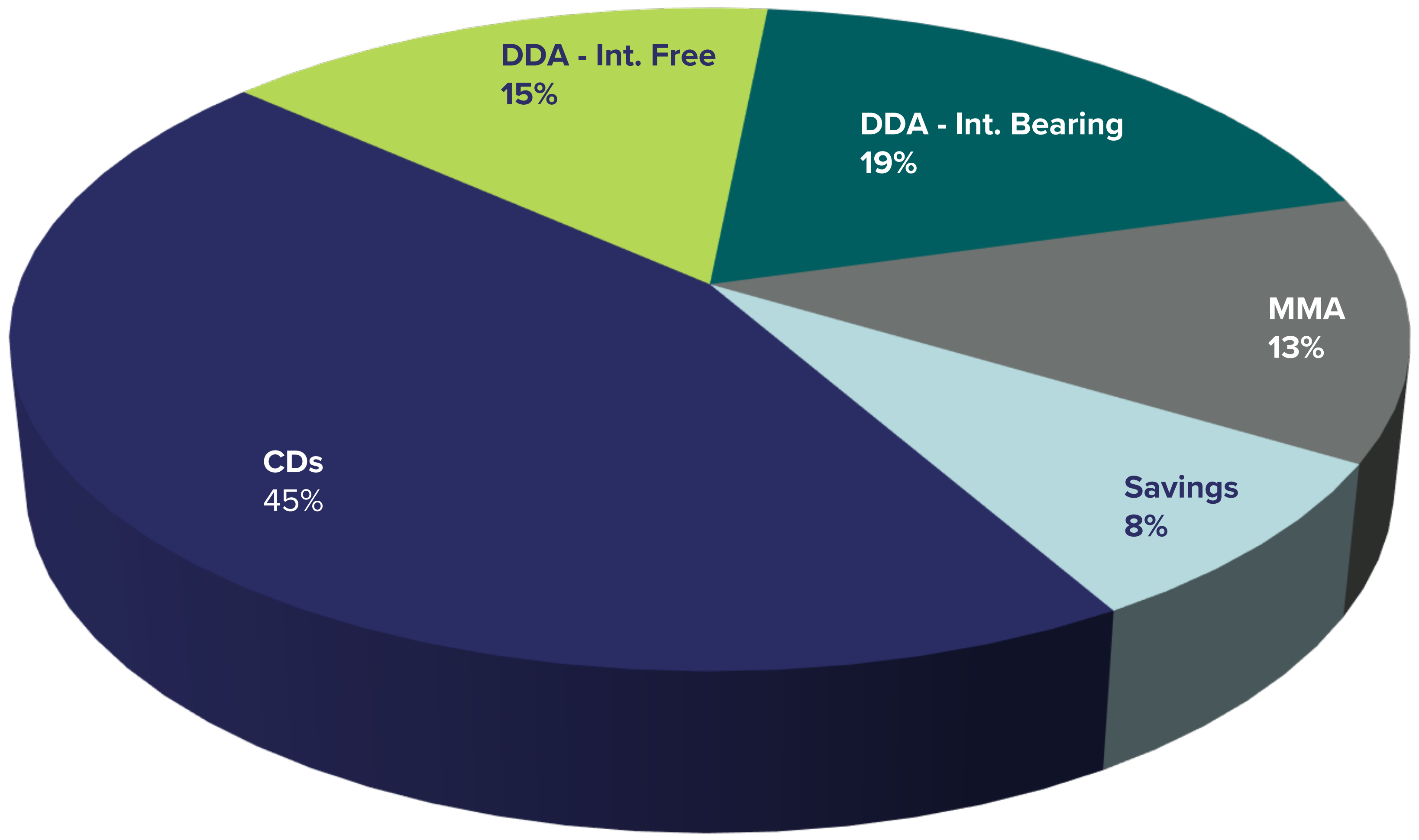
Past

Deposit Mix - 12/31/2017



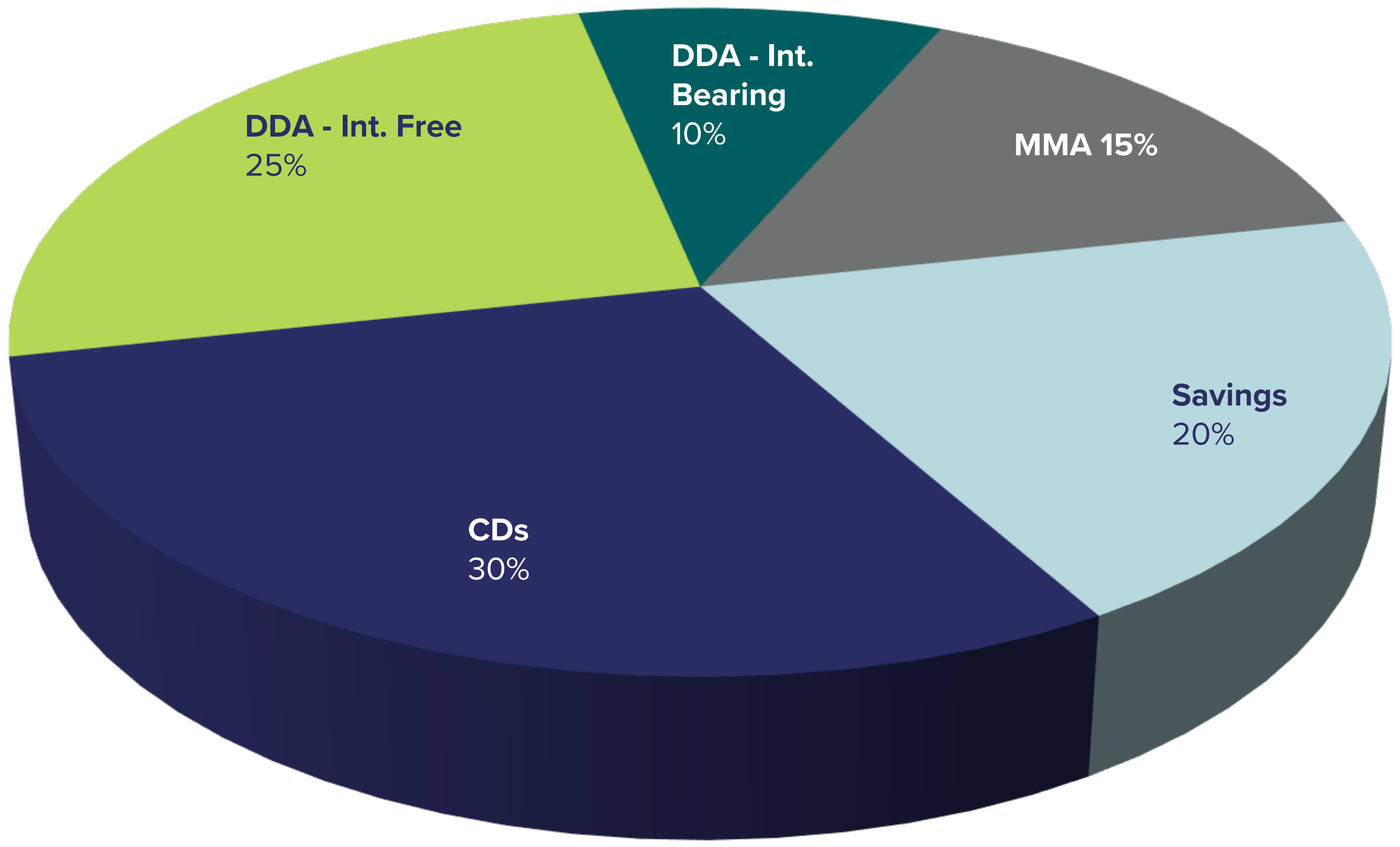
Present

Deposit Mix - 06/30/2025



Future

Deposit Mix - Target



SECTION 03

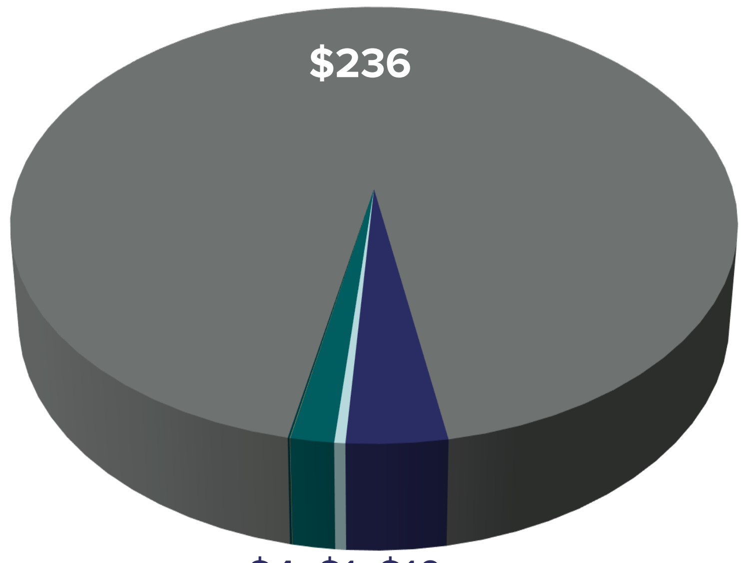
Asset Quality

Asset Quality

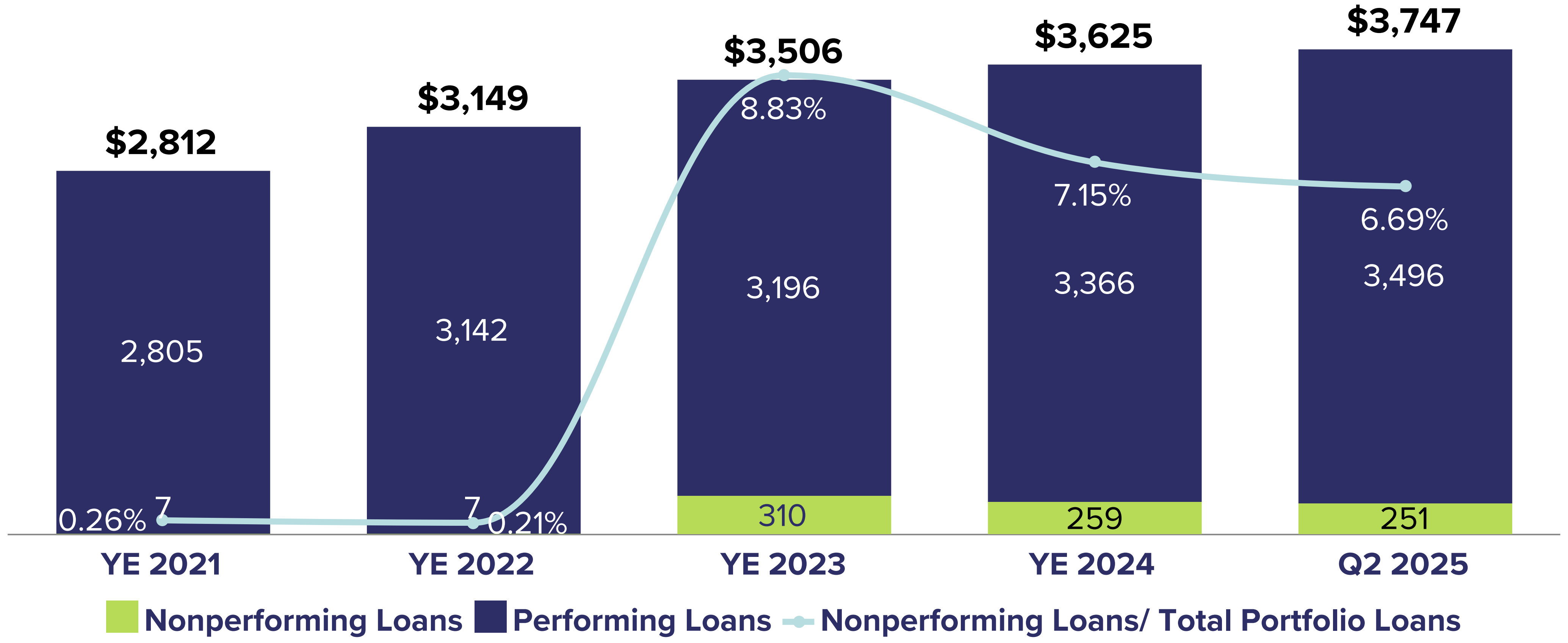
Nonperforming Loan Breakdown

	YE 2021	YE 2022	YE 2023	YE[1] 2024	Q2[1] 2025
NPL					
CRE	$ 3	$ 2	$ 1	$ 1	$ 10
C&I	1	—	—	1	1
Res. Mtg.	1	1	4	5	4
Other Consumer	2	4	—	—	—
Construction	—	—	3	—	—
Other	—	—	302	252	236
Total NPL	**$ 7**	**$ 7**	**$ 310**	**$ 259**	**$ 251**

2Q2025[1]



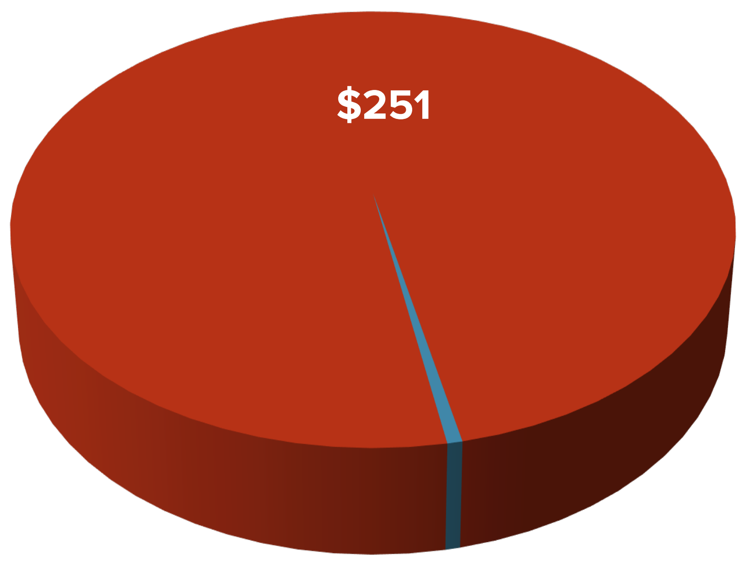
Nonperforming Loans / Total Portfolio Loans



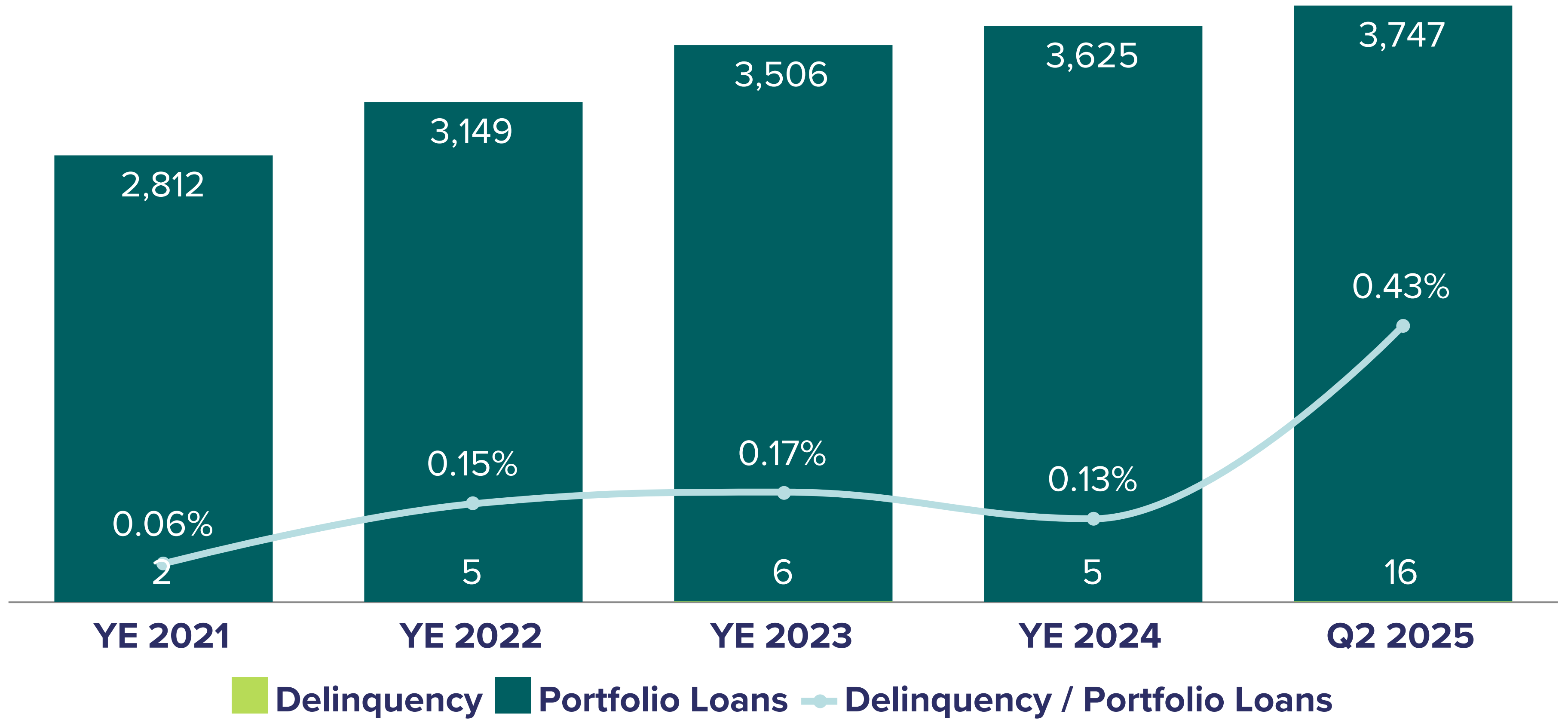
Nonperforming Assets

	YE 2021	YE 2022	YE 2023	YE 2024	Q2 2025
NPA					
NPLs	$ 7	$ 7	$ 310	$ 259	$ 251
OREO	11	8	2	1	1
Total NPA	**$ 18**	**$ 15**	**$ 312**	**$ 260**	**$ 252**

Q2 2025[1]

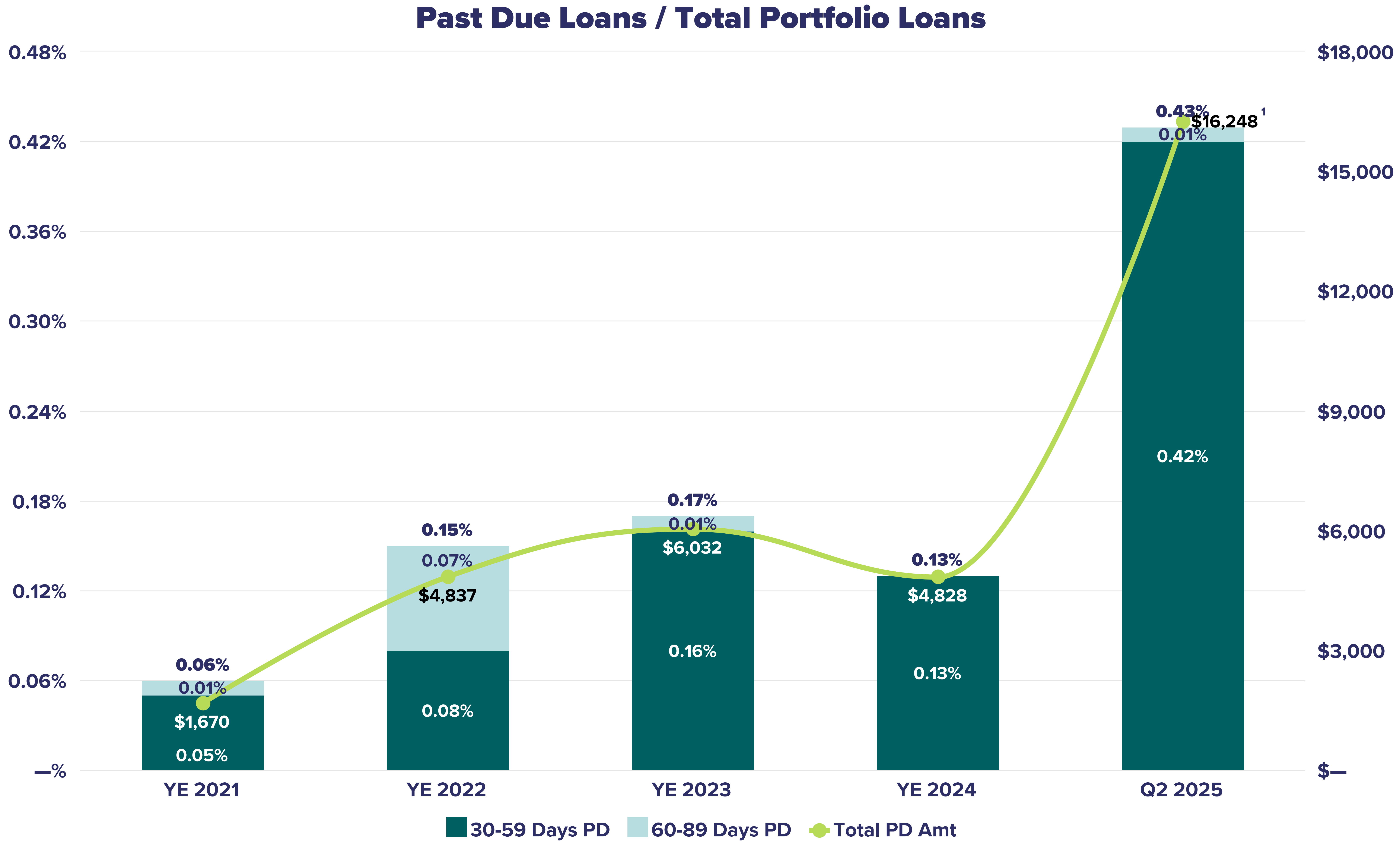


Delinquency / Portfolio Loans



[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 $235.5 million in nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.
$ in millions

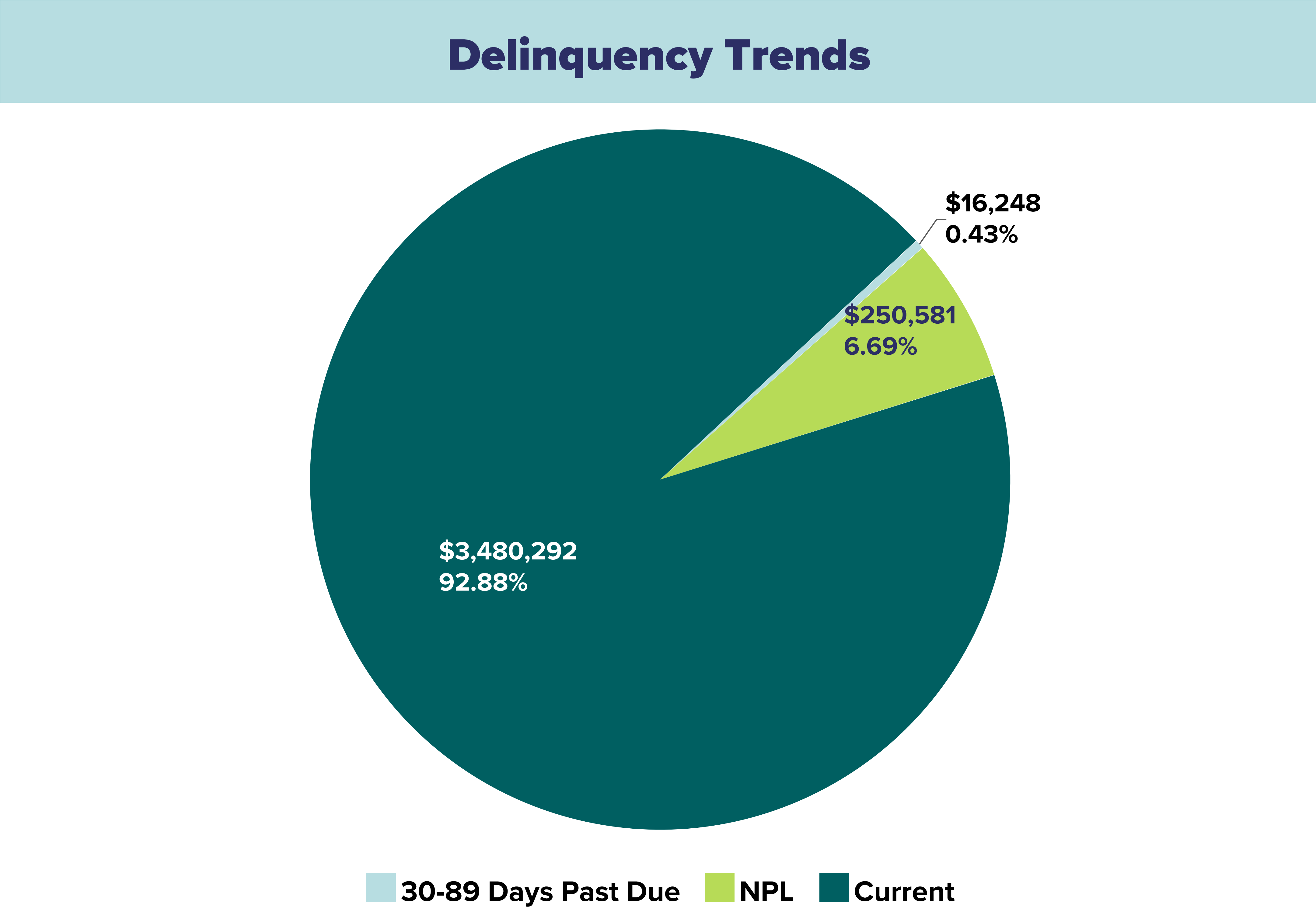
Delinquency Trends



$'s in thousands

[1] Portfolio loans past due 30 to 89 days increased $11.4 million to $16.2 million at June 30, 2025 compared to $4.8 million at December 31, 2024. The increase is primarily attributable to $8.2 million of loan maturities without completion of the internal extension process as of June 30, 2025, which are primarily in commercial real estate. Also contributing to the increase are several credits in residential mortgages with four credits totaling $2.4 million and an additional credit of $4.5 million in the construction segment.

Delinquency Trends



June 30, 2025

$ in thousands	Current	30-89 Days Past Due	NPL	Total Portfolio Loans
Commercial Real Estate	$ 1,983,106	$ 8,047	$ 9,613	$ 2,000,766
Commercial and Industrial	220,616	216	1,048	221,880
Residential Mortgages	806,887	3,159	4,142	814,188
Other Consumer	27,734	228	29	27,991
Construction	438,768	4,598	207	443,573
Other[1]	3,181	—	235,542	238,723
Total	**$ 3,480,292**	**$ 16,248**	**$ 250,581**	**$ 3,747,121**

COMMENTARY:

- **The $235.5M commercial loans placed in "Other" which comprises the largest lending relationship represents 94.0% of the total nonperforming loans**
- **Excluding the largest lending relationship, the Q2 2025 NPL ratio is significantly better than peers (0.40% vs 0.67%) and the delinquency ratio is the same as peers (0.43% vs 0.43%)**

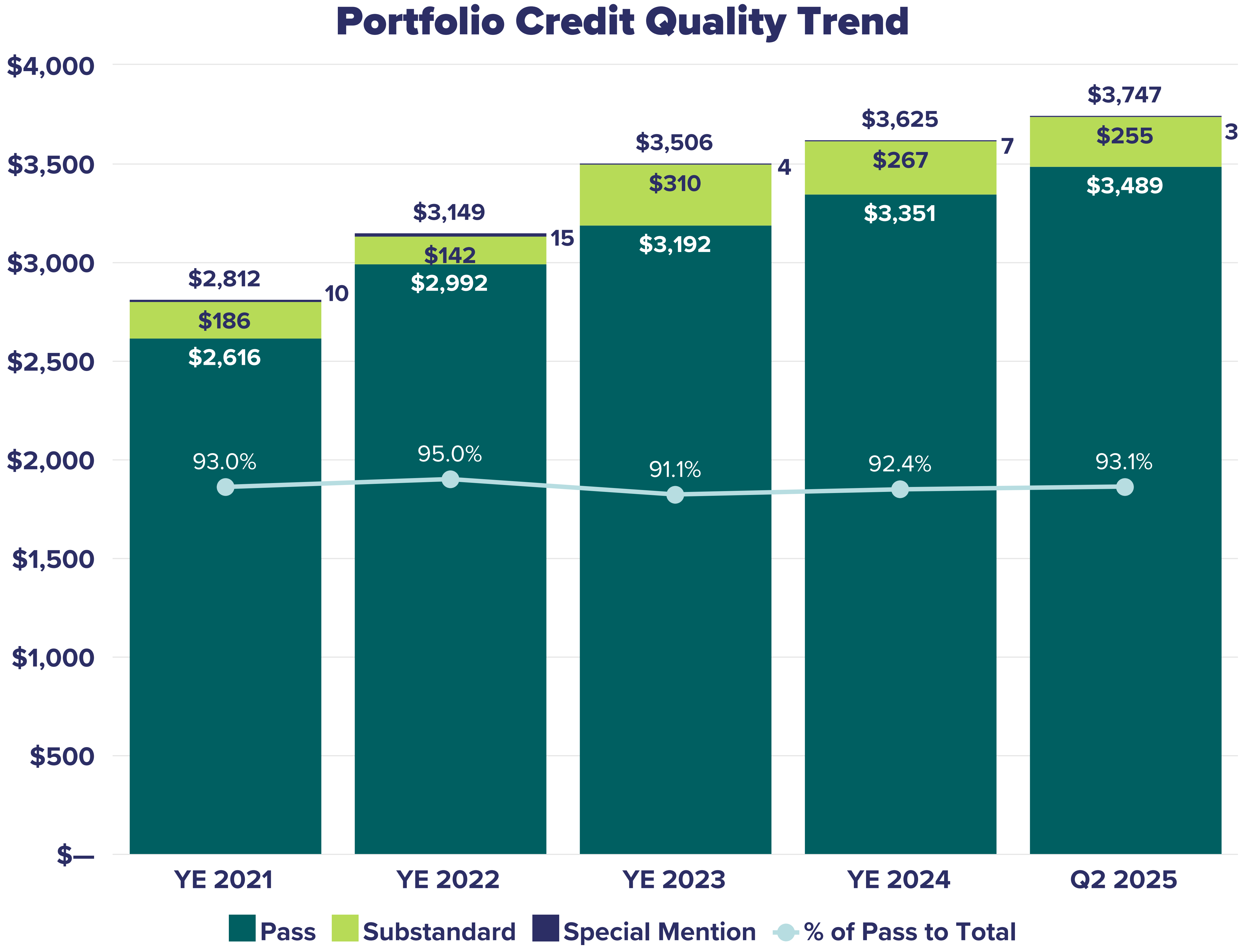
[1]Represents the Bank's largest lending relationship with a current principal balance of $235.5 million placed on nonaccrual status during the second quarter of 2023.
Note: Other Real Estate Owned was $1.7 million as of June 30, 2025.
Note: Peers include AROW, BHB, CFFI, CCBG, CHCO, CCNE, CTBI, FCBC, GSBC, HTB, MPB, MVBF, ORRF, PFIS, FRST, RBCA.A, SHBI, SMBK, SYBT, UVSP, WASH, BHRB, THFF, PEBO

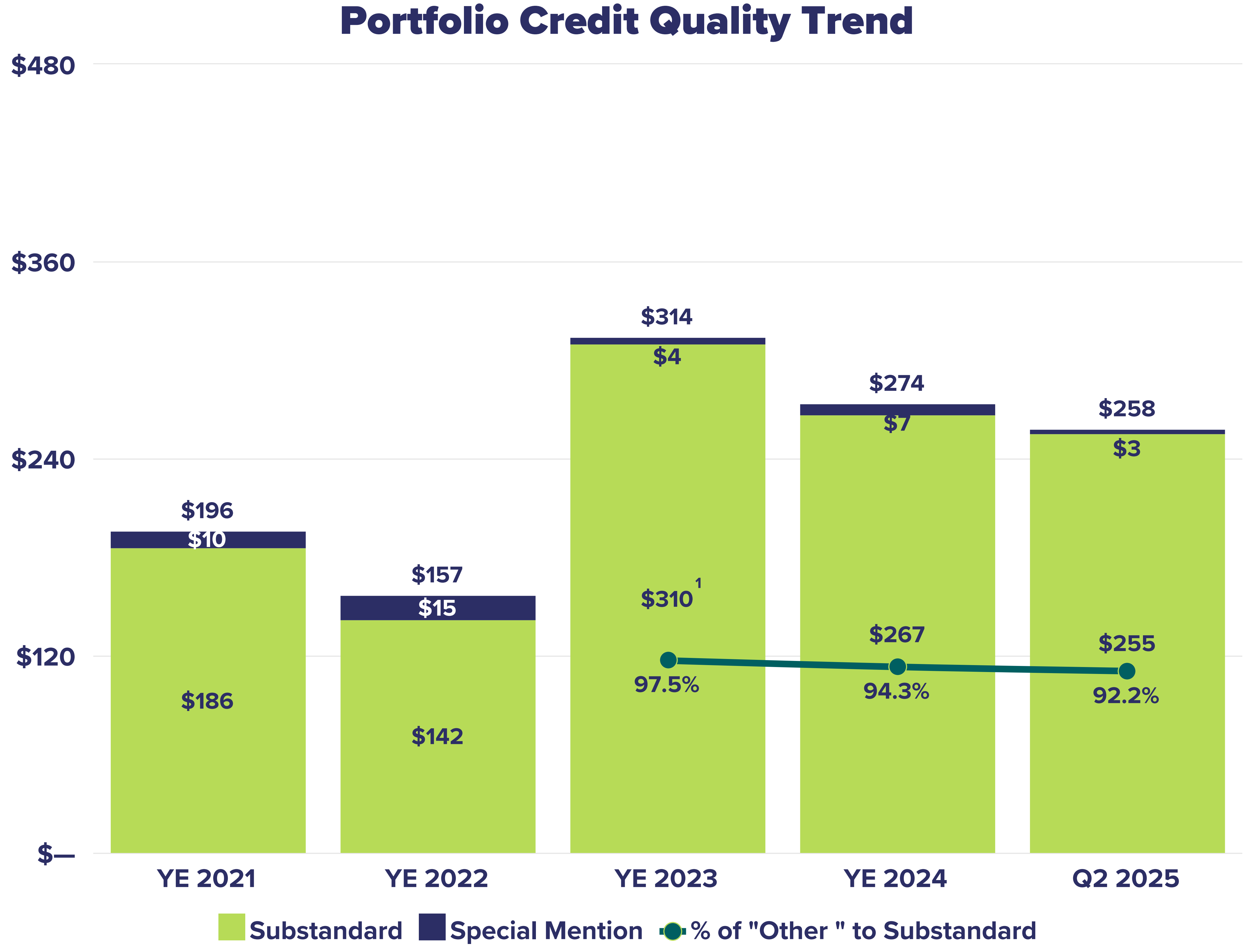
Nonperforming Relationships

$ in thousands	Nonaccrual Balance 6/30/2025	Nonaccrual Balance 12/31/2024	Change	Comments
1. Other	$ 235,542	$ 251,982	$ (16,440)	Other
2 CRE	9,495	—	9,495	Commercial Property
3. Residential Construction	2,018	2,053	(35)	Residential Construction
4. Commercial & Industrial	1,004	1,026	(22)	Purchase Business Equipment
5. Residential	370	—	370	Residential Mortgage Loan
6. Residential	—	527	(527)	Residential Mortgage Loan
7. CRE	—	419	(419)	Commercial Property
Subtotal: Top 5 Nonaccrual Loans	**$ 248,429**	**$ 256,007**	**$ (7,578)**	
Total Nonaccrual Loans	$ 250,581	$ 259,349	$ (8,768)	
Top 5 Nonaccrual Loans / Total Nonaccrual Loans	99.14%	98.71%	0.43%	
Total Portfolio Loans	$ 3,747,121	$ 3,687,495	$ 59,626	
Total Nonaccrual Loans / Total Portfolio Loans	6.69%	7.03%	(0.34)%	
Total Nonaccrual Loans excluding "Other[1]" / Total Portfolio Loans	0.40%	0.20%	0.20%	

[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 $235.5 million, on nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.

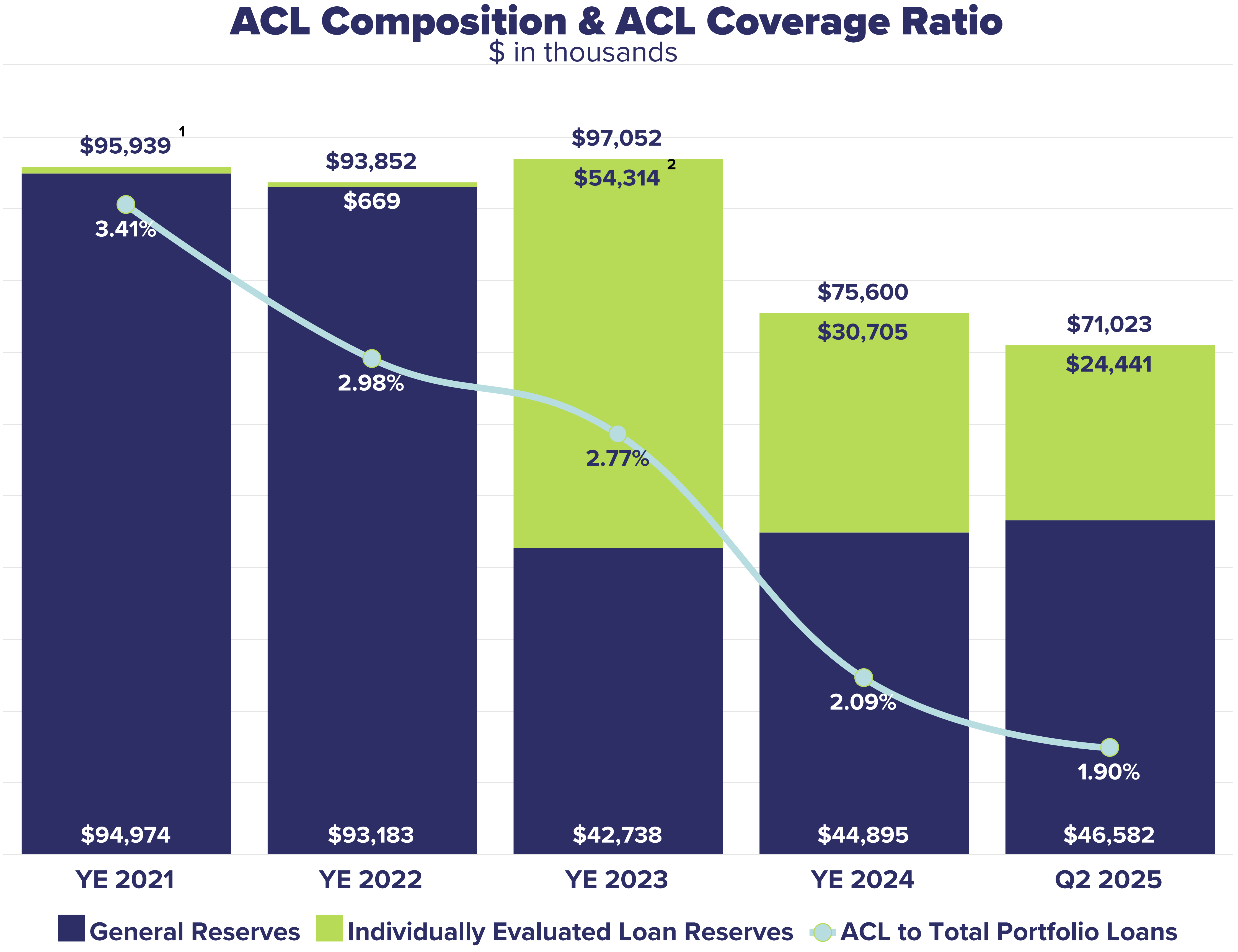
Loan Portfolio - Risk Ratings

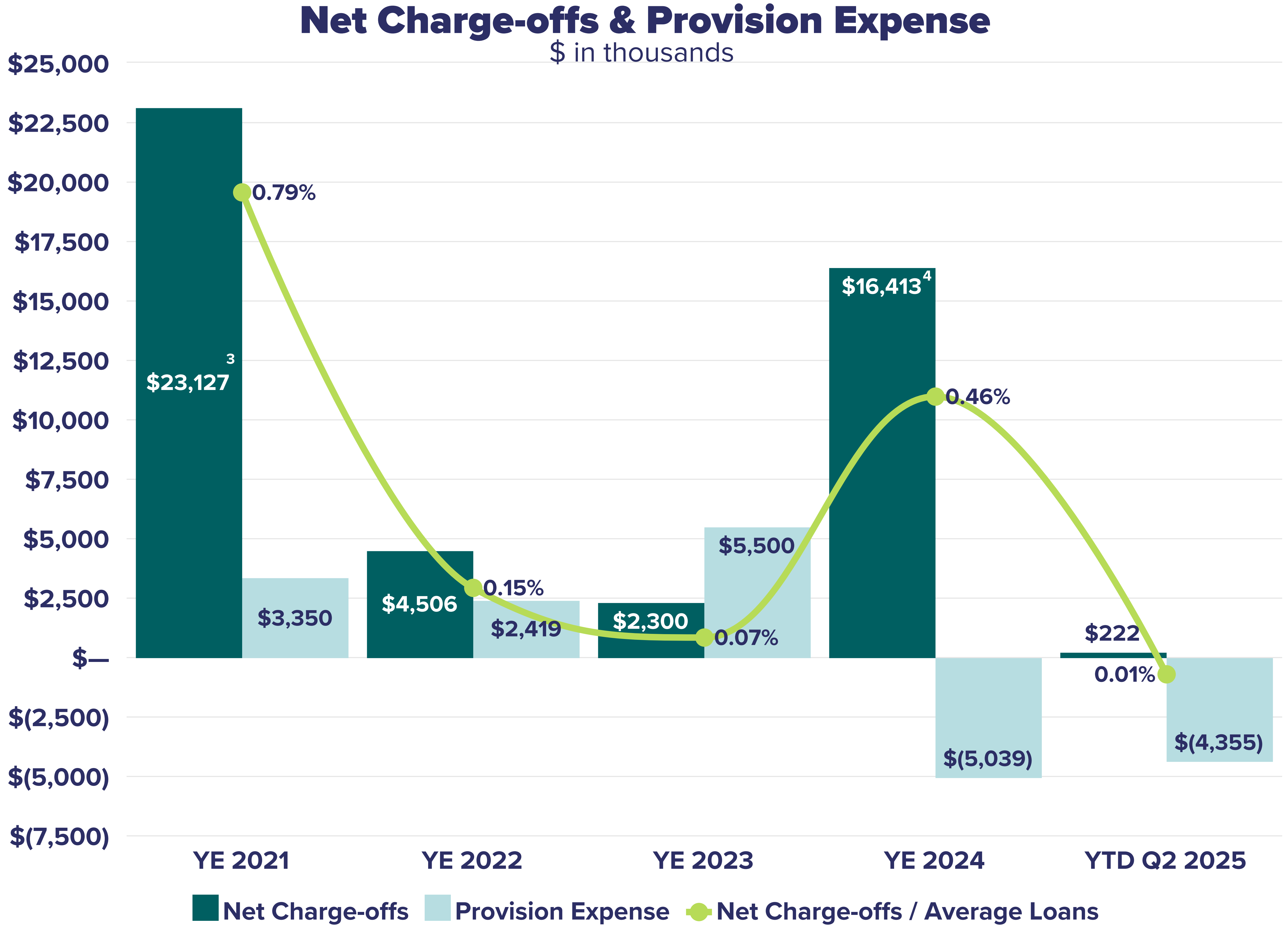




[1] The Company placed $301.9 million of commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship which has a current principal balance of $235.5 million on nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023.
$ in millions

Net Charge-offs & Provision Expense





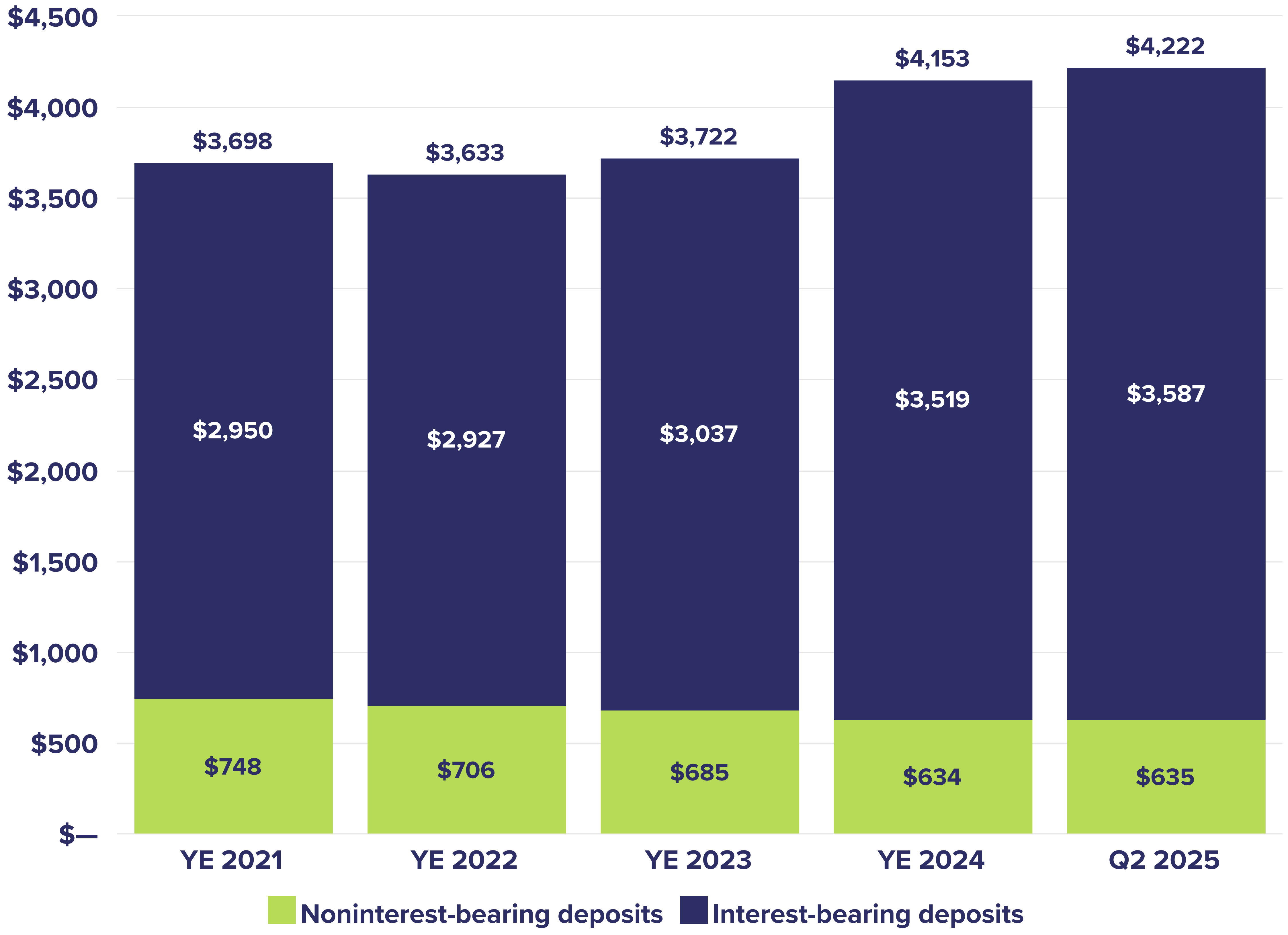
[1] Included in 2021 is the $61.6 million Day 1 adjustment related to the adoption ASU No. 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments”.
[2] The individually evaluated loans increased $53.6 million during the second quarter of 2023 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

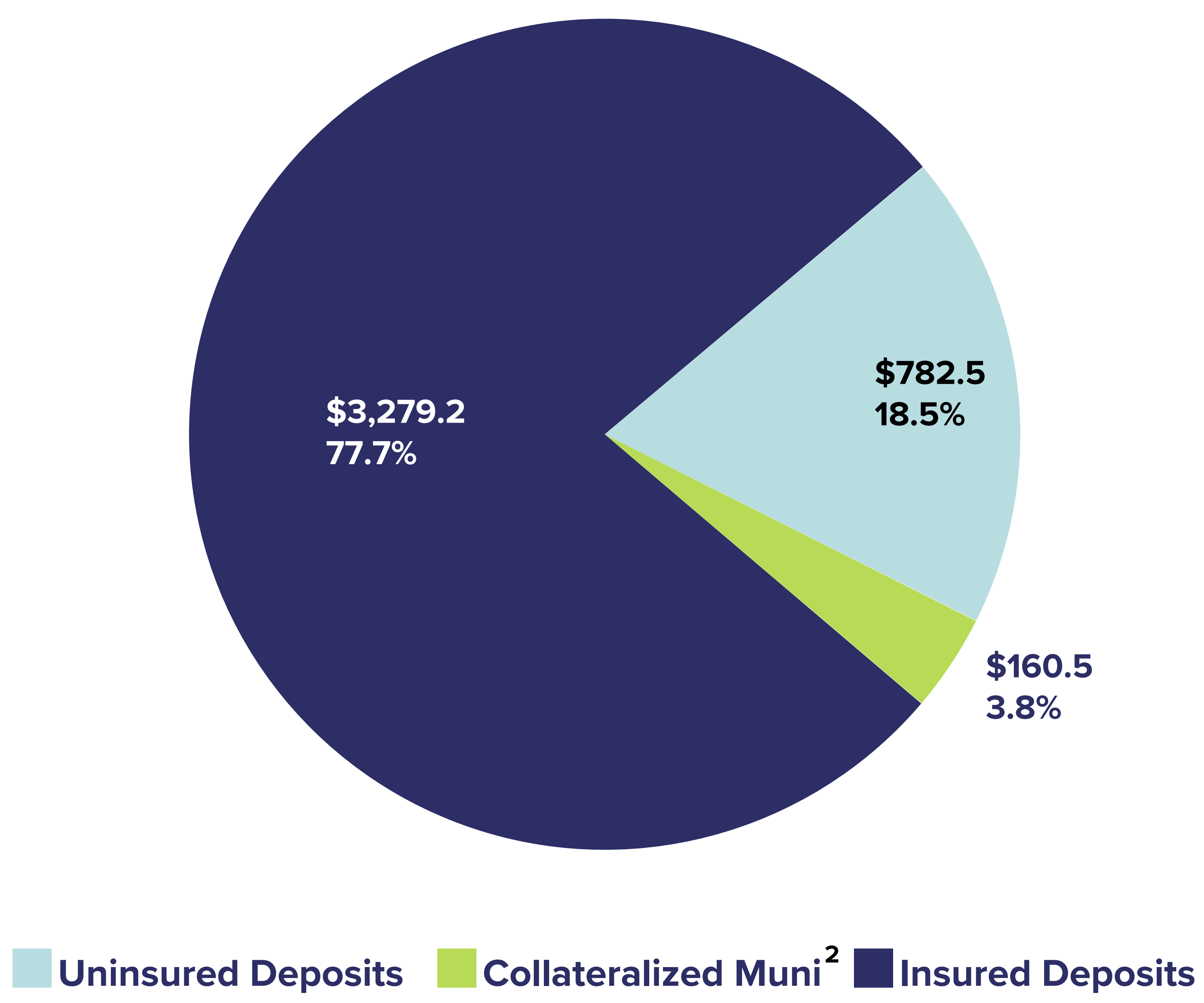
Deposit Mix

Deposits

Total Deposit Composition[1]



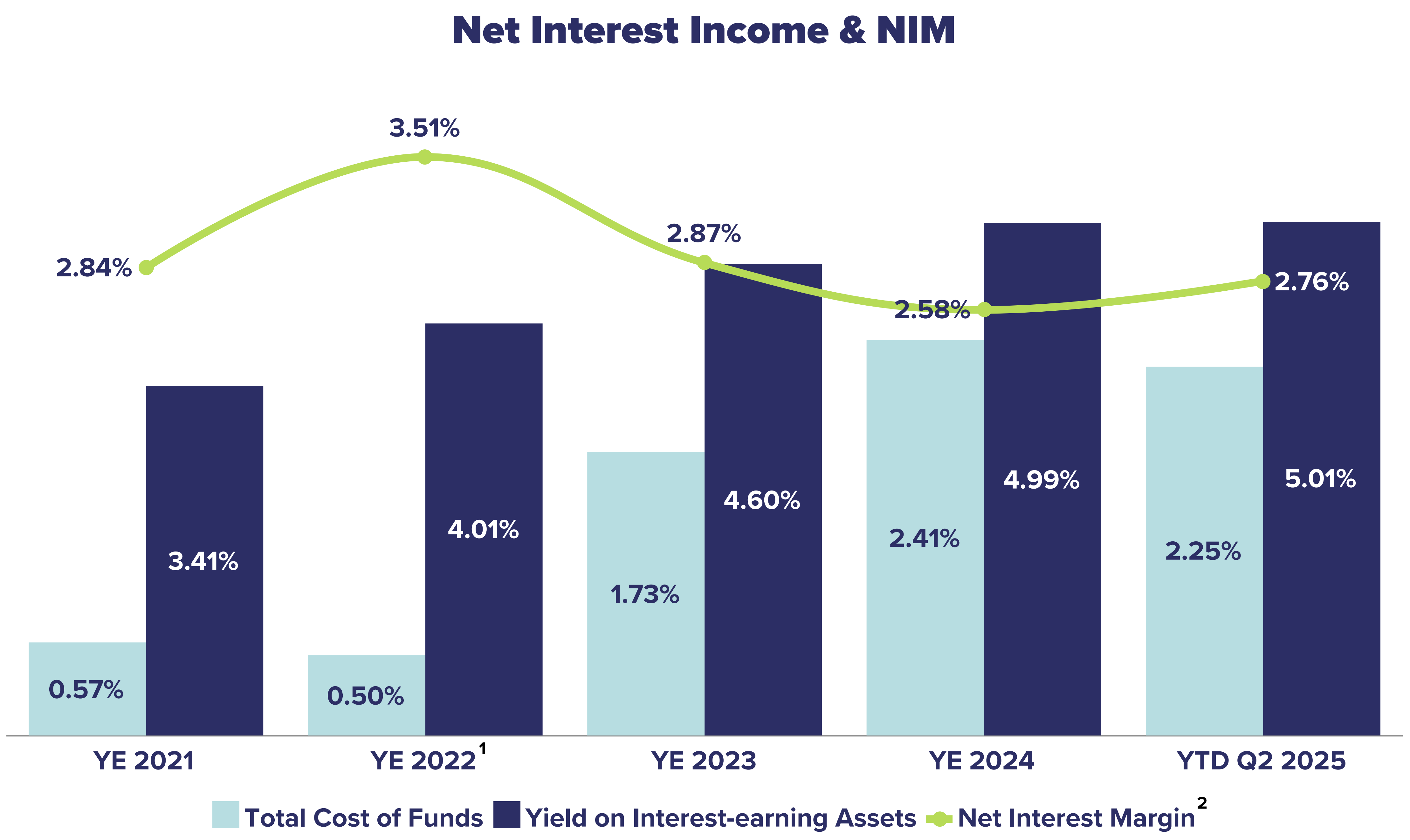
Insured/Uninsured Deposits

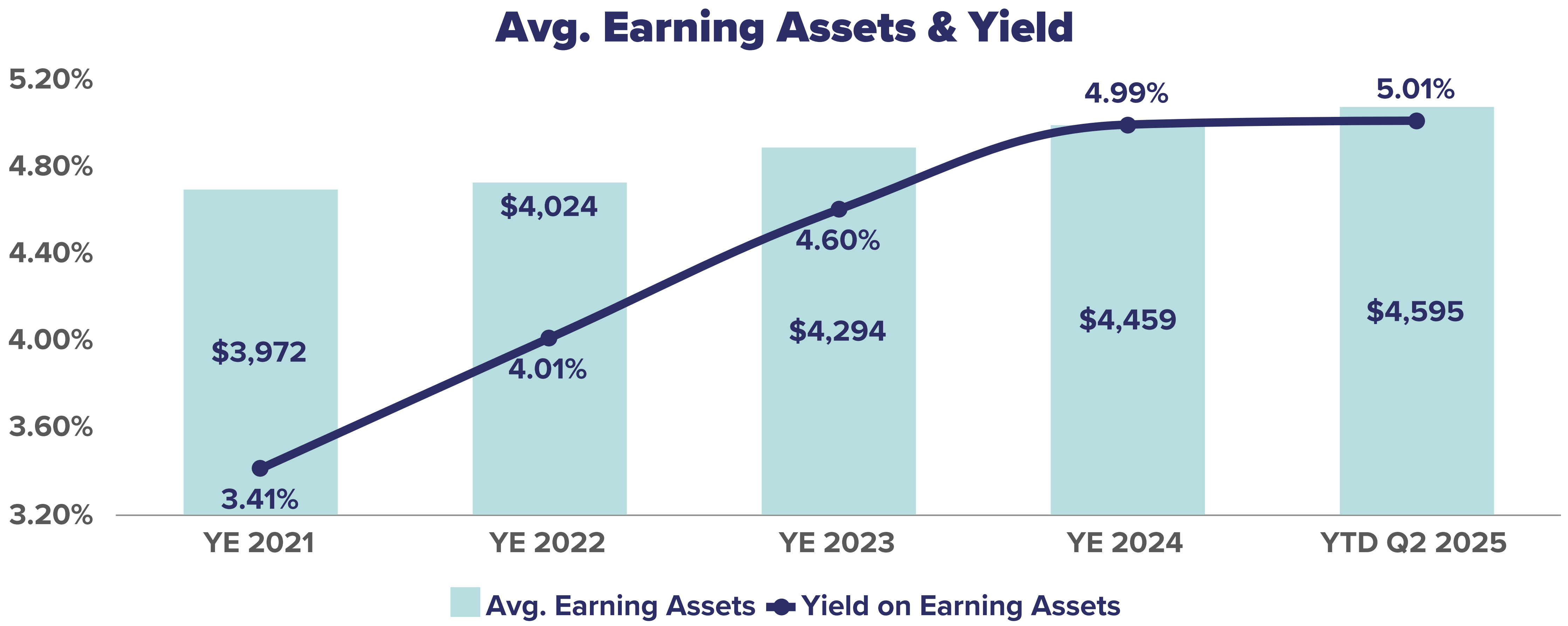


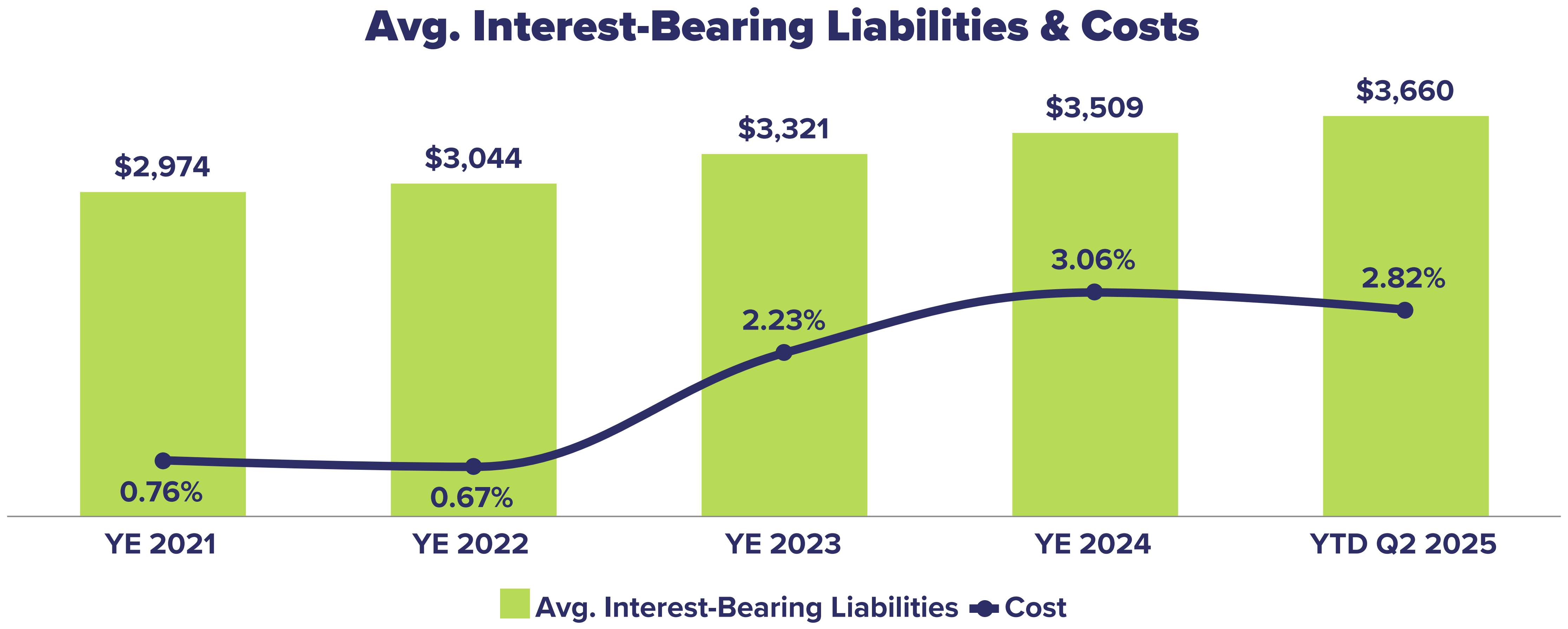
- Well-diversified deposit base of $208,070 customers
  - average commercial deposit account balance is $50.0K
  - average retail deposit account balance is $16.3K
- Deposit mix of 78.0% Consumer / 22.0% Business
- At June 30, 2025, the Bank had no deposit relationships greater than, or equal to, 2.0% of total deposits.
- Partnership with IntraFi for available coverage over $250K FDIC insured limit.

[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







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.

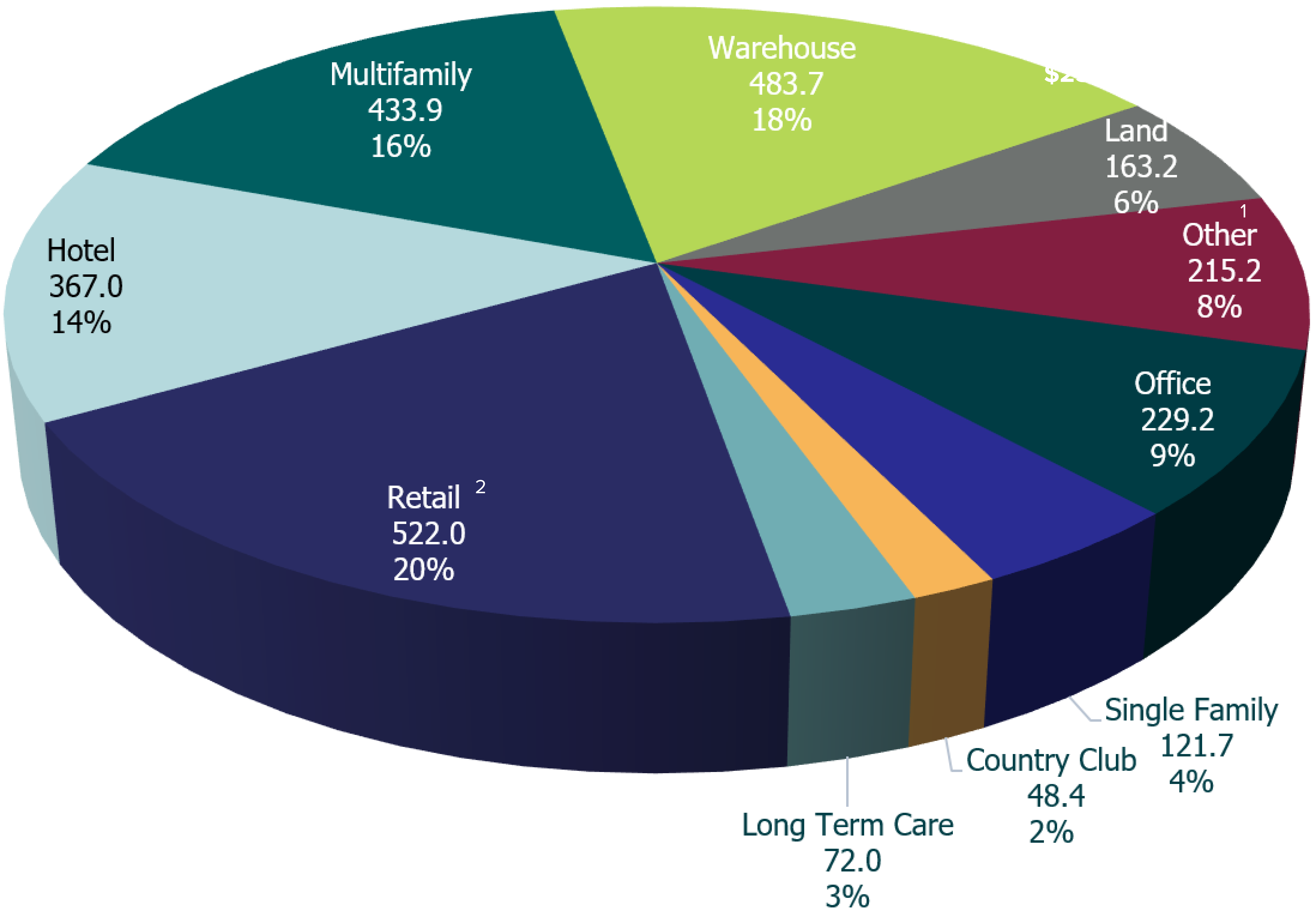
[2] Computed on a fully taxable equivalent basis (FTE) using 21% federal income tax statutory rate for 2021 through 2025.

SECTION 05

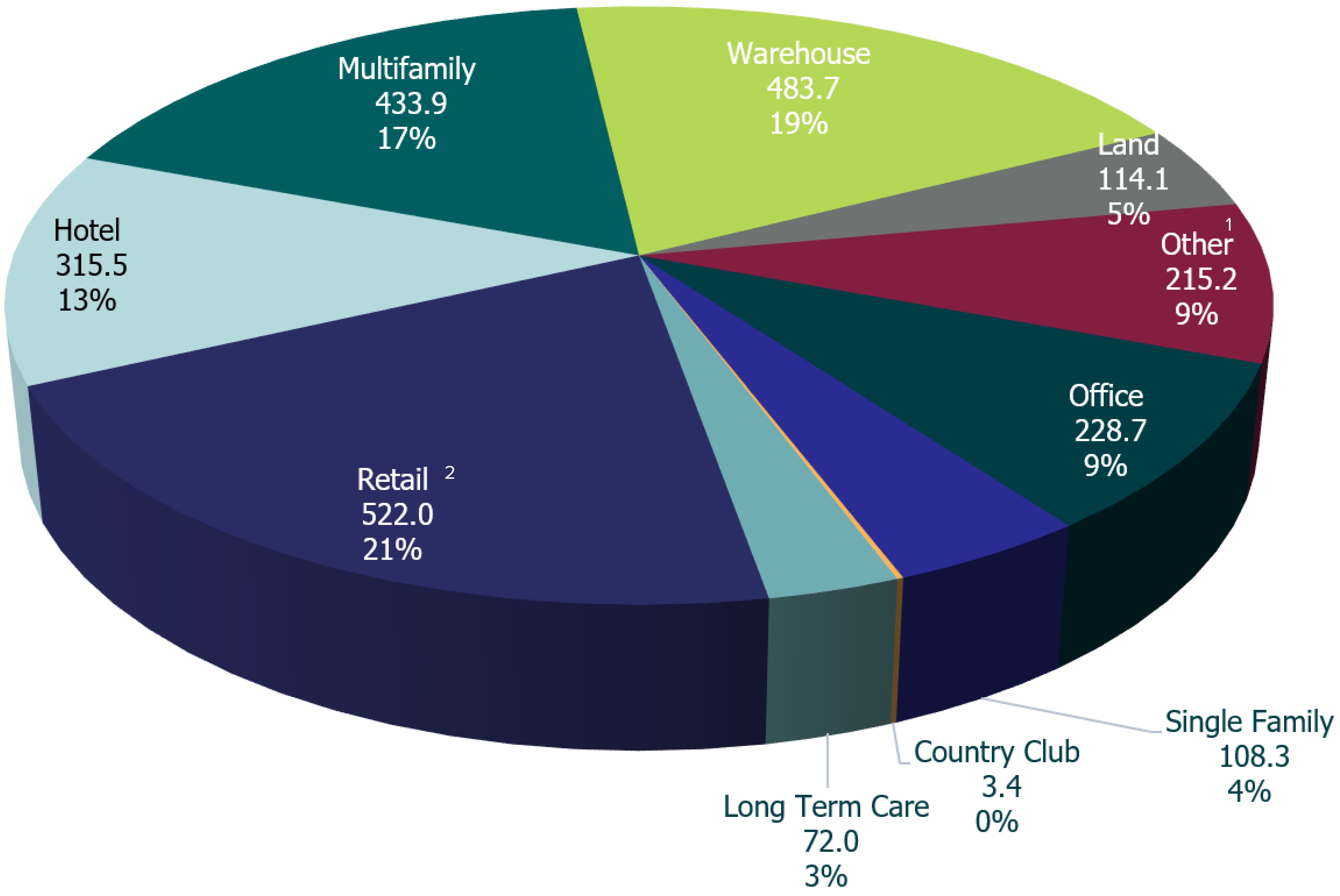
Commercial Loans

CRE Segment Overview

Total CRE: $2,656.3



Total CRE, excluding "Other": $2,496.8



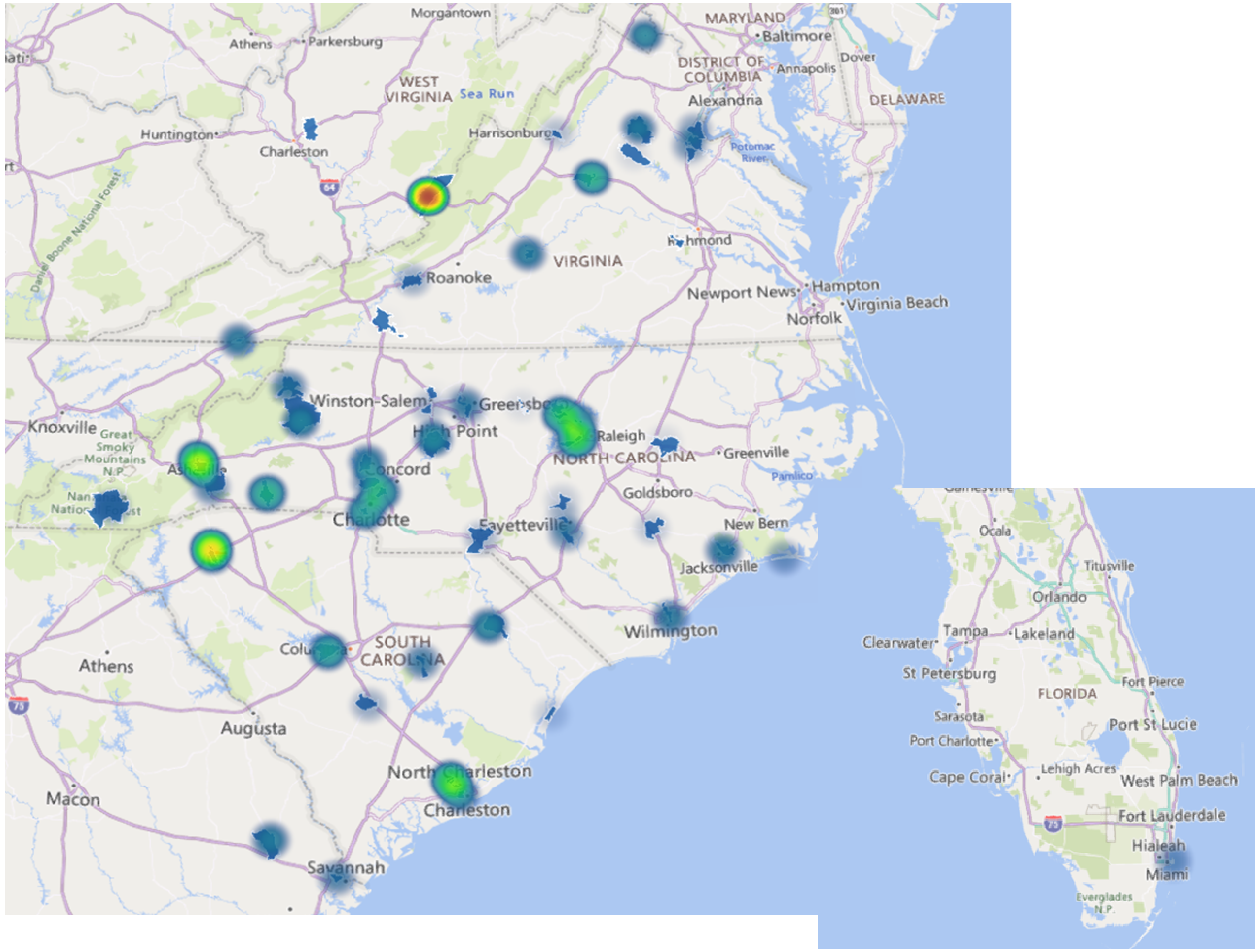
[1] Other CRE & Other Commercial Segments include, but are not limited to, Special / Limited Use, Church, Mobile Home Park, Gas Station, Self-Storage Facilities & Auto Shops
[2] Includes restaurant loans of $32.5 million

Hospitality Metrics

- Total portfolio balance $367.0M
- Geographic diversification (see map)
- Mean loan size in portfolio $6.5M[1]
- Median of loans in portfolio $4.3M[1]
- The largest loan in portfolio $51.6M[1]
- 18.81% are under construction[1]
- Top 10 borrowers make up 44.62% of the total hospitality commitment[1]
- No delinquent loans in the hospitality portfolio[1]
- There are 11.97%* loans in the hospitality portfolio that are adversely classified or NPL[1]
- 91.25% of hospitality portfolio is funded[1]

AVERAGE

4.77	52.4%	$103K
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	$	121,853	33.2%	$	171,213	60.4%	$	7,616	$	118
IHG		73,220	20.0%		76,374	56.9%		4,881		74
Upscale Independent/Boutique		55,692	15.2%		55,692	25.3%		27,846		83
Independent		26,157	7.1%		26,215	48.5%		3,737		223
Wyndham		22,825	6.2%		22,825	56.4%		2,283		40
Marriott		46,433	12.7%		57,588	50.9%		7,739		113
Radisson		10,402	2.8%		10,402	49.5%		2,601		35
Best Western		5,603	1.5%		5,603	41.9%		1,868		20
Choice		4,846	1.3%		4,846	44.8%		1,615		26
Hospitality Totals	**$**	**367,031**	**100.0%**	**$**	**430,758**	**52.4%**	**$**	**6,687**	**$**	**103**

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	$	205,382	56.0%	$	258,061	56.3%	$	5,135	$	110
South Carolina		63,694	17.3%		74,684	59.8%		6,369		102
West Virginia		55,625	15.2%		55,625	24.3%		18,542		69
Virginia		32,123	8.7%		32,181	52.1%		2,920		115
Georgia		10,207	2.8%		10,207	53.9%		5,103		59
Hospitality Totals	**$**	**367,031**	**100.0%**	**$**	**430,758**	**52.4%**	**$**	**7,614**	**$**	**103**

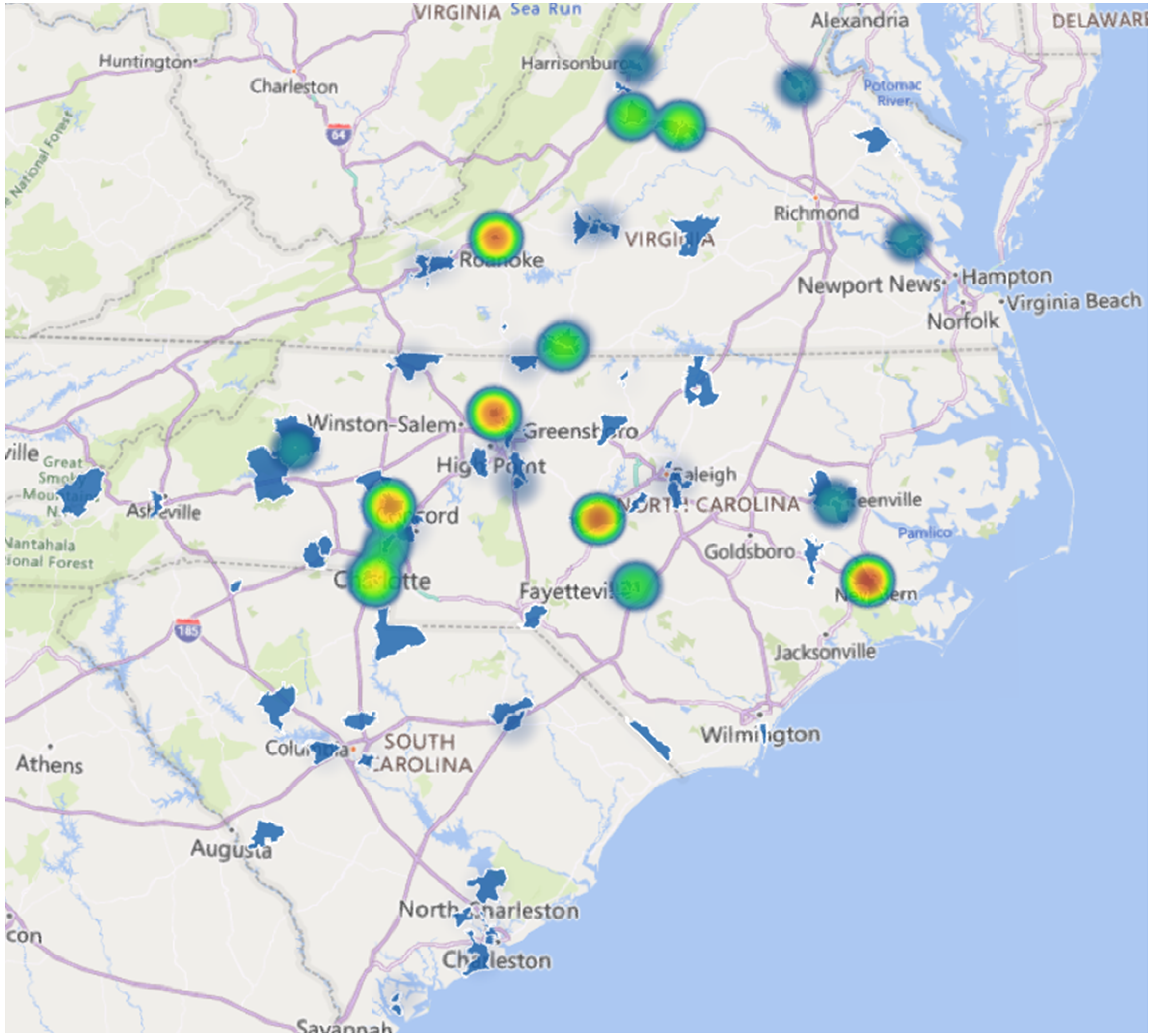
$ in thousands

Multifamily Metrics

- Total portfolio balance $433.9M
- Geographic diversification (see map)
- Mean loan size in portfolio $4.1M[1]
- Median of loans in portfolio $312K[1]
- The largest loan in portfolio $27.0M[1]
- 37.49% are under construction[1]
- Top 10 borrowers make up 53.04% of the total multifamily commitment[1]
- 2.02% loans in the portfolio that are delinquent[1]
- There are no loans in the portfolio that are considered NPL[1]
- 2.02% of the portfolio is considered adversely classified[1]
- 89.85% of portfolio is funded[1]

AVERAGE

4.77	51.0%	$104
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	$ 357,645	82.4%	$ 451,134	50.1%	$ 5,677	$ 113
Student	68,881	15.9%	68,881	61.3%	7,647	49
Participations in Affordable Housing	7,335	1.7%	7,335	10.8%	156	4
Other[1]	—	—%	50	—%	—	—
Multifamily Totals	**$ 433,861**	**100.0%**	**$ 527,400**	**51.0%**	**$ 3,370**	**$ 104**

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	$ 185,146	42.7%	$ 262,160	50.7%	$ 3,429	$ 124
Virginia	135,073	31.1%	150,484	46.6%	3,973	88
South Carolina	44,761	10.3%	45,875	51.8%	1,865	119
Student Housing						
Virginia	47,557	11.0%	47,557	58.9%	5,945	55
South Carolina	19,522	4.5%	19,522	68.0%	19,522	40
North Carolina	1,802	0.4%	1,802	50.1%	1,802	8
Multifamily Totals	**$ 433,861**	**100.0%**	**$ 527,400**	**51.0%**	**$ 6,089**	**$ 104**

$ in thousands

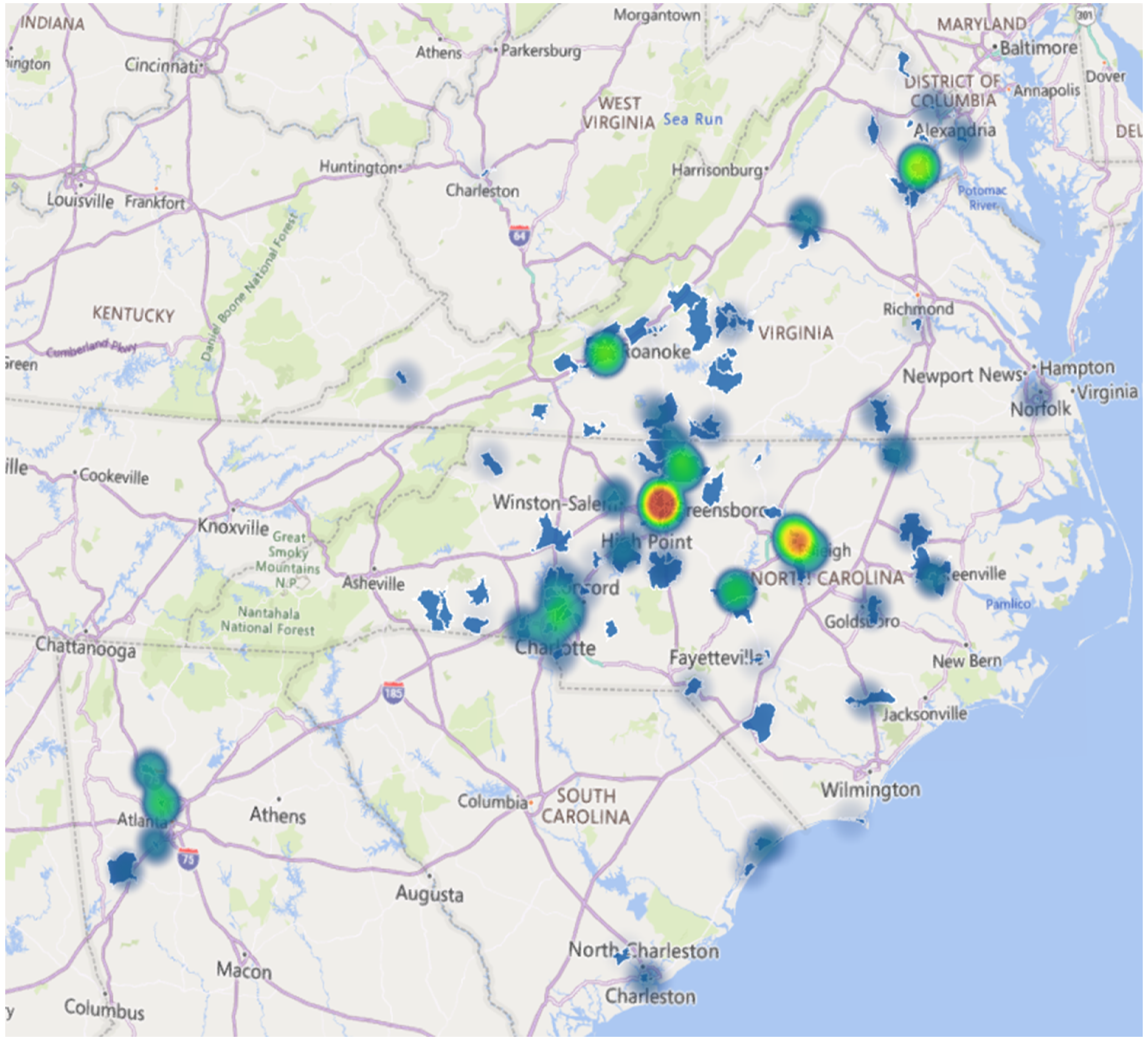
[1] The Other category consists of multifamily properties for which we do not have the data.

Retail Metrics

- Total portfolio balance $489.5M**
- Geographic diversification (see map)
- Mean loan size in portfolio $3.1M[1]
- Median of loans in portfolio $1.4M[1]
- The largest loan in portfolio $27M[1]
- 13.12% are under construction[1]
- Top 10 borrowers make up 31.40% of the total retail commitment[1]
- No loans in this portfolio are considered delinquent[1]
- 0.01% of this portfolio are considered adversely classified[1]
- 0.01% are in NPL status[1]
- 95.70% of retail portfolio is funded[1]

AVERAGE

4.22	57.0%	$133
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	$ 259,253	53.0%	$ 261,979	58.8%	$ 5,401	$ 118
Unanchored Strip Centers	123,211	25.2%	146,642	54.1%	1,987	169
Outparcels/Single Tenant	75,380	15.4%	77,754	54.6%	1,450	129
Power Centers[2]	28,095	5.7%	28,696	60.4%	7,024	101
Big Box	3,559	0.7%	3,559	61.1%	1,186	47
Retail Totals[1]	**$ 489,498**	**100.0%**	**$ 518,630**	**57.0%**	**$ 3,410**	**$ 133**

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size
North Carolina	$ 289,309	59.1%	$ 314,336	53.7%	$ 3,179
Virginia	90,333	18.5%	90,728	63.7%	1,844
Georgia	38,048	7.8%	41,758	56.3%	2,378
South Carolina	35,875	7.3%	35,875	62.7%	4,484
Ohio	10,466	2.1%	10,466	57.8%	10,466
Florida	9,674	2.0%	9,674	75.0%	9,674
Maryland	15,428	3.1%	15,428	61.4%	7,714
West Virginia	365	0.1%	365	44.2%	365
Retail Totals[1]	**$ 489,498**	**100.0%**	**$ 518,630**	**57.0%**	**$ 5,013**

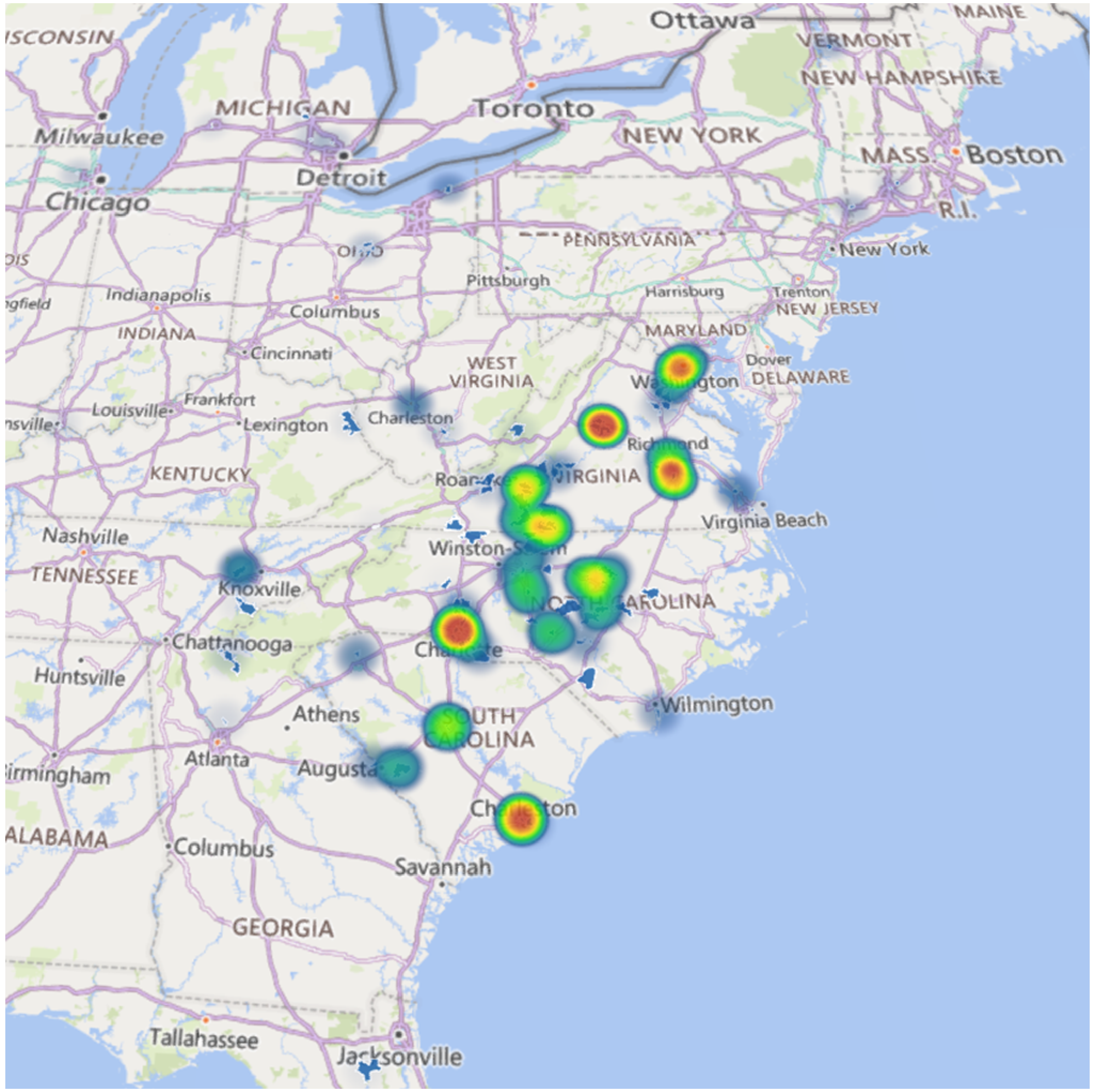
$ in thousands
[1] Excludes restaurant loans of $32.5 million
[2] A Power Center is a large outdoor shopping mall that usually includes three or more "Big Box" stores.

Office Metrics

- Total portfolio balance $229.2M
- Geographic diversification (see map)
- Mean loan size in portfolio $1.94M[1]
- Median of loans in portfolio $405K[1]
- The largest loan in portfolio $23.1M[1]
- 3.70% are under construction[1]
- Top 10 borrowers make up 56.69% of the total office commitment[1]
- 0.05% of this portfolio are considered delinquent[1]
- 0.22% of loans are primarily rated special mention[1]
- 0.22% are in NPL status[1]
- 95.59% of office portfolio is funded[1]

AVERAGE

4.29	**$118**
RISK RATING	DEBT/SQ FT



¹ Commitment Level

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	$ 196,942	85.9%	$ 211,673	$ 2,141	$ 124
Medical Offices	24,805	10.8%	25,701	1,550	82
Veterinary Offices	6,847	3.0%	13,551	380	102
Law Offices	665	0.3%	665	166	63
Office Totals	**$ 229,258**	**100.0%**	**$ 251,590**	**$ 1,059**	**$ 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	$ 99,810	43.5%	$ 102,344	$ 2,079	$ 100
North Carolina	66,010	28.8%	81,767	1,320	127
South Carolina	39,256	17.1%	43,296	6,543	148
Maryland	6,613	2.9%	6,613	6,613	121
Georgia	5,259	2.3%	5,259	1,052	162
Tennessee	3,003	1.3%	3,003	1,501	54
West Virginia	2,430	1.1%	2,430	810	69
Ohio	1,896	0.8%	1,896	948	105
Conneticut	1,326	0.6%	1,326	442	90
Michigan	1,146	0.5%	1,146	382	97
Vermont	915	0.4%	915	458	163
Illinois	517	0.2%	517	517	129
Maine	367	0.2%	367	367	154
Indiana	286	0.1%	286	286	45
Kentucky	230	0.1%	230	230	73
Florida	197	0.1%	197	197	75
Office Totals	**$ 229,258**	**100.0%**	**$ 251,590**	**$ 1,484**	**$ 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)	**2Q 2025**	**1Q 2025**	**2Q 2024**
(Dollars in Thousands)			
Interest Income (FTE) (Non-GAAP)			
Interest and Dividend Income (GAAP)	$ 57,747	$ 56,007	$ 54,583
Tax Equivalent Adjustment [3]	171	178	197
Interest and Dividend Income (FTE) (Non-GAAP)	**57,918**	**56,185**	**54,780**
Average Earning Assets	$ 4,634,635	$ 4,554,103	$ 4,437,077
Yield on Interest-earning Assets (GAAP)	**5.00%**	**4.99%**	**4.95%**
Yield on Interest-earning Assets (FTE) (Non-GAAP)	**5.01%**	**5.00%**	**4.97%**
Net Interest Income (GAAP)	$ 32,359	$ 30,138	$ 28,092
Tax Equivalent Adjustment [3]	171	178	197
Net Interest Income (FTE) (Non-GAAP)	**32,530**	**30,316**	**28,289**
Average Earning Assets	$ 4,634,635	$ 4,554,103	$ 4,437,077
Net Interest Margin (GAAP)	**2.80%**	**2.68%**	**2.55%**
Net Interest Margin (FTE) (Non-GAAP)	**2.82%**	**2.70%**	**2.56%**

[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)	**2Q 2025**	**1Q 2025**	**2Q 2024**
(Dollars in Thousands)			
Noninterest Expense	**$ 29,304**	**$ 28,042**	**$ 27,446**
Less: (Losses) Gains on sales and write-downs of Branch Premises, net	(60)	3	(44)
Less: (Losses) Gains on Sales and write-downs of OREO, net	(262)	(81)	8
1035 Exchange fee on BOLI	(252)	(275)	—
Less: Acquisition Costs	(386)	—	—
Less: Severance Pay	(40)	—	—
Less: Contingent Liability	(38)	—	—
Adjusted Noninterest Expense (Non-GAAP)	**28,266**	**27,689**	**27,410**
Net Interest Income	**$ 32,359**	**$ 30,138**	**$ 28,092**
Plus: Taxable Equivalent Adjustment[3]	171	178	197
Net Interest Income (FTE) (Non-GAAP)	**32,530**	**30,316**	**28,289**
Less: Gains on Sales of Securities, net	—	—	(36)
Less: Equity Security Unrealized Fair Value Gain	(22)	(137)	(63)
Gain on BOLI death benefit[5]	—	(1,882)	—
Less: OREO Income	—	—	(20)
Noninterest Income	4,908	6,901	5,533
Net Interest Income (FTE) (Non-GAAP) plus Adjusted Noninterest Income	**37,416**	**35,198**	**33,703**
Efficiency Ratio (GAAP)	**78.63%**	**75.71%**	**81.62%**
Adjusted Efficiency Ratio (Non-GAAP)	**75.55%**	**78.67%**	**81.33%**

[3] Computed on a fully taxable equivalent basis ("FTE") using a 21% federal income tax rate for the 2025 and 2024 periods.
[5] The gain on BOLI death benefit is tax-exempt.

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 2Q 2025
(Dollars in Thousands)		
Adjusted Book Value (Non-GAAP)		
Total Shareholders' Equity	$	405,635
Add: AOCL		52,250
Add: Other Segment Reserve Release, net of tax		19,192
Total Shareholders' Equity, excluding AOCI and segment reserve release (Non-GAAP)	**$**	**477,077**
Common Shares Outstanding at End of Period		22,670
Book Value (GAAP)	**$**	**17.89**
Adjusted Book Value (Non-GAAP)	**$**	**21.05**

Non-GAAP Reconciliation

Adjusted Nonperforming Loans ("NPL") to Total Portfolio Loans (Non-GAAP)		June 30, 2025
(Dollars in Thousands)		
Adjusted NPLs (Non-GAAP)		
Total NPL	$	250,581
Less: Bank's Largest Lending Relationship		235,542
Total NPL, excluding Bank's Largest Lending Relationship (Non-GAAP)	**$**	**15,039**
Total Portfolio Loans	$	3,747,121
NPL to Total Portfolio Loans (GAAP)		**6.69%**
Adjusted NPL to Total Portfolio Loans (Non-GAAP)		**0.40%**

Adjusted Allowance for Credit Losses ("ACL") to Total Portfolio Loans (Non-GAAP)		June 30, 2025
(Dollars in Thousands)		
Adjusted ACL (Non-GAAP)		
Total ACL	$	71,023
Less: Bank's Largest Lending Relationship Reserve		23,968
Total ACL, excluding Bank's Largest Lending Relationship Reserve (Non-GAAP)	**$**	**47,055**
Total Portfolio Loans	$	3,747,121
ACL to Total Portfolio Loans (GAAP)		**1.90%**
Adjusted ACL to Total Portfolio Loans (Non-GAAP)		**1.26%**