

Investor Presentation

Third Quarter 2025

Nasdaq: CARE



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 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. Actual results may differ significantly from those expressed in or implied by these forward-looking statements. 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, slowdowns in economic growth and government shutdowns; 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.

Table of Contents

SECTION 01	Overview	4-13
SECTION 02	Financial Highlights	14-25
SECTION 03	Asset Quality	26-32
SECTION 04	Deposit Mix	33-35
SECTION 05	Commercial Loans	36-45
SECTION 06	Non-GAAP Reconciliation	46-51

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

–

\$3.8B
Loans

–

\$4.2B
Deposits

Corporate Highlights

- Onboarded new customers at the two acquired First Reliance Bank North Carolina branches
-
- Hired new market executive in Greenville, South Carolina and announced expansion plans in the market
-
- 65.8% of Loan Production funded at a weighted average rate of 6.77% YTD 2025, with Construction loans of approximately \$450M funding over the next 12-18 months.
-
- Deposit Growth of 3.1% compared to Q3'24
-
- Strong Available Liquidity Position
-
- Diversified and Granular Deposit base, approximately 78.2% Retail Customers

Regional Footprint

51 Total Branches in Virginia

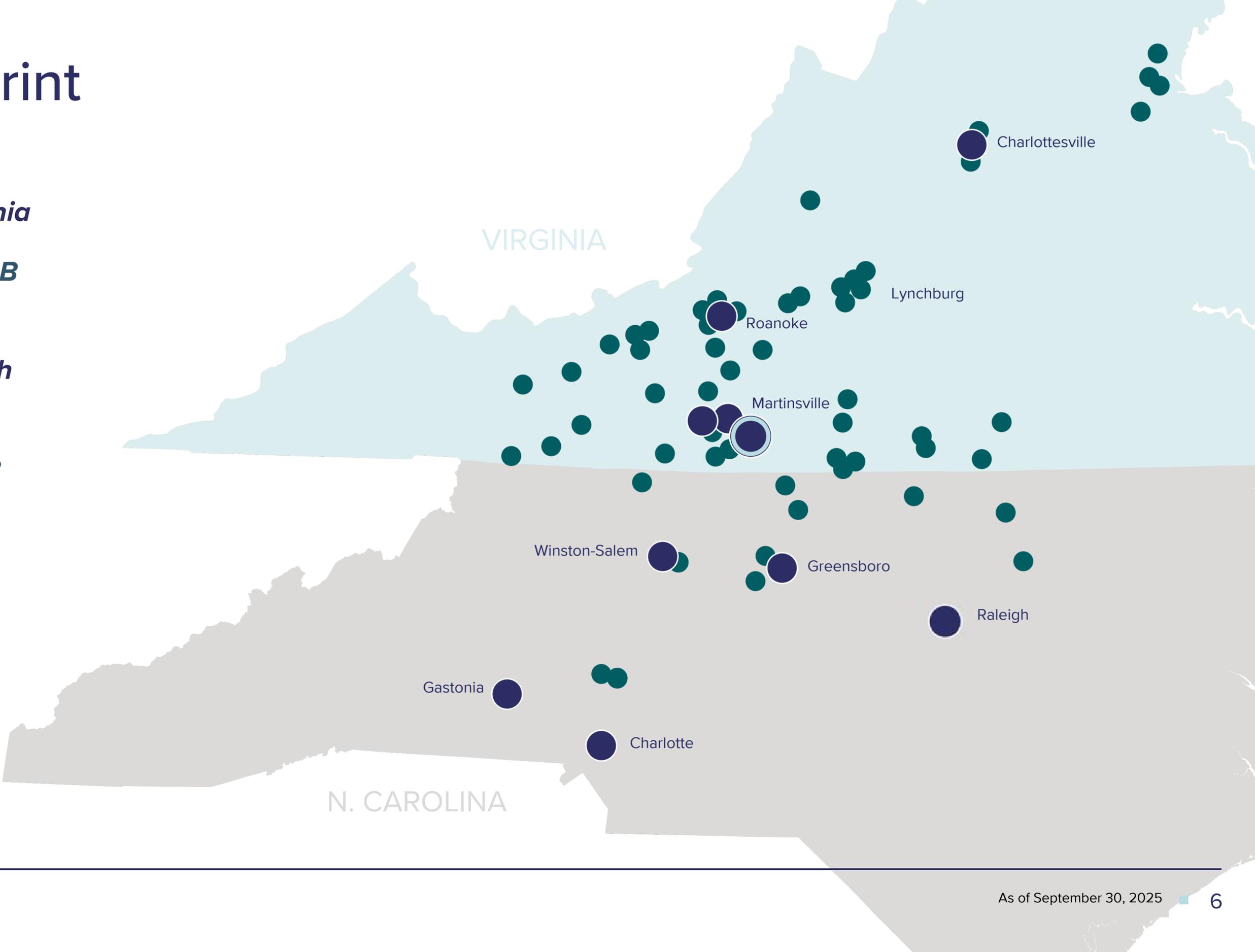
Total VA Deposits \$3.6B

13 Total Branches in North Carolina

Total NC Deposits \$0.6B

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



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
Controller
 19 years in Industry
 4 years at the Bank



OUR PURPOSE

To create opportunities for more people and businesses to prosper.

Rewarding Relationships



*Nurturing relationships
and rewarding
customers, associates,
and shareholders.*

Corporate & Social Responsibility



Over 200 people, including associates, customers, families, and friends, joined us for Carter Bank Night at the Martinsville Mustangs game, making the night a home run! The Mustangs have been providing opportunities for families to enjoy collegiate summer baseball in Martinsville since 2005.

During the event, associates assisted with the collection of non-perishable items for donation to the local chapter of the Salvation Army.



Associates from Stratford Road and Knollwood recently showed their commitment to helping others live life to the fullest, by assembling birthday and health & wellness kits for donation to Crisis Control Ministries in Winston-Salem, NC.

Crisis Control Ministries supports residents in Forsyth and Stokes counties who are facing crises, helping them meet essential needs and work toward self-sufficiency.



Carter Bank was the proud sponsor of Agricultural Fairs in Carroll, Franklin, and Grayson counties. Our associates enjoyed connecting with neighbors, celebrating local traditions, and sharing why agriculture matters not only in SWVA, but everywhere!



Investment Highlights

Strong Financial Performance

- Strong Liquidity & Capital Position
- CET1 of 10.66%
- ACL coverage of 1.92%
- \$1.2B of total available liquidity
- 157.1% 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.

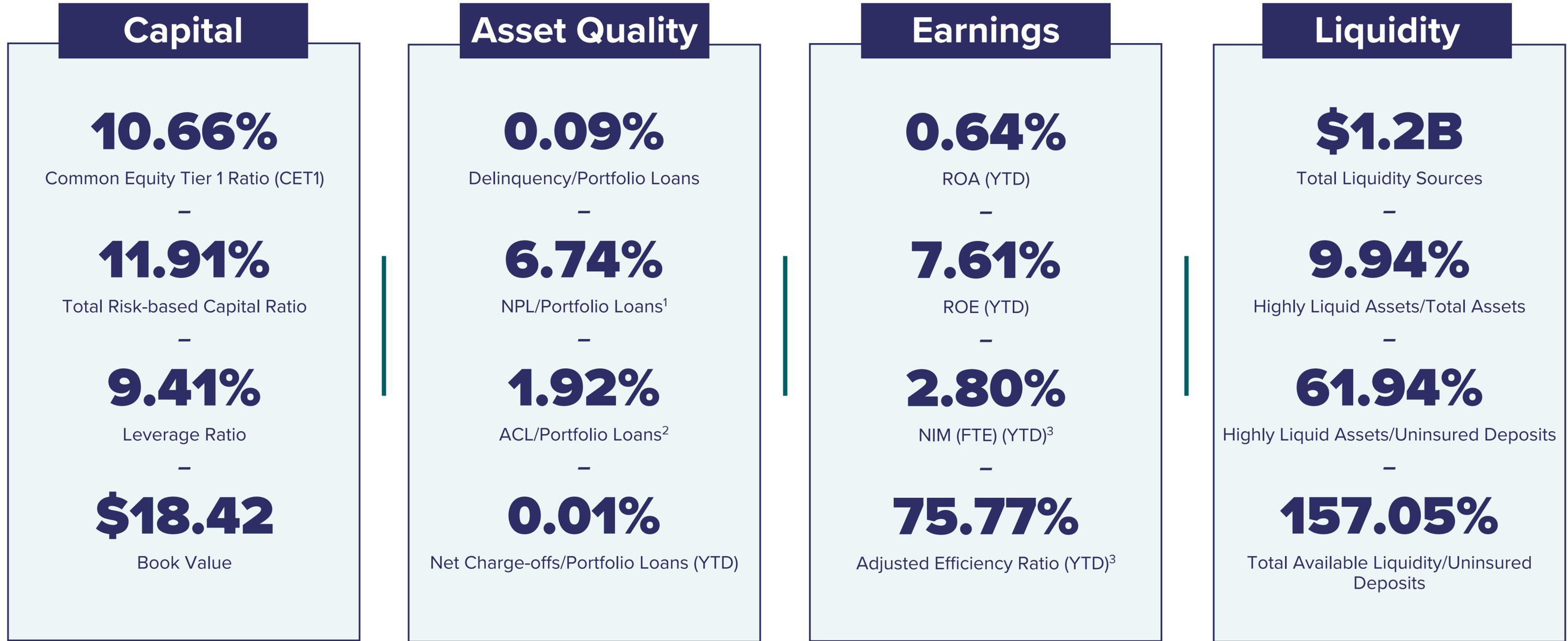
Enhance

We will focus on initiatives around enhancing technology, operations, customer experience, C&I, CRA, 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.

Safety & Soundness



SECTION 02

Financial

Balance Sheet & Income Statement

Operational Results	3Q 2025	2Q 2025	Q/Q Change \$	3Q 2024	Y/Y Change \$
Net Interest Income	\$ 33,719	\$ 32,359	\$ 1,360	\$ 28,798	\$ 4,921
Provision (Recovery) for Credit Losses	2,896	(2,330)	5,226	(432)	3,328
Recovery for Unfunded Commitments	335	(335)	670	191	144
Noninterest Income	5,370	4,908	462	5,422	(52)
Noninterest Expense	28,704	29,304	(600)	27,433	1,271
Income Tax Expense	1,735	2,118	(383)	1,399	336
Net Income	\$ 5,419	\$ 8,510	\$ (3,091)	\$ 5,629	\$ (210)
Balance Sheet Condition					
Assets	\$ 4,840,119	\$ 4,784,091	\$ 56,028	\$ 4,613,435	\$ 226,684
Gross Loans	3,836,131	3,747,367	88,764	3,596,251	239,880
Allowance for Credit Losses	(73,762)	(71,023)	(2,739)	(80,909)	7,147
Securities	727,903	755,212	(27,309)	742,635	(14,732)
Deposits	4,210,347	4,222,239	(11,892)	4,085,068	125,279
Borrowings	175,500	113,500	62,000	90,000	85,500
Shareholders' Equity	\$ 412,838	\$ 405,635	\$ 7,203	\$ 386,825	\$ 26,013

\$1.4M / \$4.9M

Net Interest Income up Q/Q & Y/Y

\$2.9M / \$(2.3)M

Provision (Recovery) for Credit Losses 3Q25 & 2Q25

\$88.8M / \$239.9M

Loan Growth up Q/Q & Y/Y

\$(11.9)M / \$125.3M

Deposits down Q/Q & up Y/Y

\$62.0M / \$85.5M

Borrowings up Q/Q & Y/Y

\$7.2M / \$26.0M

Shareholders' Equity up Q/Q & Y/Y

Financial / Shareholder Ratios

Shareholder Ratios	3Q 2025	2Q 2025	Q/Q Change	3Q 2024	Y/Y Change
Diluted Earnings Per Share (QTD)	\$ 0.24	\$ 0.37	\$ (0.13)	\$ 0.24	\$ —
Financial Ratios					
Return on Avg Assets (QTD)	0.45%	0.72%	(0.27)%	0.49%	(0.04)%
Return on Avg Shareholders' Equity (QTD)	5.24%	8.45%	(3.21)%	5.99%	(0.75)%
Net Interest Margin (FTE)(QTD) ¹	2.87%	2.82%	0.05%	2.59%	0.28%
Adjusted Efficiency Ratio (QTD) ¹	73.37%	75.55%	(2.18)%	80.65%	(7.28)%
Asset Quality Ratios					
NPL / Portfolio Loans	6.74%	6.69%	0.05%	8.00%	(1.26)%
NPA / Total Assets plus OREO	6.75%	6.73%	0.02%	8.04%	(1.29)%
ACL / Portfolio Loans	1.92%	1.90%	0.02%	2.25%	(0.33)%
Net Chg-offs / Portfolio Loans (QTD annualized)	0.02%	0.02%	—%	1.71%	(1.69)%

0.05% / 0.28%

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

(2.18)% / (7.28)%

Adj Efficiency Ratio down Q/Q & Y/Y

\$7.0M / \$9.5M

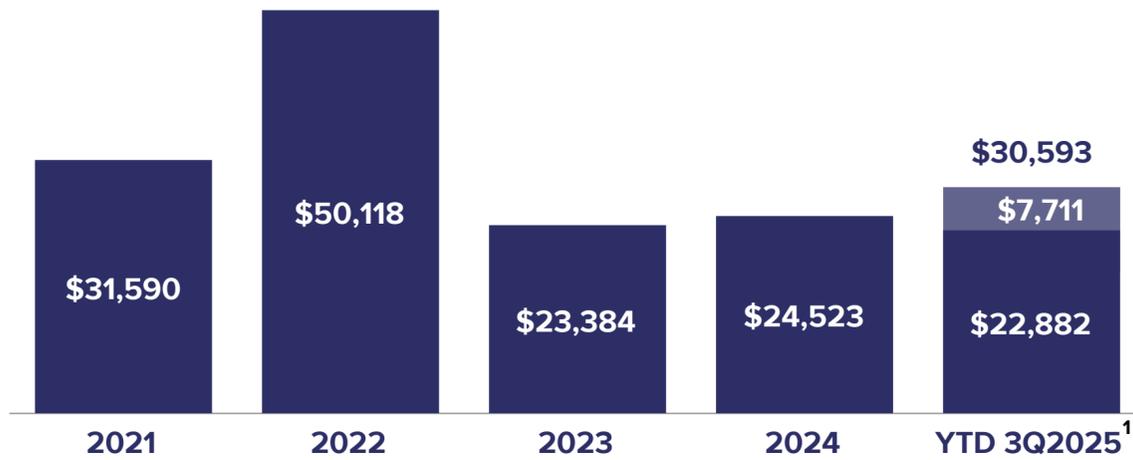
Curtailed Payments made 3Q25 & 2Q25

(1.69)%

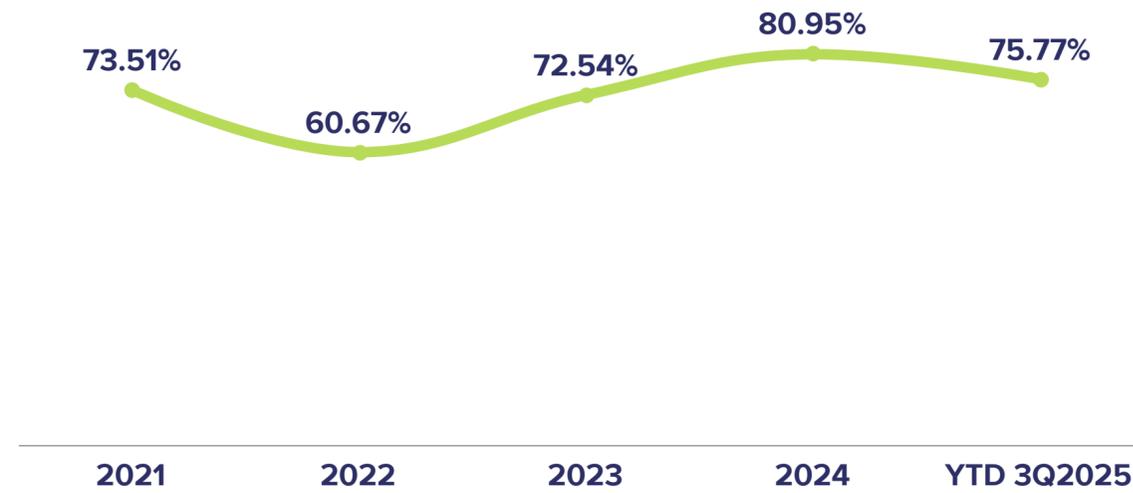
Net Chg-offs / Portfolio Loans down (YTD annualized)

Financial Performance Trends

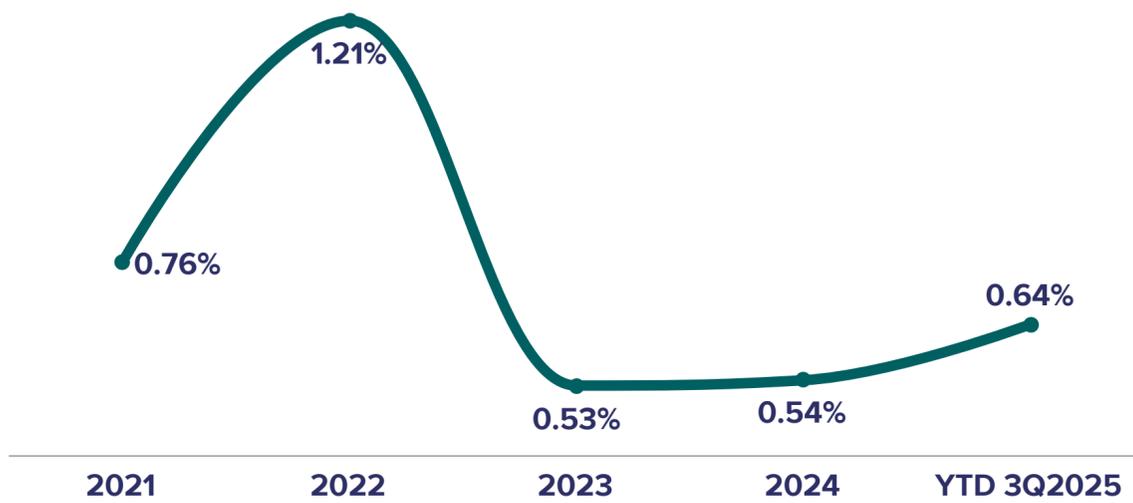
Net Income, in thousands



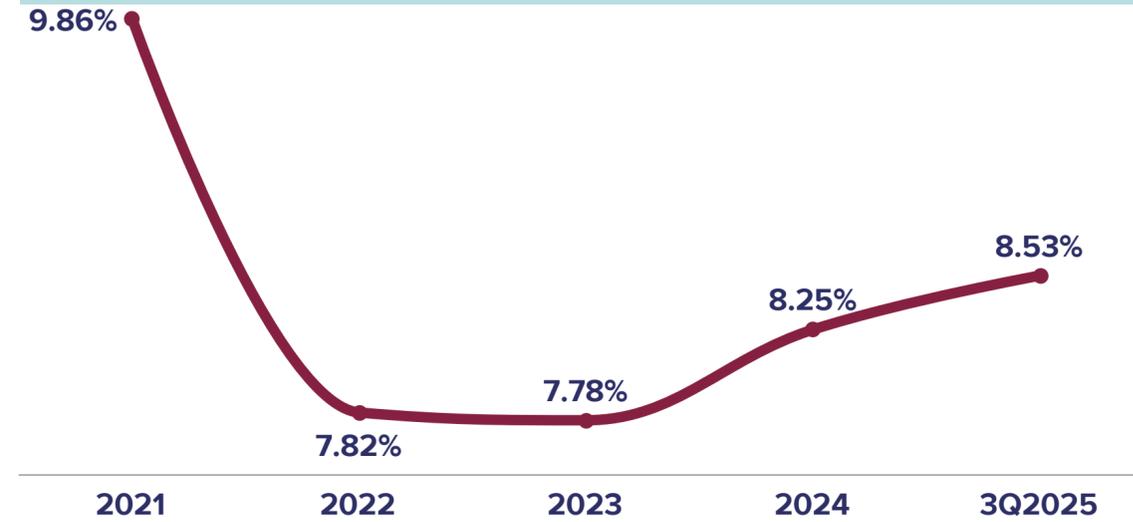
Adjusted Efficiency Ratio²



ROA



TCE



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 September 30, 2025 we purchased 809,601 shares of common stock under 2025 Program, effective May 1, 2025 at a total cost \$14.0 million at an average cost per share of \$17.35.

REGULATORY CAPITAL		
10.66%	11.91%	9.41%
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%	10.66%	\$ 178,125	12.57%	\$ 252,952
Tier 1 Risk-based Ratio	8.00%	10.66%	113,839	12.57%	190,401
Total Risk-based Capital Ratio	10.00%	11.91%	81,983	13.82%	159,431
Leverage Ratio	5.00%	9.41%	214,019	10.80%	281,325
Critically Undercapitalized Category	Tangible equity to total assets ≤ 2%				
Capital Conservation Buffer	≥ 2.5% composed of CET 1				

	Actual (\$) 09/30/25	Cumulative AOCL Impact 09/30/25	Other Segment Reserve Impact 09/30/25 ¹
Book Value per Common Share	\$ 18.42	\$ (2.06)	\$ (0.77)
		\$ (2.83)	
Adjusted Book Value²	\$ 21.25		

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

²During 2024 and 2025, \$32.6 million of the other segment reserve released from the \$73.4 million of curtailment payments and a decline in reserve rate from 17.99% to 9.49% which resulted in a \$1.16 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

\$1.2B

TOTAL AVAILABLE LIQUIDITY

Continue to maintain a strong liquidity position:

- Ongoing FHLB collateral pledging¹
- 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:

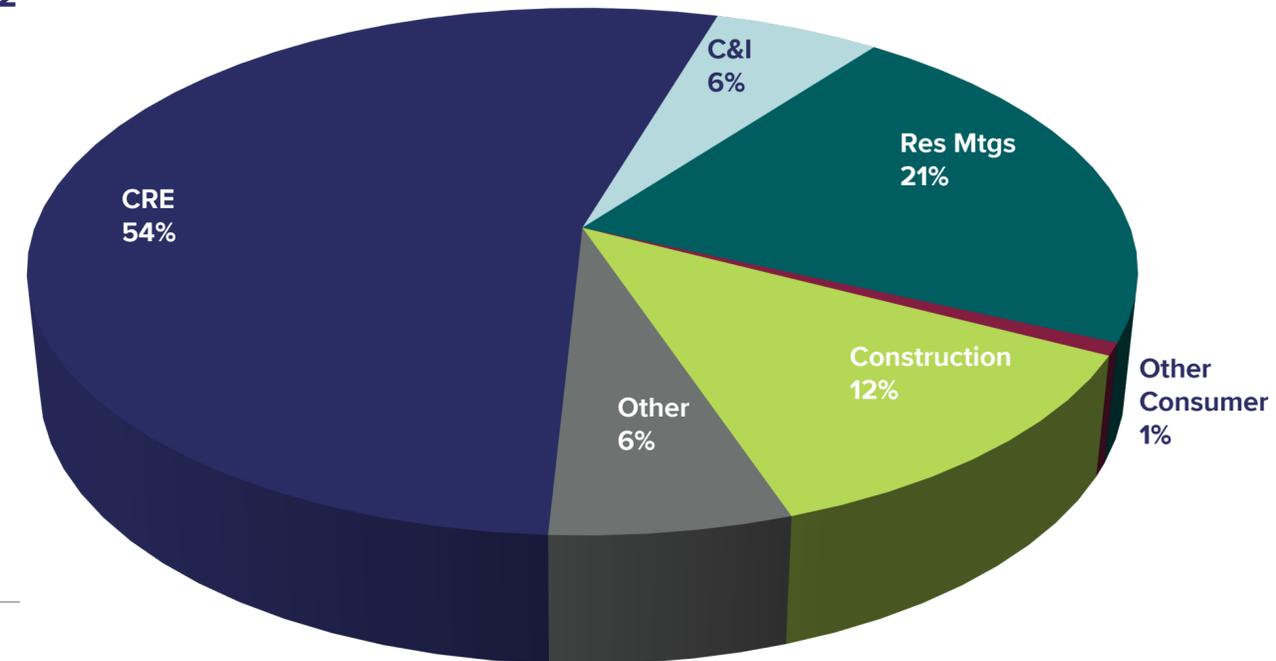
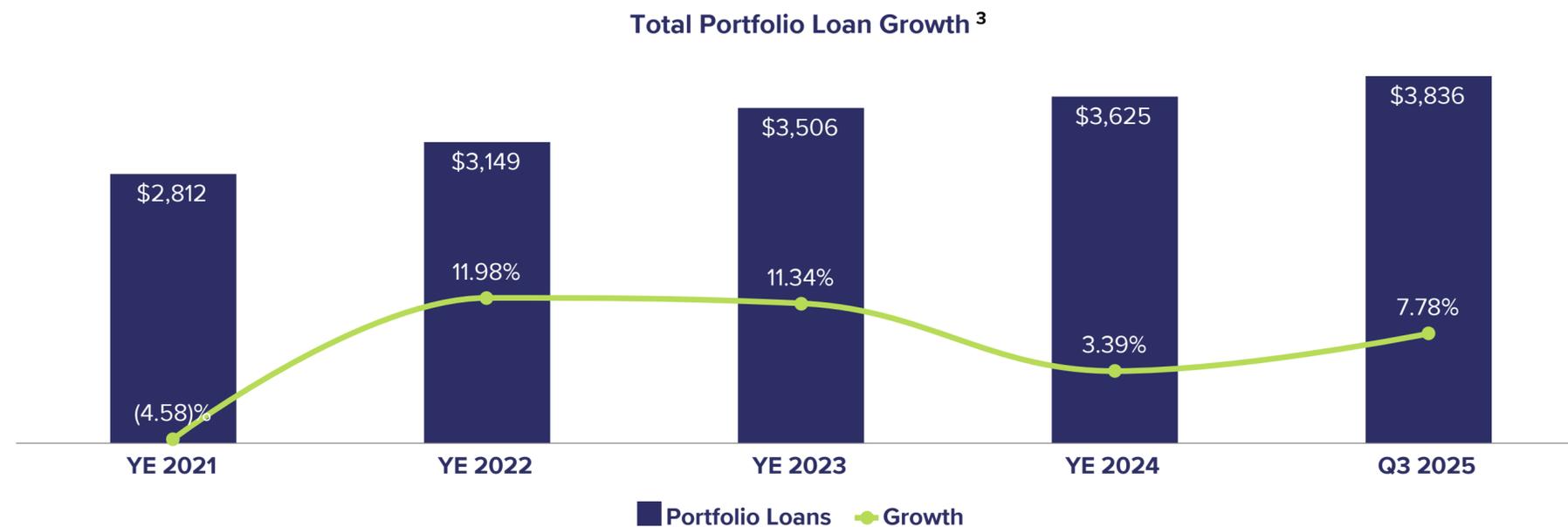
- Total available liquidity / uninsured deposits 157.1%

<i>\$ in thousands</i>	September 30, 2025	December 31, 2024	Change
Cash and Due From Banks, including Interest-bearing Deposits	\$ 106,948	\$ 131,171	\$(24,223)
FHLB Borrowing Availability ¹	544,021	735,294	(191,273)
Unsecured Lines of Credit	30,000	30,000	—
Collateralized Lines of Credit	45,000	45,000	—
Unpledged Investment Securities	416,076	418,350	(2,274)
Excess Pledged Securities	77,520	33,022	44,498
Total Liquidity Sources	\$ 1,219,565	\$ 1,392,837	\$(173,272)

Loan Composition

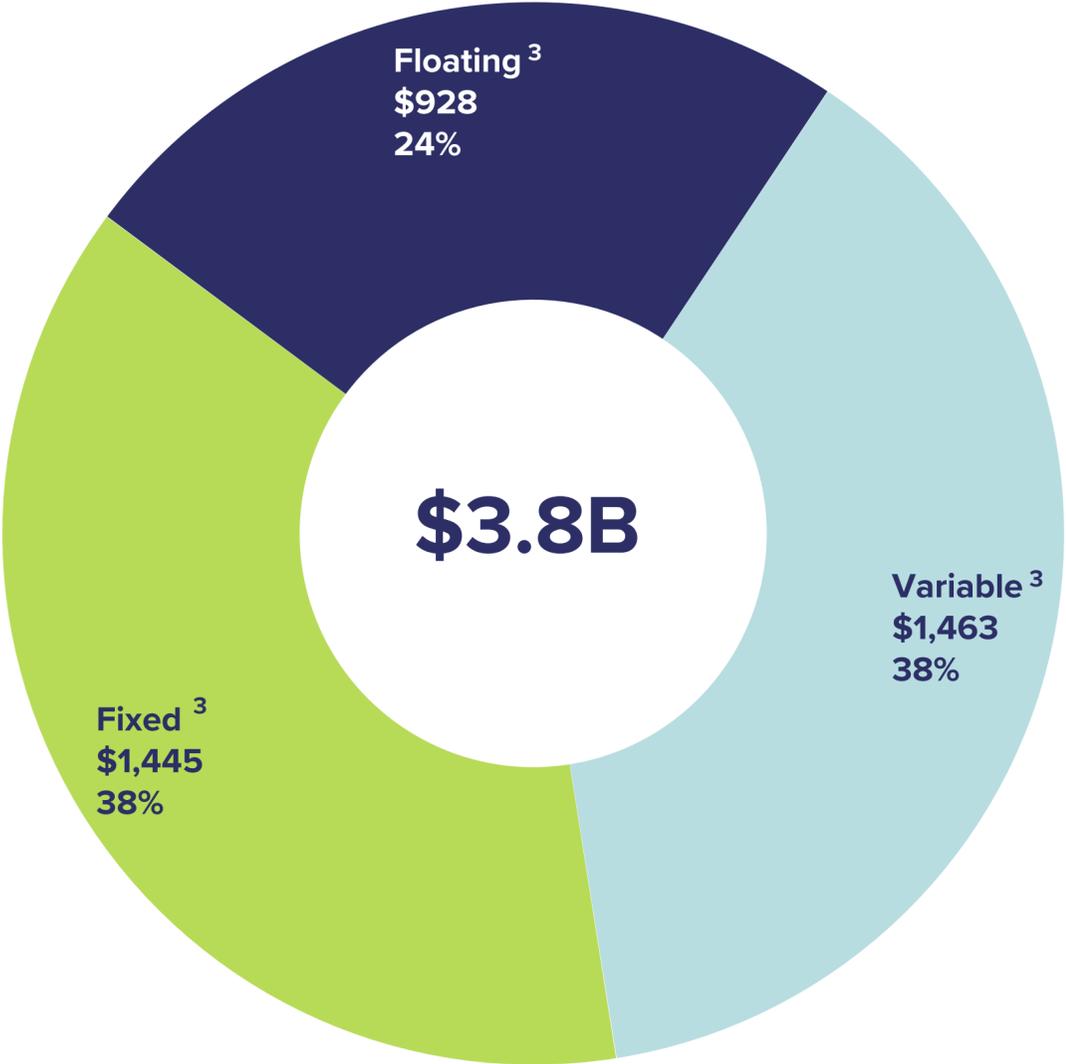
\$ in thousands	For the Period Ending			Variance	
	9/30/2025	6/30/2025	9/30/2024	Quarter	Year
Commercial Real Estate	\$ 2,063,181	\$ 2,000,766	\$ 1,857,997	\$ 62,415	\$ 205,184
Commercial and Industrial	218,038	221,880	241,474	(3,842)	(23,436)
Residential Mortgages	826,944	814,188	782,930	12,756	44,014
Other Consumer	29,077	27,991	29,813	1,086	(736)
Construction	466,701	443,573	399,502	23,128	67,199
Other ¹	231,712	238,723	284,145	(7,011)	(52,433)
Total Portfolio Loans²	\$ 3,835,653	\$ 3,747,121	\$ 3,595,861	\$ 88,532	\$ 239,792

- Total portfolio loans increased \$239.8M, or 6.7% YoY due to loan growth, primarily in the commercial real estate, construction and residential mortgage segments.
- 65.8% of Loan Production funded at a weighted average rate of 6.77% YTD 2025, with Construction loans of approximately \$450M funding over the next 12-18 months.
- The Other segment is down \$52.4M 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.

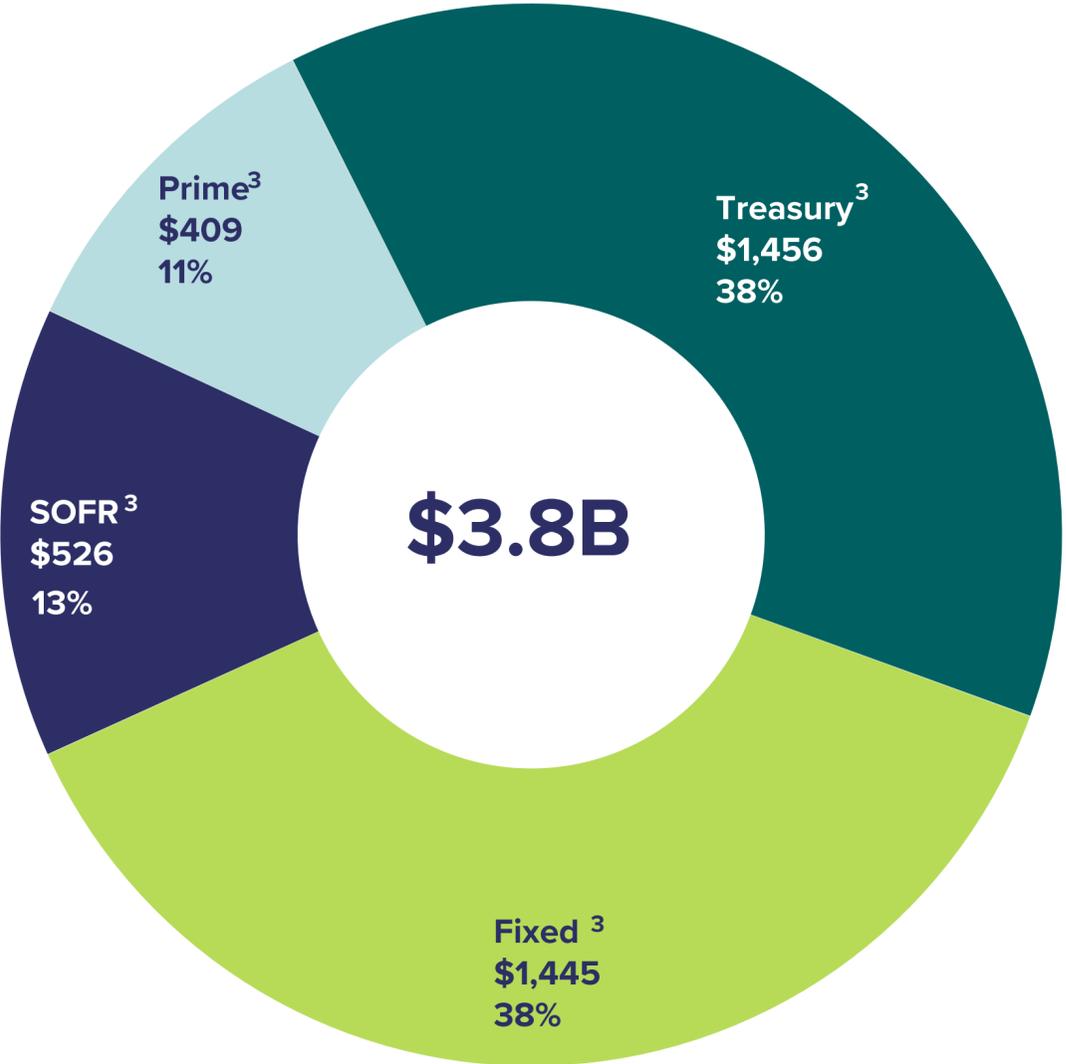


Loan Portfolio Repricing & Index 3Q2025

Loan Portfolio by Rate Type



Loan Portfolio by Rate Index Type



¹Floating Rate Loans are defined as loans with contractual interest rate terms that allow the loan to reprice at least once each month.
²Variable 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

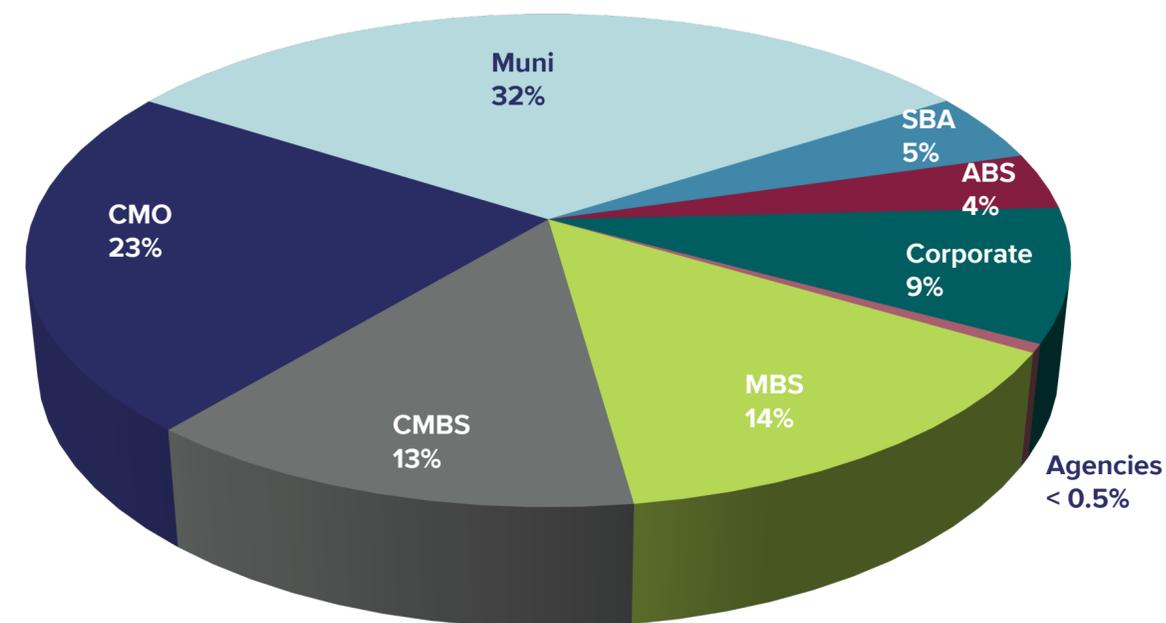
Top Ten (10) Relationships (Total Commitment)

\$ in thousands	For the Periods Ending		Change	% of Gross Loans	% of RBC
	9/30/2025	12/31/2024			
1. Hospitality, Agriculture & Energy	\$ 228,554	\$ 251,982	\$ (23,428)	5.96%	44.77%
2. Multifamily	58,677	58,871	(194)	1.53%	11.49%
3. Office & Retail	55,206	40,462	14,744	1.44%	10.81%
4. Retail & Office	55,186	52,913	2,273	1.44%	10.81%
5. Multifamily	54,817	51,990	2,827	1.43%	10.74%
6. Warehouse	48,415	49,661	(1,246)	1.26%	9.48%
7. Retail	47,856	44,511	3,345	1.25%	9.37%
8. Long-Term Care	46,199	46,199	—	1.20%	9.05%
9. Health Care Facility	44,779	44,779	—	1.17%	8.77%
10. Warehouse	44,358	44,577	(219)	1.15%	8.69%
Top Ten (10) Relationships	\$ 684,047	\$ 685,945	\$ (1,898)	17.83%	133.98%
Total Gross Loans	\$ 3,836,131	\$ 3,624,826	\$ 211,305		
% of Total Gross Loans	17.83%	18.92%	(1.09)%		
<i>Concentration (25% of Risk Based Capital ("RBC"))</i>	\$ 127,639	\$ 125,190			

Bond Portfolio

\$ in thousands	September 30, 2025			December 31, 2024		
	Amortized Cost	Net Unrealized (Losses)/Gains	Fair Value	Amortized Cost	Net Unrealized (Losses)/Gains	Fair Value
U.S. Government Agency Securities	\$ 21,600	\$ (500)	\$ 21,100	\$ 27,634	\$ (684)	\$ 26,950
Residential Mortgage-Backed Securities	103,888	(7,712)	96,176	106,593	(10,440)	96,153
Commercial Mortgage-Backed Securities	23,777	(384)	23,393	22,233	(646)	21,587
Other Commercial Mortgage-Backed Securities	27,453	(1,179)	26,274	24,064	(2,094)	21,970
Asset Backed Securities	104,215	(6,403)	97,812	127,978	(9,457)	118,521
Collateralized Mortgage Obligations	174,560	(7,762)	166,798	158,610	(10,022)	148,588
States and Political Subdivisions	262,386	(29,640)	232,746	262,879	(41,698)	221,181
Corporate Notes	68,750	(5,146)	63,604	70,750	(7,300)	63,450
Total Debt Securities	\$ 786,629	\$ (58,726)	\$ 727,903	\$ 800,741	\$ (82,341)	\$ 718,400

- The bond portfolio is 100% available-for-sale.
- Our portfolio consists of 45.9% of securities issued by United States government sponsored entities and carry an implicit government guarantee.
- States and political subdivisions comprise 32.0% 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 September 30, 2025, the Company held 60.3% fixed rate and 39.7% floating rate securities.
- The material improvement in unrealized losses was largely due to bond maturities, amortizations and lower intermediate-term interest rates.
- Securities comprise 15.0% of total assets at September 30, 2025.
- Shorter maturity profile with an average life of 4.99 years; less interest rate risk with an effective duration of 3.71; and higher than peer book yield of 3.33%

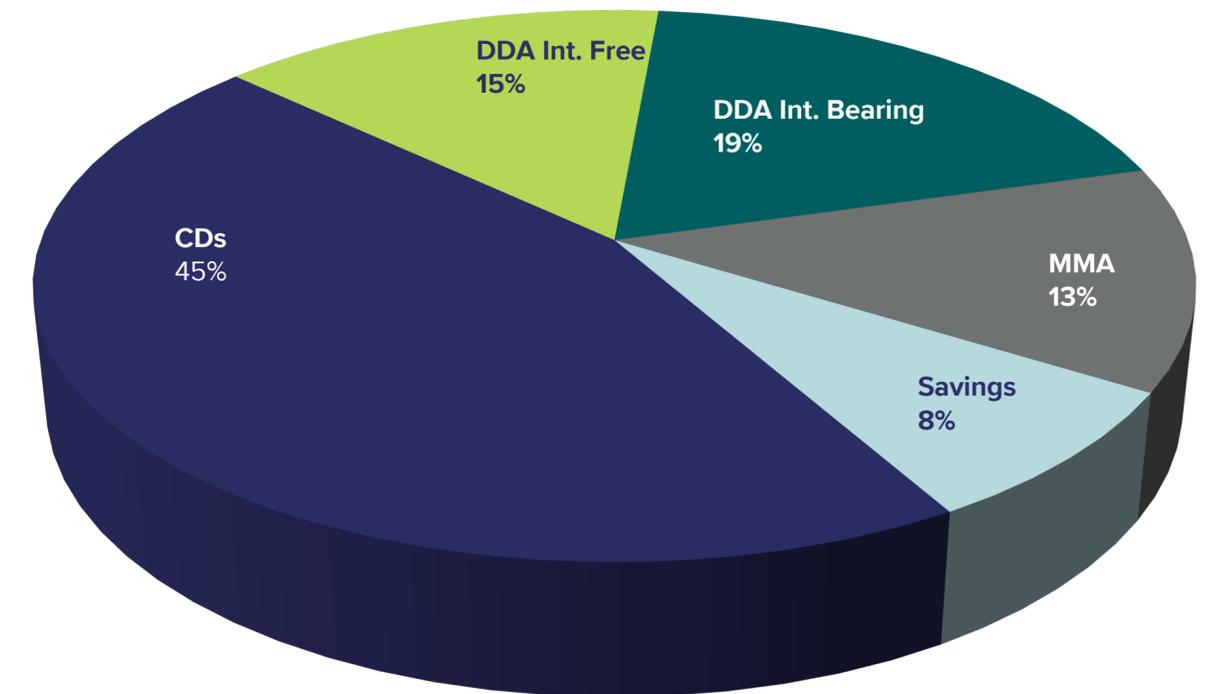
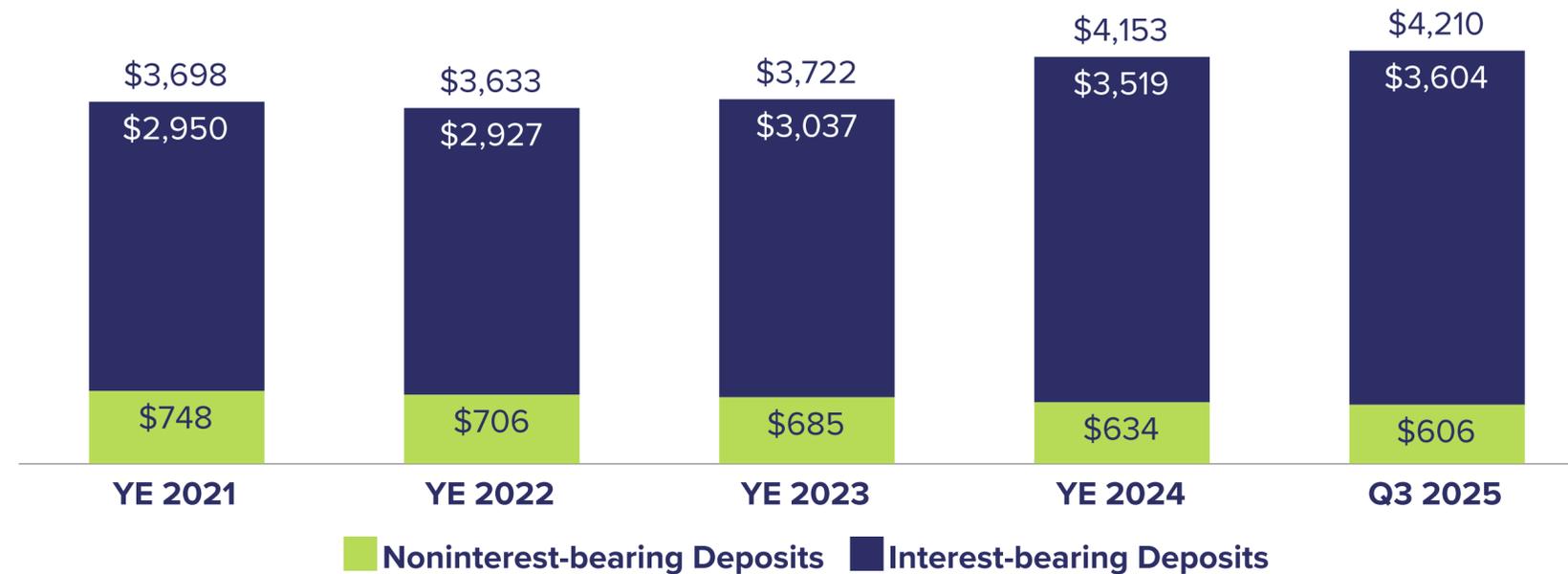


Deposit Composition

\$ in thousands	For the Period Ending			Variance	
	9/30/2025	6/30/2025	9/30/2024	Quarter	Year
Lifetime Free Checking	\$ 606,203	\$ 635,192	\$ 628,901	\$ (28,989)	\$ (22,698)
Interest-Bearing Demand	809,527	805,013	649,005	4,514	160,522
Money Market	552,564	544,764	504,206	7,800	48,358
Savings	335,502	343,659	372,881	(8,157)	(37,379)
Certificates of Deposits	1,906,551	1,893,611	1,930,075	12,940	(23,524)
Total Deposits	\$ 4,210,347	\$ 4,222,239	\$ 4,085,068	\$ (11,892)	\$ 125,279

- Total deposits increased \$125.3M YoY
- Diversified and granular deposit base, approximately 78.2% 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

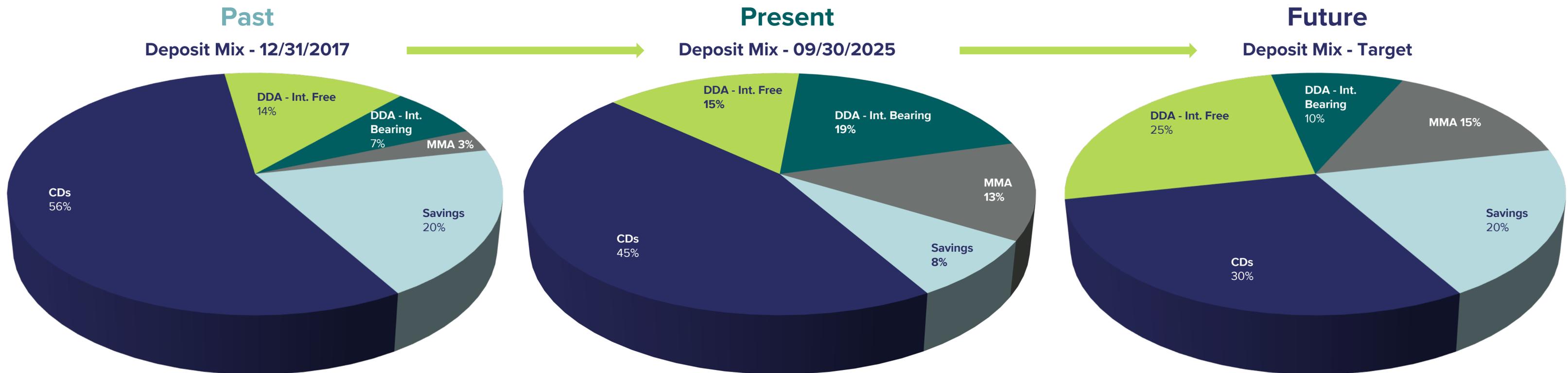
Total Deposits Composition¹



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 68.6% of the retail portfolio scheduled to mature within 12 months and 93.0% 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



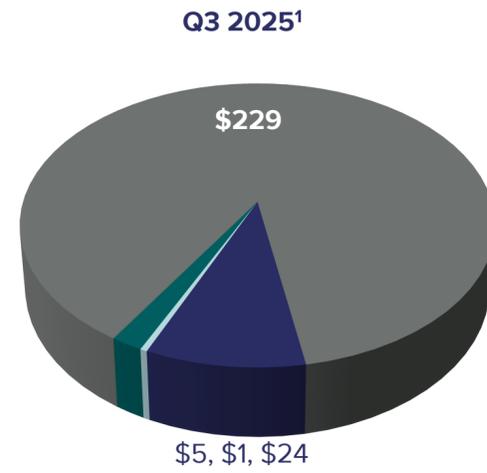
SECTION 03

Asset Quality

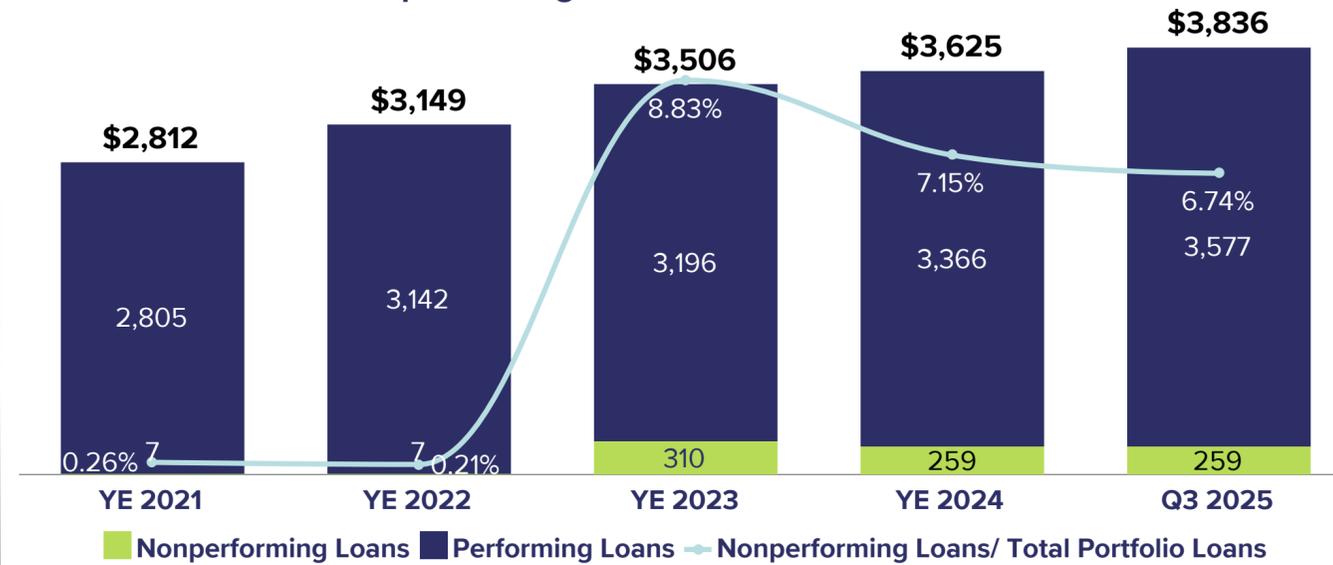
Asset Quality

Nonperforming Loan Breakdown

	YE 2021	YE 2022	YE 2023	YE ¹ 2024	Q3 ¹ 2025
NPL					
CRE	\$ 3	\$ 2	\$ 1	\$ 1	\$ 24
C&I	1	—	—	1	1
Res. Mtg.	1	1	4	5	5
Other Consumer	2	4	—	—	—
Construction	—	—	3	—	—
Other	—	—	302	252	229
Total NPL	\$ 7	\$ 7	\$ 310	\$ 259	\$ 259

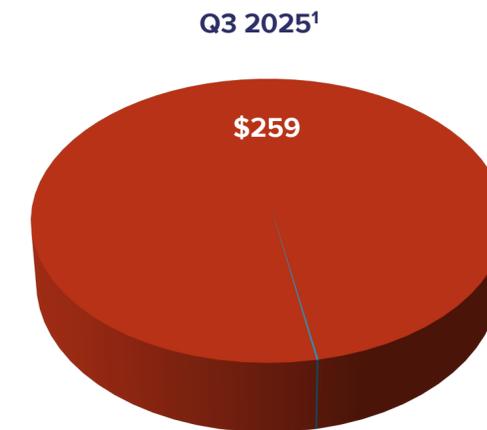


Nonperforming Loans / Total Portfolio Loans

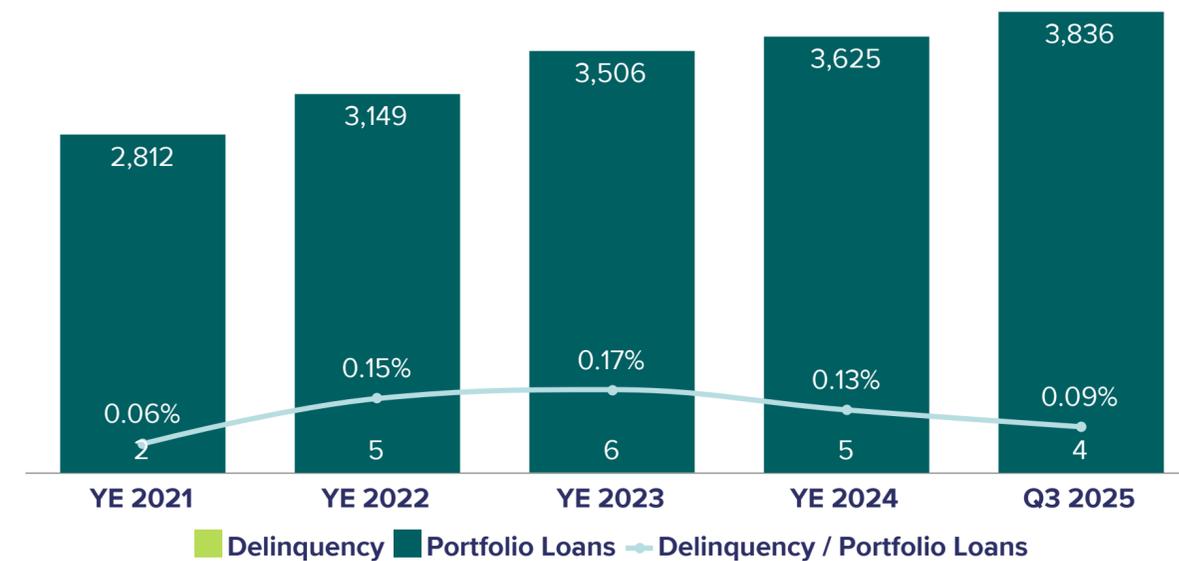


Nonperforming Assets

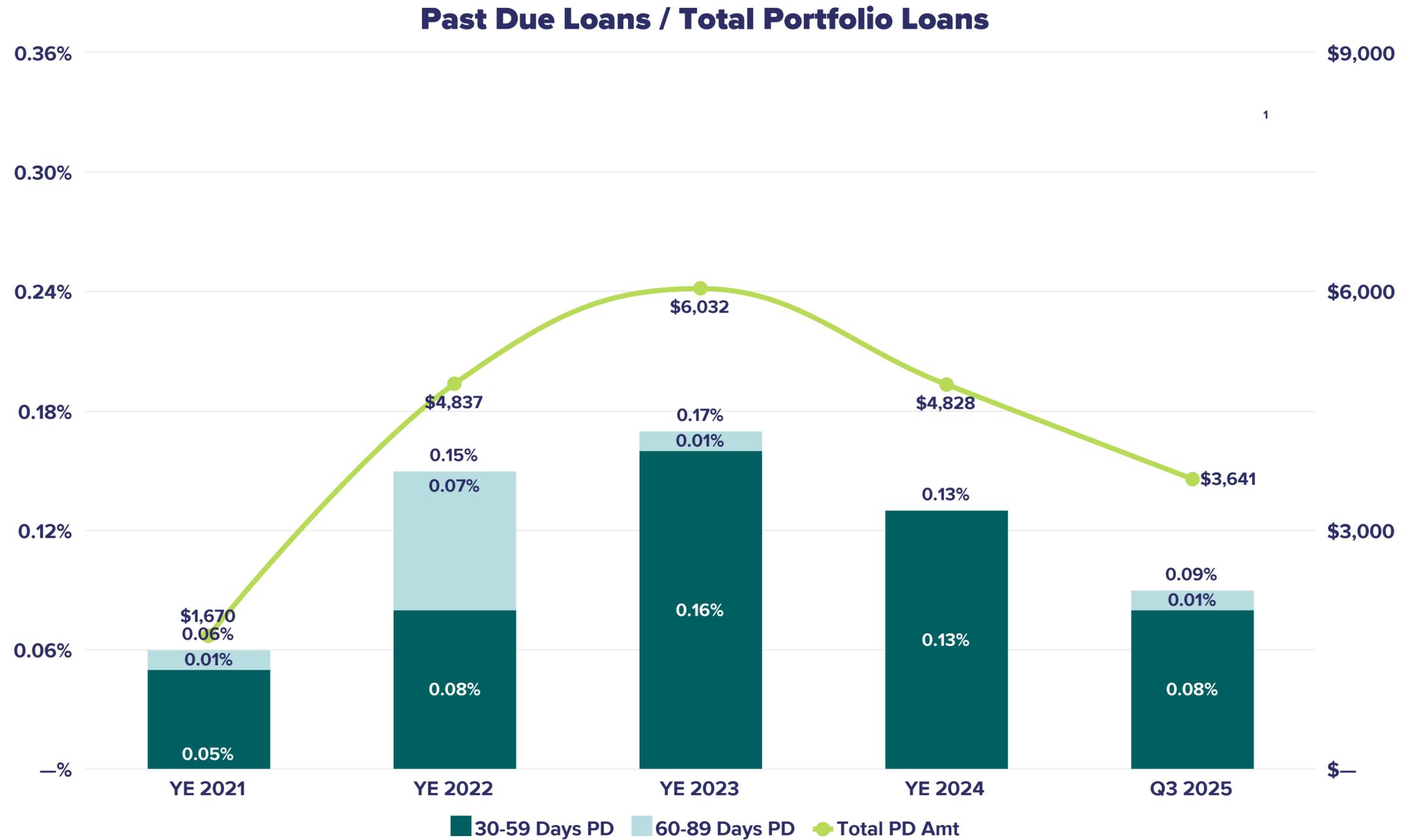
	YE 2021	YE 2022	YE 2023	YE 2024	Q3 2025
NPA					
NPLs	\$ 7	\$ 7	\$ 310	\$ 259	\$ 259
OREO	11	8	2	1	—
Total NPA	\$ 18	\$ 15	\$ 312	\$ 260	\$ 259



Delinquency / Portfolio Loans

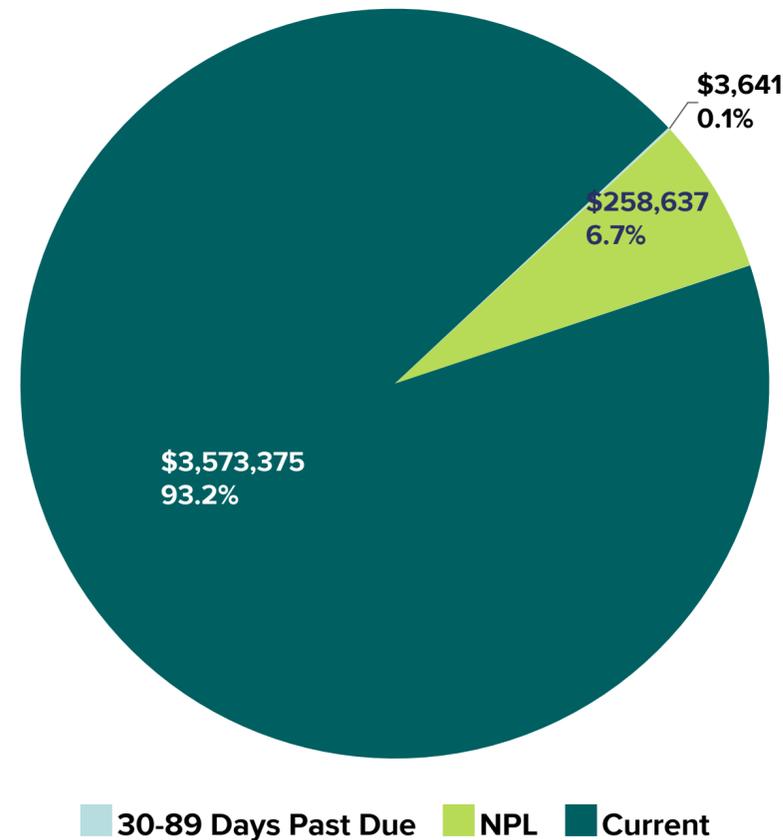


Delinquency Trends



Delinquency Trends

Delinquency Trends



\$ in thousands	September 30, 2025			Total Portfolio Loans
	Current	30-89 Days Past Due	NPL	
Commercial Real Estate	\$ 2,038,525	\$ 532	\$ 24,124	\$ 2,063,181
Commercial and Industrial	216,793	173	1,072	218,038
Residential Mortgages	819,860	2,262	4,822	826,944
Other Consumer	28,820	231	26	29,077
Construction	466,219	443	39	466,701
Other ¹	3,158	—	228,554	231,712
Total	\$ 3,573,375	\$ 3,641	\$ 258,637	\$ 3,835,653

COMMENTARY:

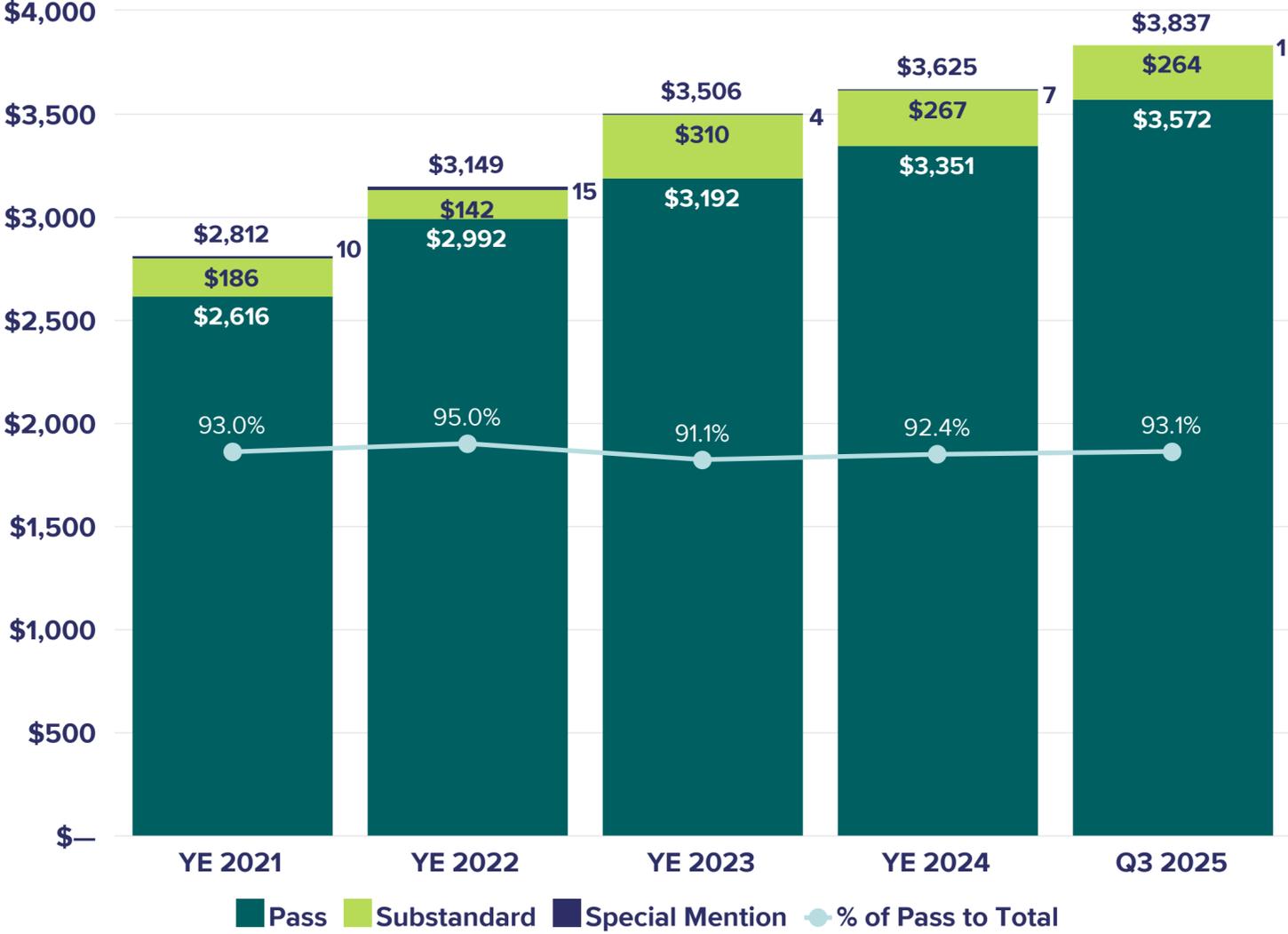
- The \$228.6M commercial loans placed in "Other" which comprises the largest lending relationship represents 88.4% of the total nonperforming loans
- Excluding the largest lending relationship, the Q3 2025 NPL ratio (0.78% vs 0.67%) and the delinquency ratio (0.09% vs 0.43%)

Nonperforming Relationships

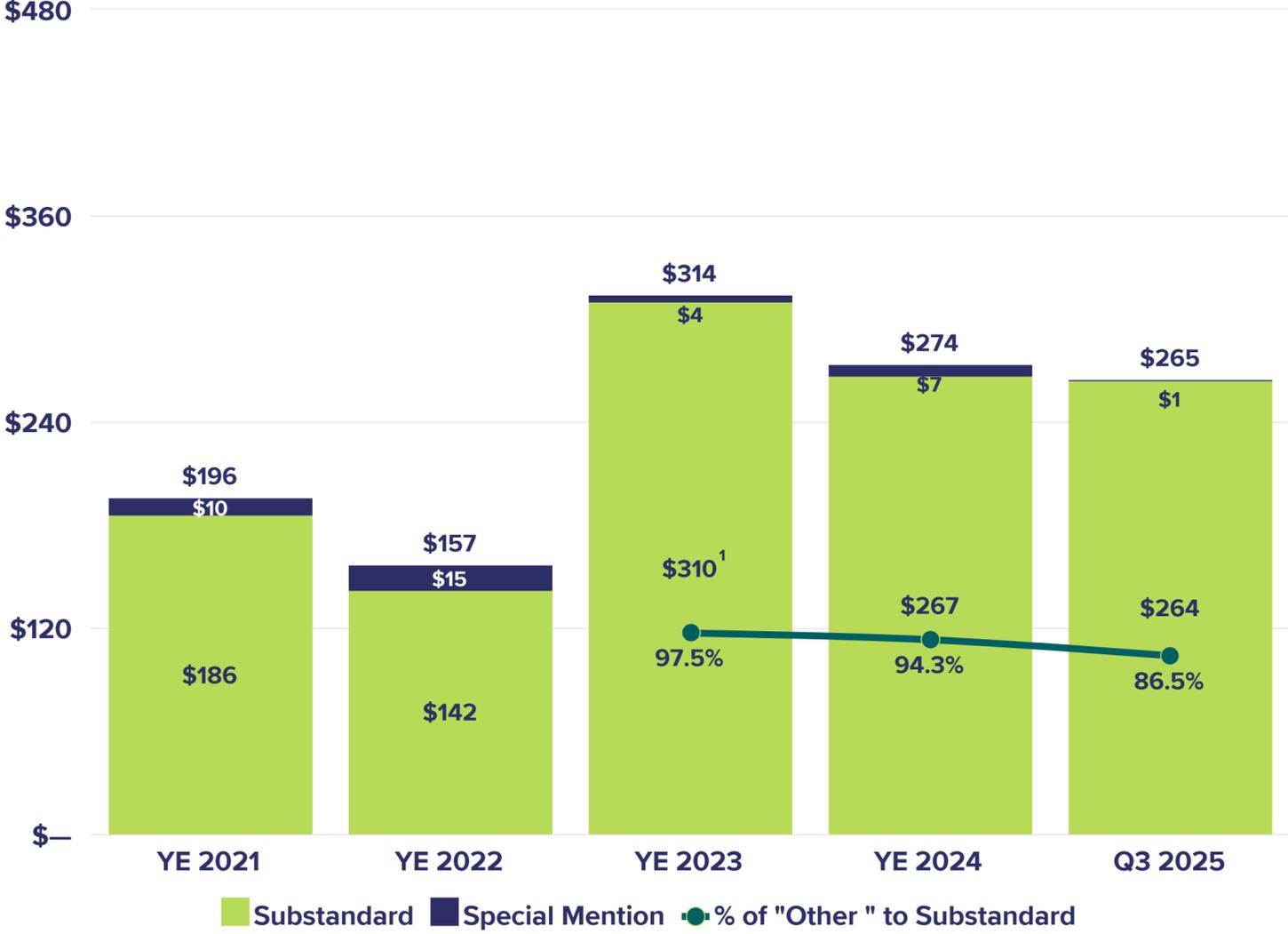
\$ in thousands	Nonaccrual Balance		Change	Comments
	9/30/2025	12/31/2024		
1. Other	\$ 228,554	\$ 251,982	\$ (23,428)	Other
2. CRE	14,579	—	14,579	Office Building
3. CRE	9,495	—	9,495	Commercial Warehouse Property
4. Residential Construction	2,018	2,053	(35)	Residential Construction
5. Commercial & Industrial	966	1,026	(60)	Purchase Business Equipment
6. Residential	—	527	(527)	Residential Mortgage Loan
7. CRE	—	419	(419)	Commercial Property
Subtotal: Top 5 Nonaccrual Loans	\$ 255,612	\$ 256,007	\$ (395)	
Total Nonaccrual Loans	\$ 258,637	\$ 259,349	\$ (712)	
Top 5 Nonaccrual Loans / Total Nonaccrual Loans	98.83%	98.71%	0.12%	
Total Portfolio Loans	\$ 3,835,653	\$ 3,624,826	\$ 210,827	
Total Nonaccrual Loans / Total Portfolio Loans	6.74%	7.15%	(0.41)%	
Total Nonaccrual Loans excluding "Other" ¹ / Total Portfolio Loans	0.78%	0.20%	0.58%	

Loan Portfolio - Risk Ratings

Portfolio Credit Quality Trend



Portfolio Credit Quality Trend

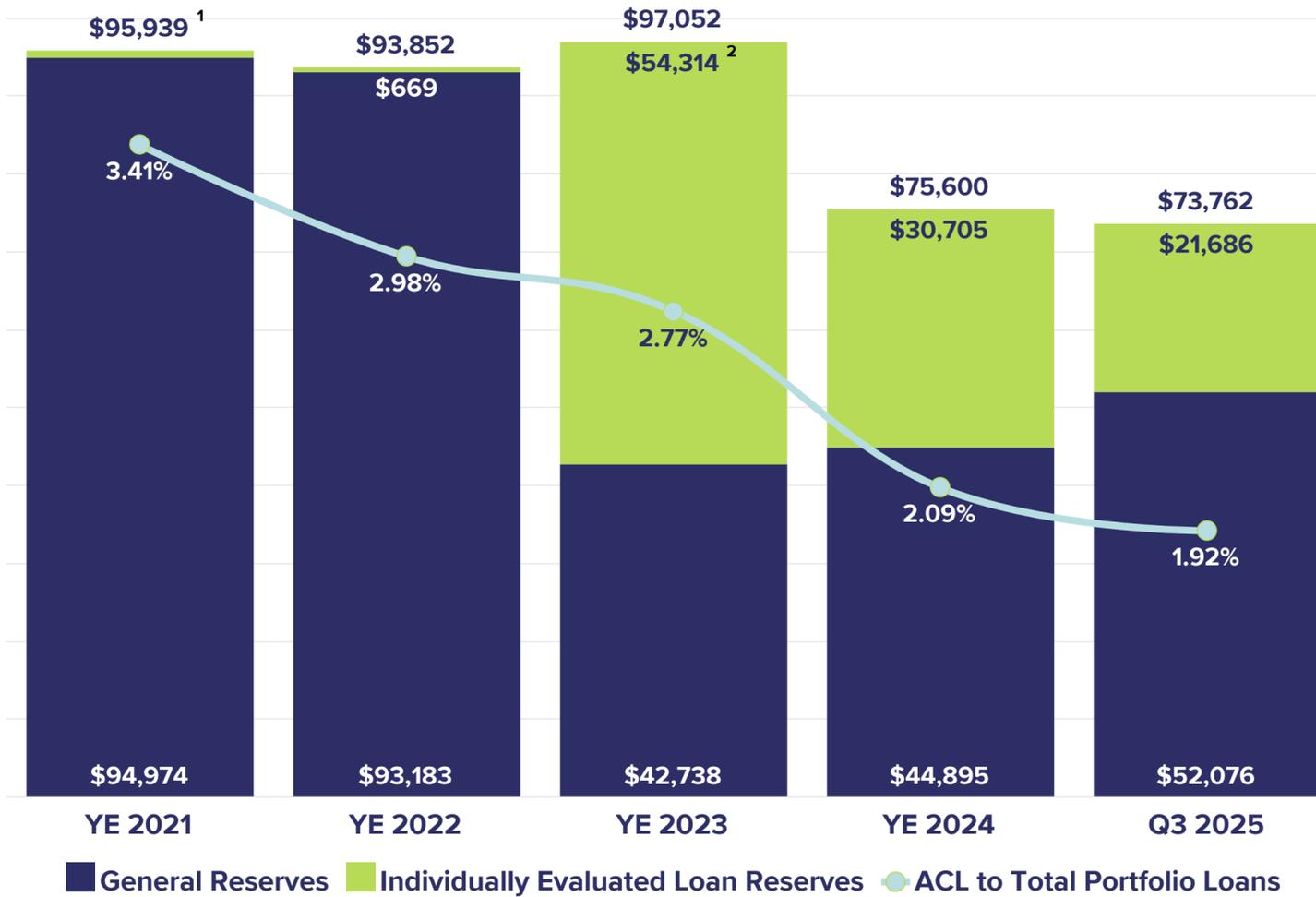


¹The Company placed \$301.9 million of commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship which has a current principal balance of \$228.6 million on nonaccrual status due to loan maturities and failure to pay in full during the second quarter of 2023. \$ in millions

Net Charge-offs & Provision Expense

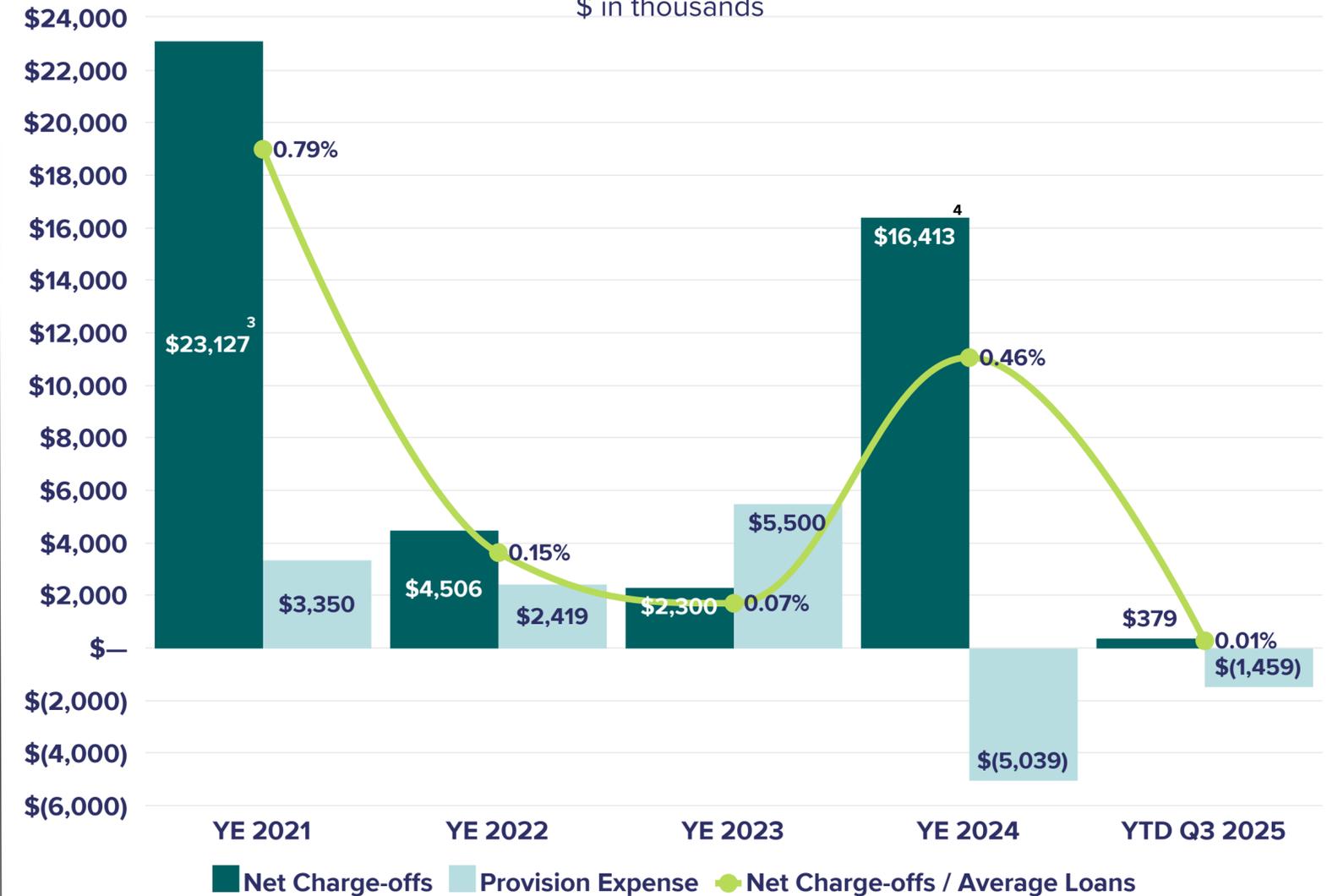
ACL Composition & ACL Coverage Ratio

\$ in thousands



Net Charge-offs & Provision Expense

\$ in thousands



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.

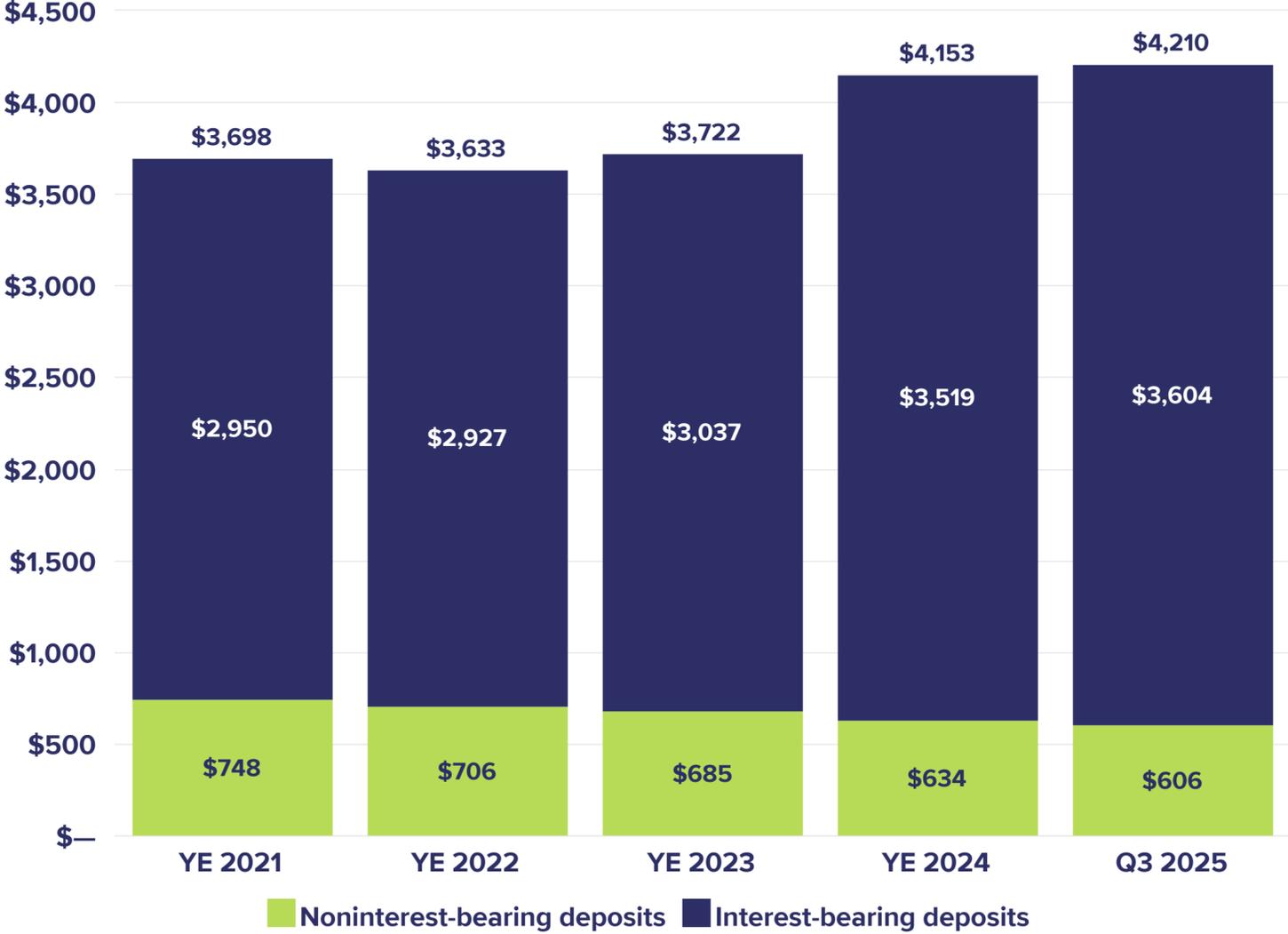
⁴ YTD Net charge-offs for YE 2024 consist of a \$15.0 million principal charge-off related to the Other segment of the loan portfolio.

SECTION 04

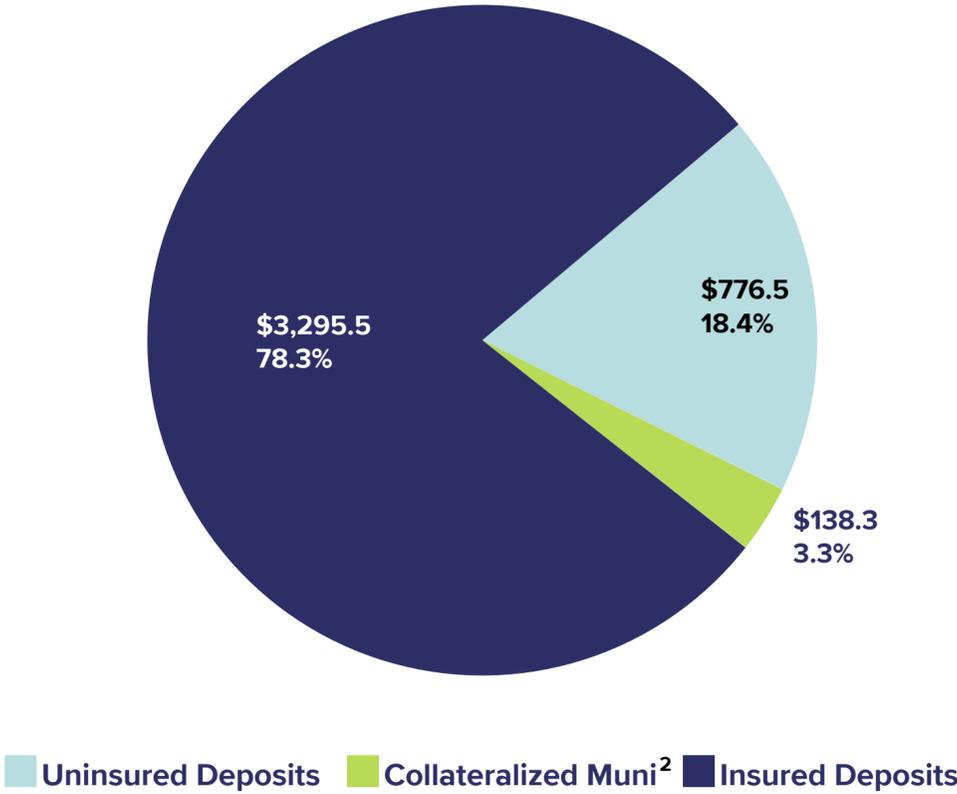
Deposit Mix

Deposits

Total Deposit Composition ¹



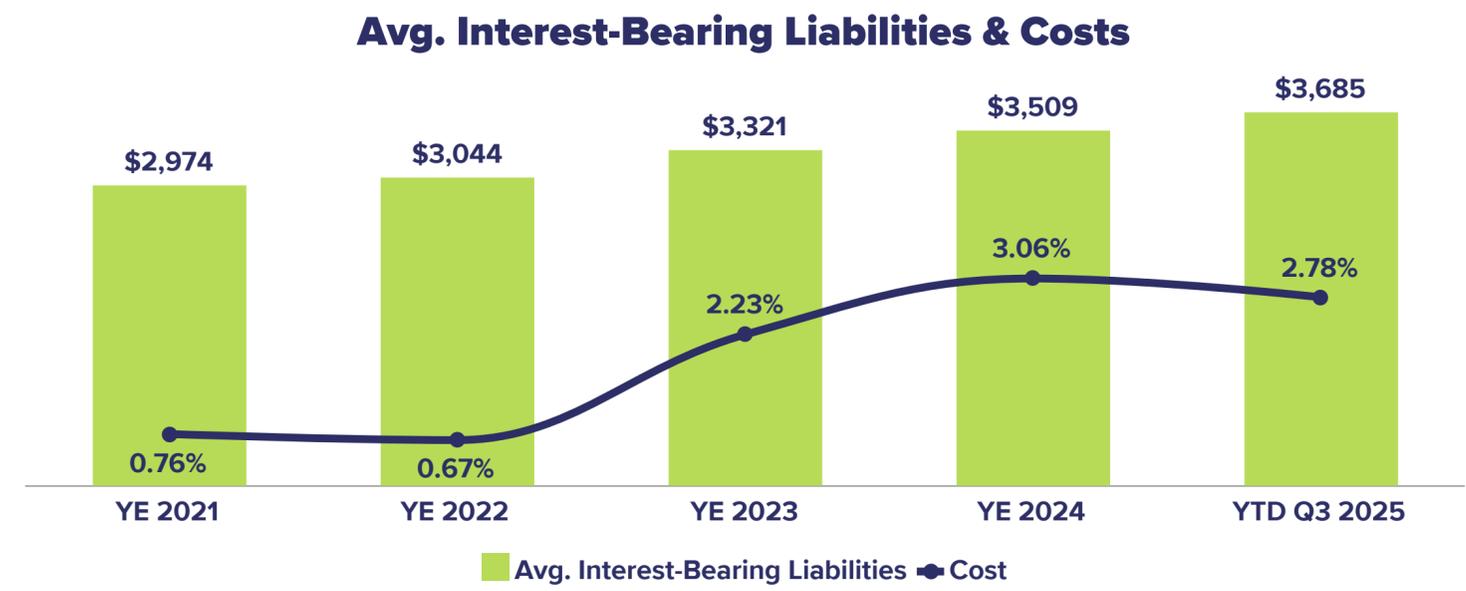
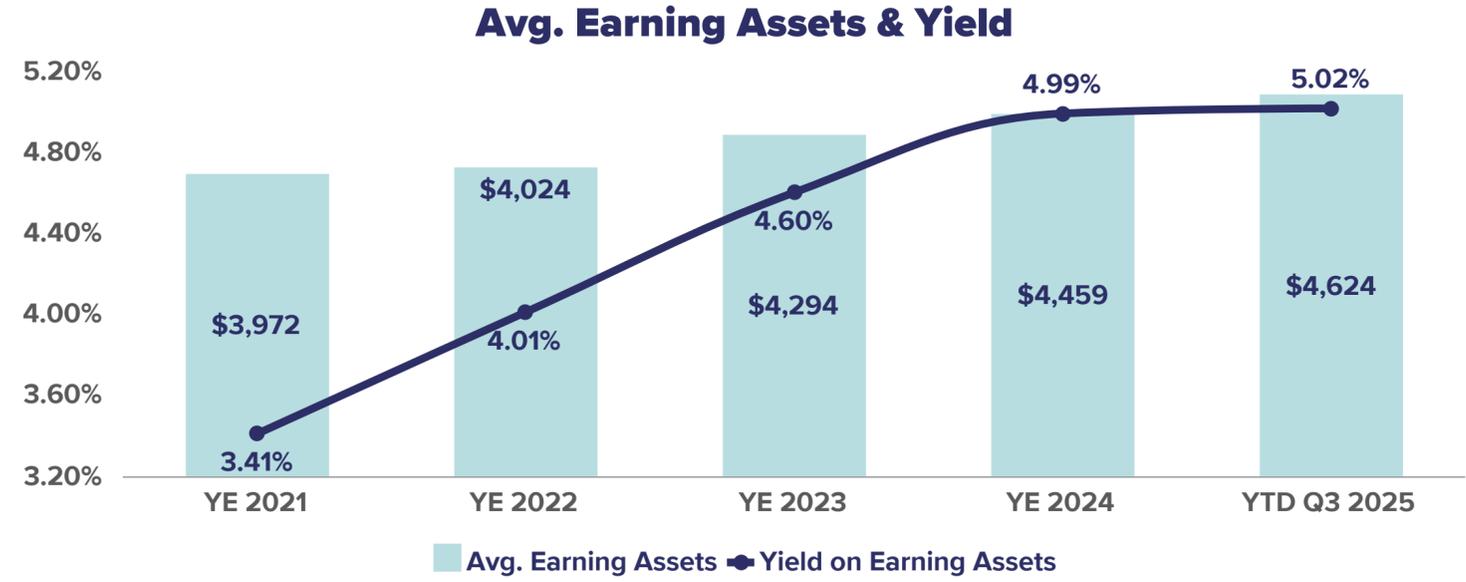
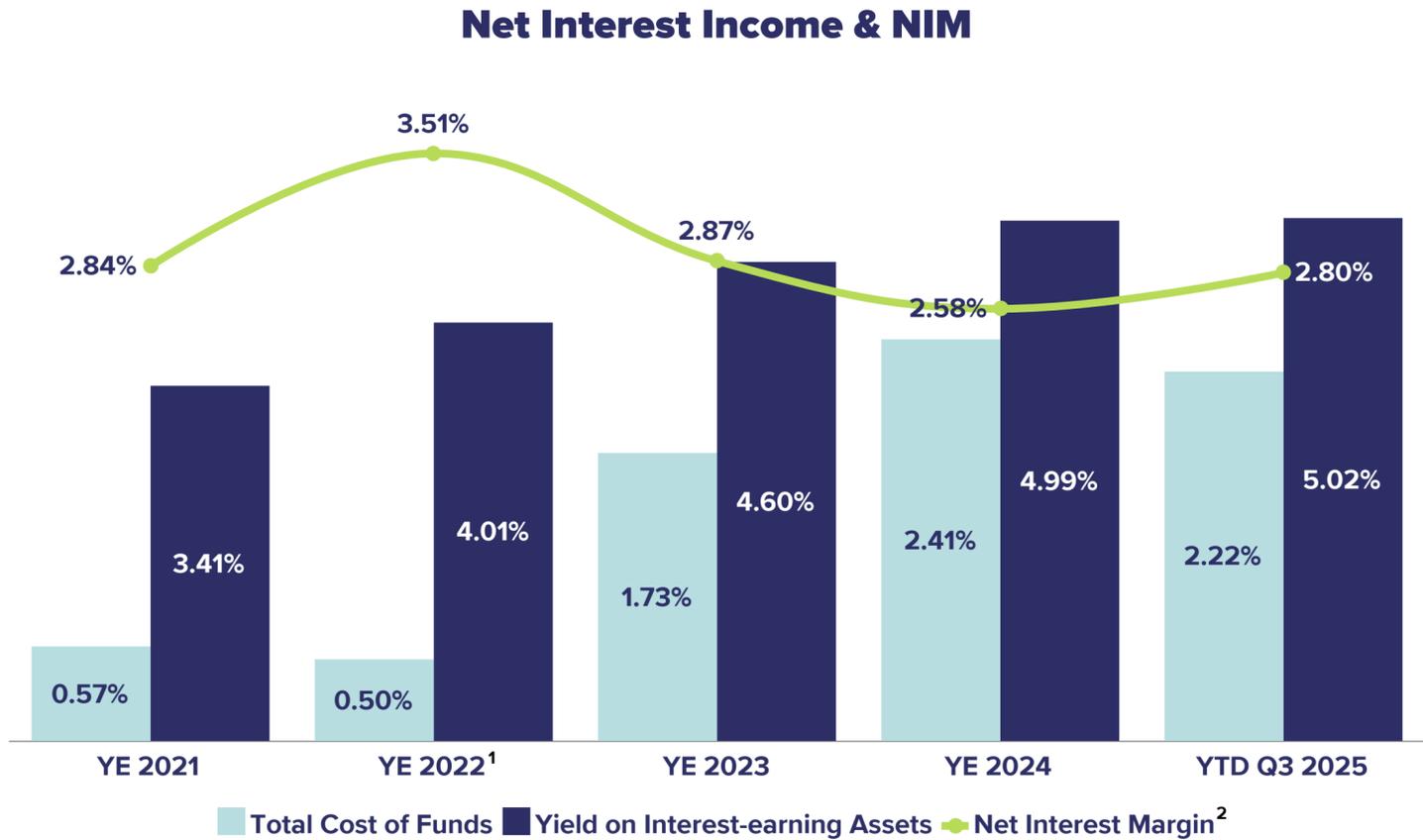
Insured/Uninsured Deposits



- Well-diversified deposit base of 206,597 customers
 - average commercial deposit account balance is \$49.8K
 - average retail deposit account balance is \$16.4K
- Deposit mix of 78.2% Consumer / 21.8% Business
- At September 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

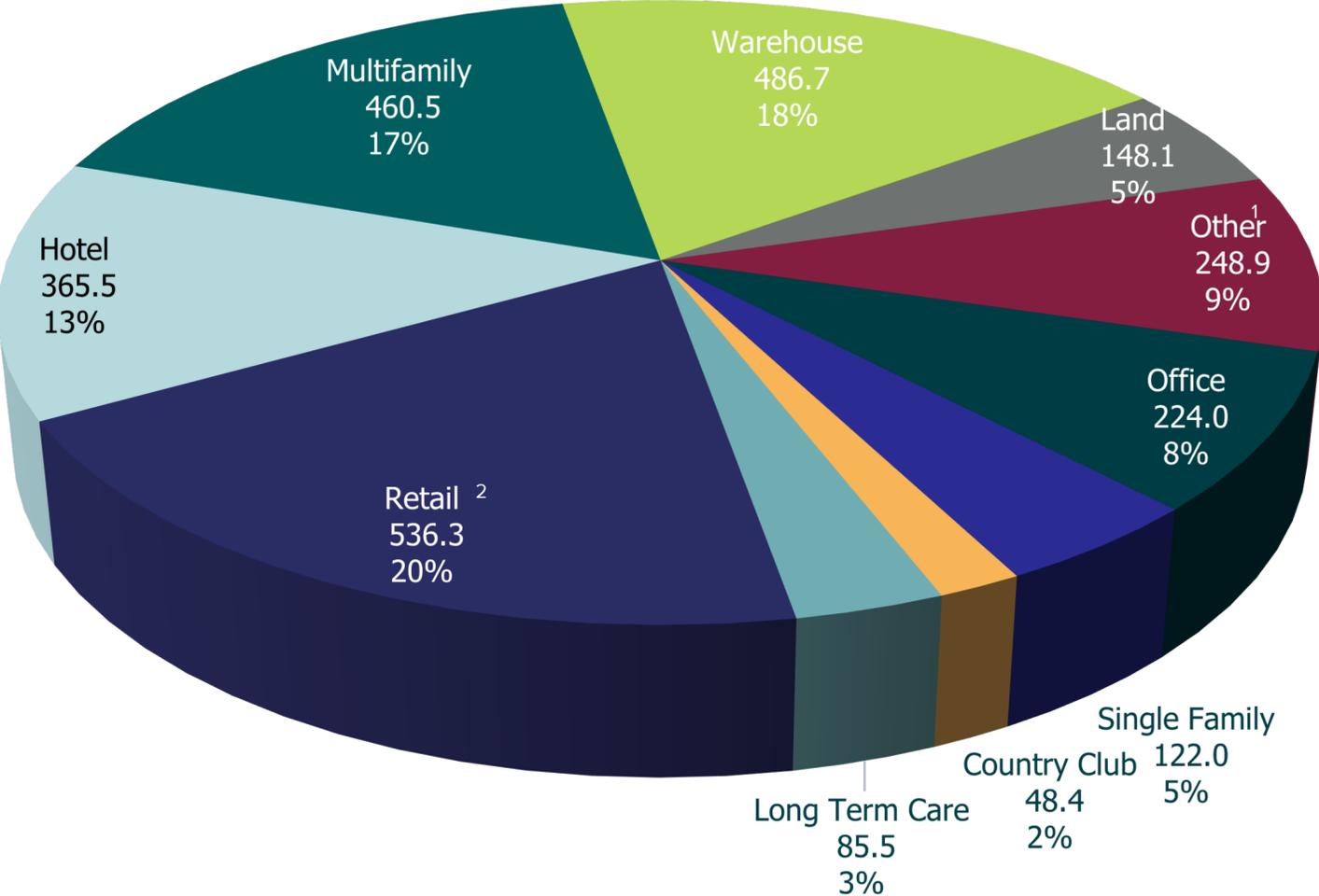


SECTION 05

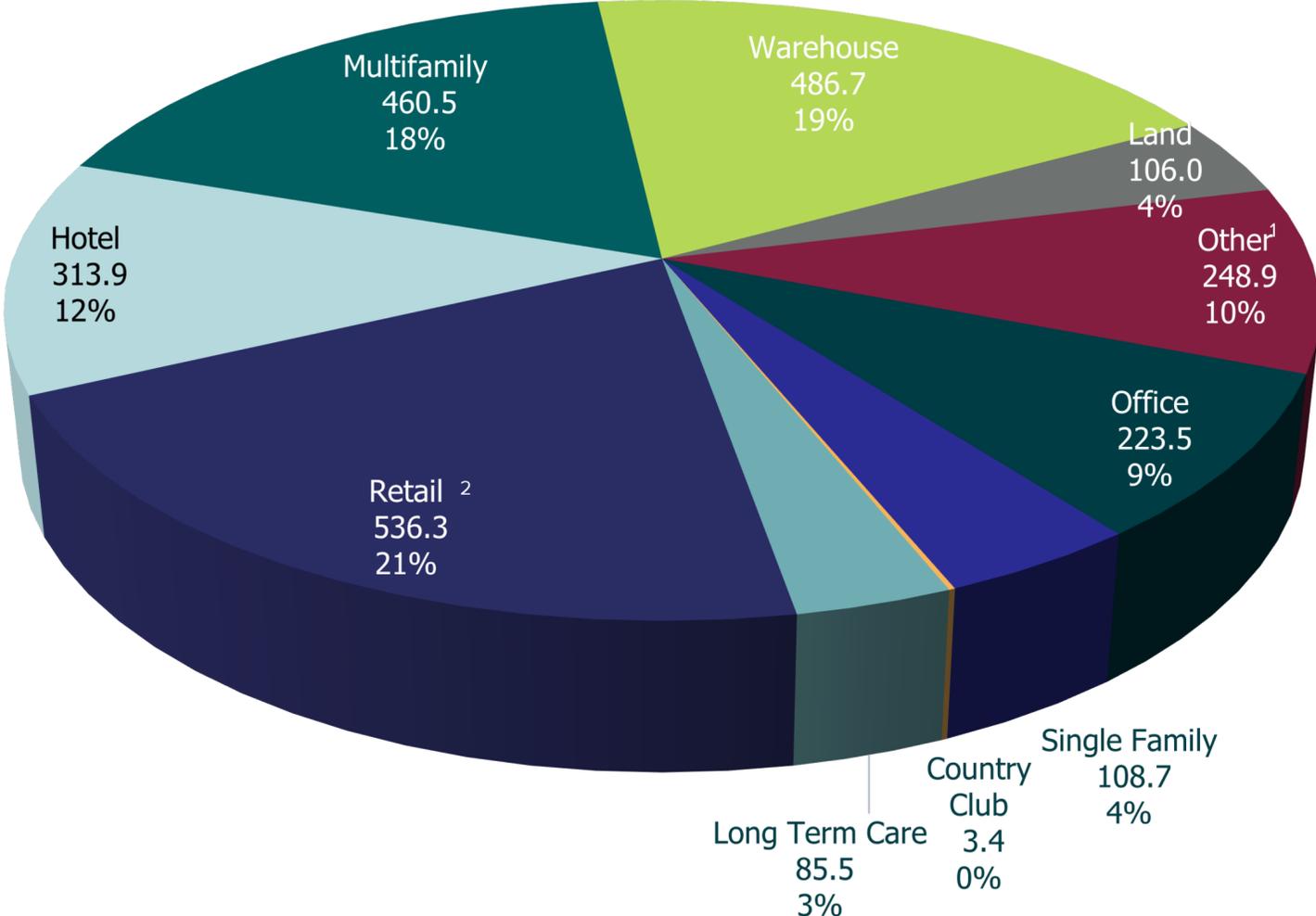
Commercial Loans

CRE Segment Overview

Total CRE: \$2,725.9



Total CRE, excluding "Other": \$2,573.4



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 \$32.2 million

Hospitality Metrics

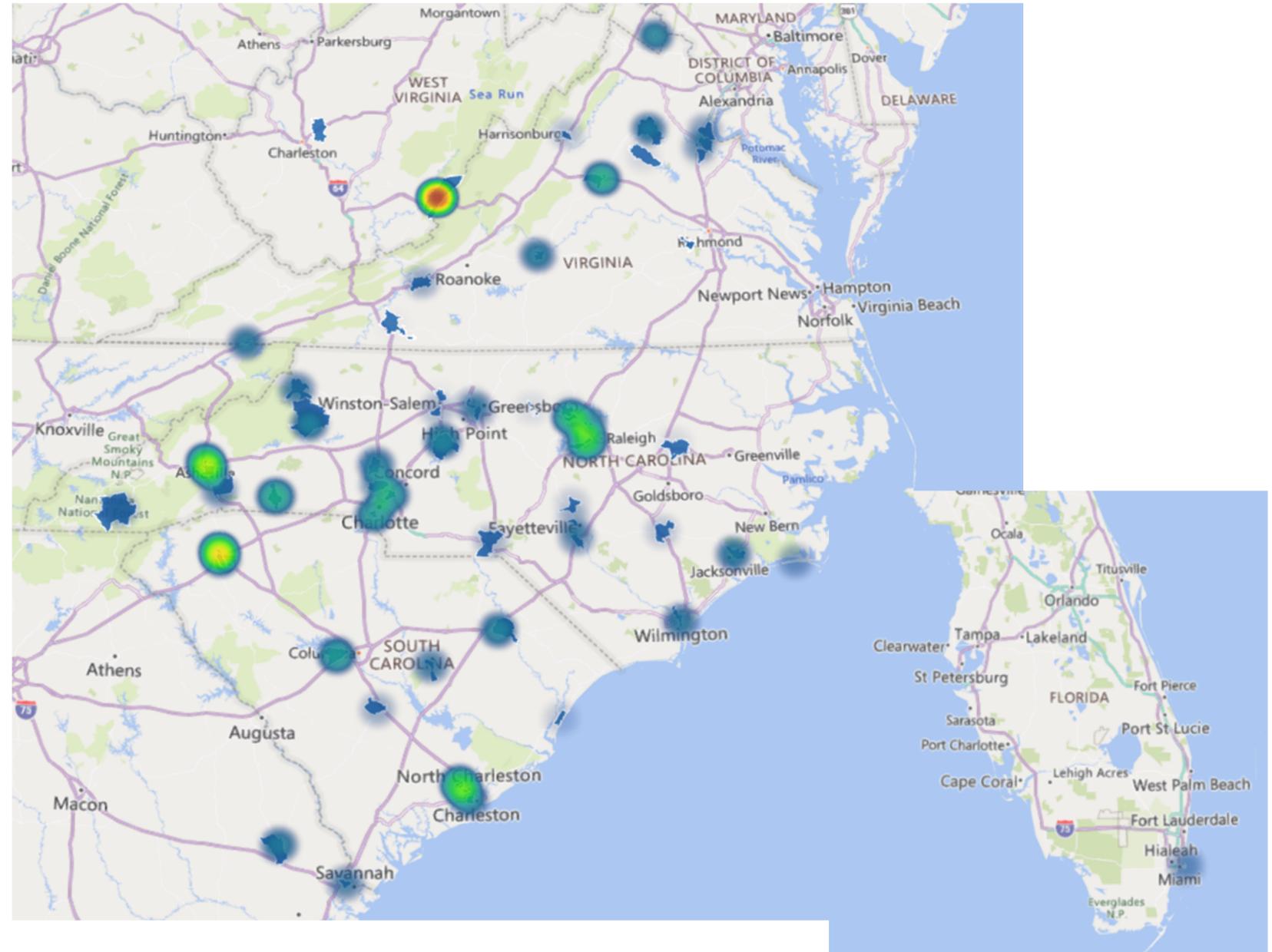
- Total portfolio balance \$365.5M
- Geographic diversification (see map)
- Mean loan size in portfolio \$6.6M¹
- Median of loans in portfolio \$4.2M¹
- The largest loan in portfolio \$51.6M¹
- 24.31% are under construction¹
- Top 10 borrowers make up 44.70% of the total hospitality commitment¹
- No delinquent loans in the hospitality portfolio¹
- There are 11.82%* loans in the hospitality portfolio that are adversely classified or NPL¹
- 90.57% of hospitality portfolio is funded¹

AVERAGE

4.78
RISK RATING

52.2%
LTV

\$105K
DEBT/KEY



Hospitality Metrics

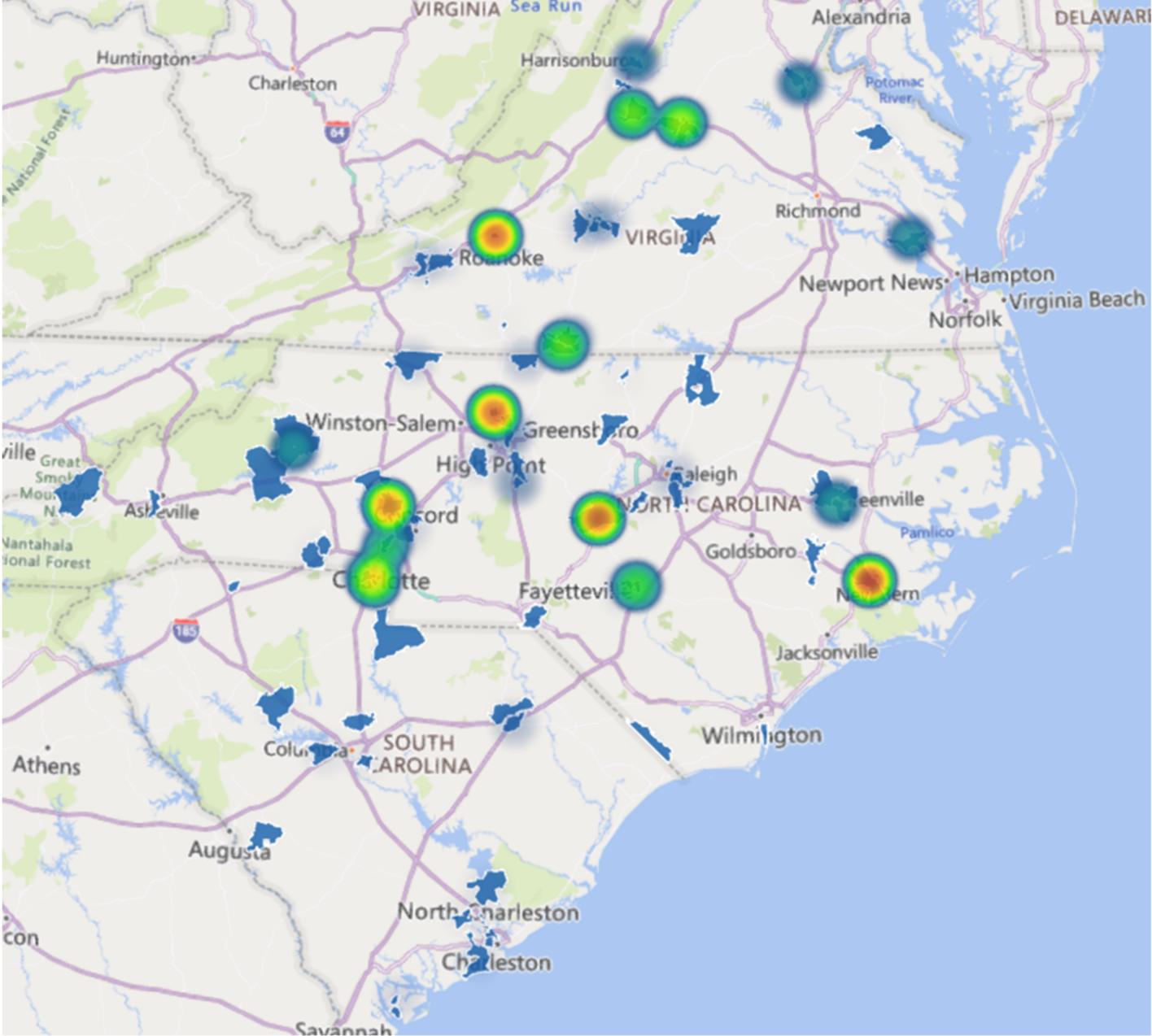
Category	Hospitality Portfolio Balance	Percentage of Total Balance	Hospitality Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Key - Total Commitment
Hilton	\$ 126,183	34.5%	\$ 170,406	60.2%	\$ 7,886	\$ 117
IHG	66,870	18.3%	69,109	55.7%	4,776	74
Upscale Independent/Boutique	55,677	15.2%	55,677	25.3%	27,838	83
Independent	25,922	7.1%	25,980	48.1%	3,703	222
Wyndham	22,548	6.2%	22,548	55.8%	2,255	39
Marriott	47,773	13.1%	71,877	53.0%	6,825	126
Radisson	10,277	2.8%	10,277	49.0%	2,569	35
Best Western	5,464	1.5%	5,464	40.9%	1,821	19
Choice	4,752	1.3%	4,752	44.2%	1,584	26
Hospitality Totals	\$ 365,466	100.0%	\$ 436,090	52.2%	\$ 6,584	\$ 105

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	\$ 211,562	57.9%	\$ 271,138	56.3%	\$ 5,160	\$ 114
South Carolina	56,463	15.4%	67,453	58.6%	6,274	104
West Virginia	55,560	15.2%	55,560	24.2%	18,520	69
Virginia	31,783	8.7%	31,841	51.6%	2,889	114
Georgia	10,098	2.8%	10,098	53.3%	5,049	59
Hospitality Totals	\$ 365,466	100.0%	\$ 436,090	52.2%	\$ 7,578	\$ 105

Multifamily Metrics

- Total portfolio balance \$460.5M
- Geographic diversification (see map)
- Mean loan size in portfolio \$4.4M¹
- Median of loans in portfolio \$385K¹
- The largest loan in portfolio \$27.0M¹
- 43.69% are under construction¹
- Top 10 borrowers make up 47.17% of the total multifamily commitment¹
- No loans in the portfolio are delinquent¹
- There are no loans in the portfolio that are considered NPL¹
- 1.80% of the portfolio is considered adversely classified¹
- 87.97% of portfolio is funded¹

AVERAGE		
4.77	51.5%	\$110
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	\$ 384,806	83.6%	\$ 507,506	50.8%	\$ 5,659	\$ 120
Student	68,403	14.8%	68,403	60.9%	7,593	49
Participations in Affordable Housing	7,286	1.6%	7,286	10.7%	155	4
Other ¹	—	—%	50	—%	—	—
Multifamily Totals	\$ 460,495	100.0%	\$ 583,245	51.5%	\$ 3,352	\$ 110

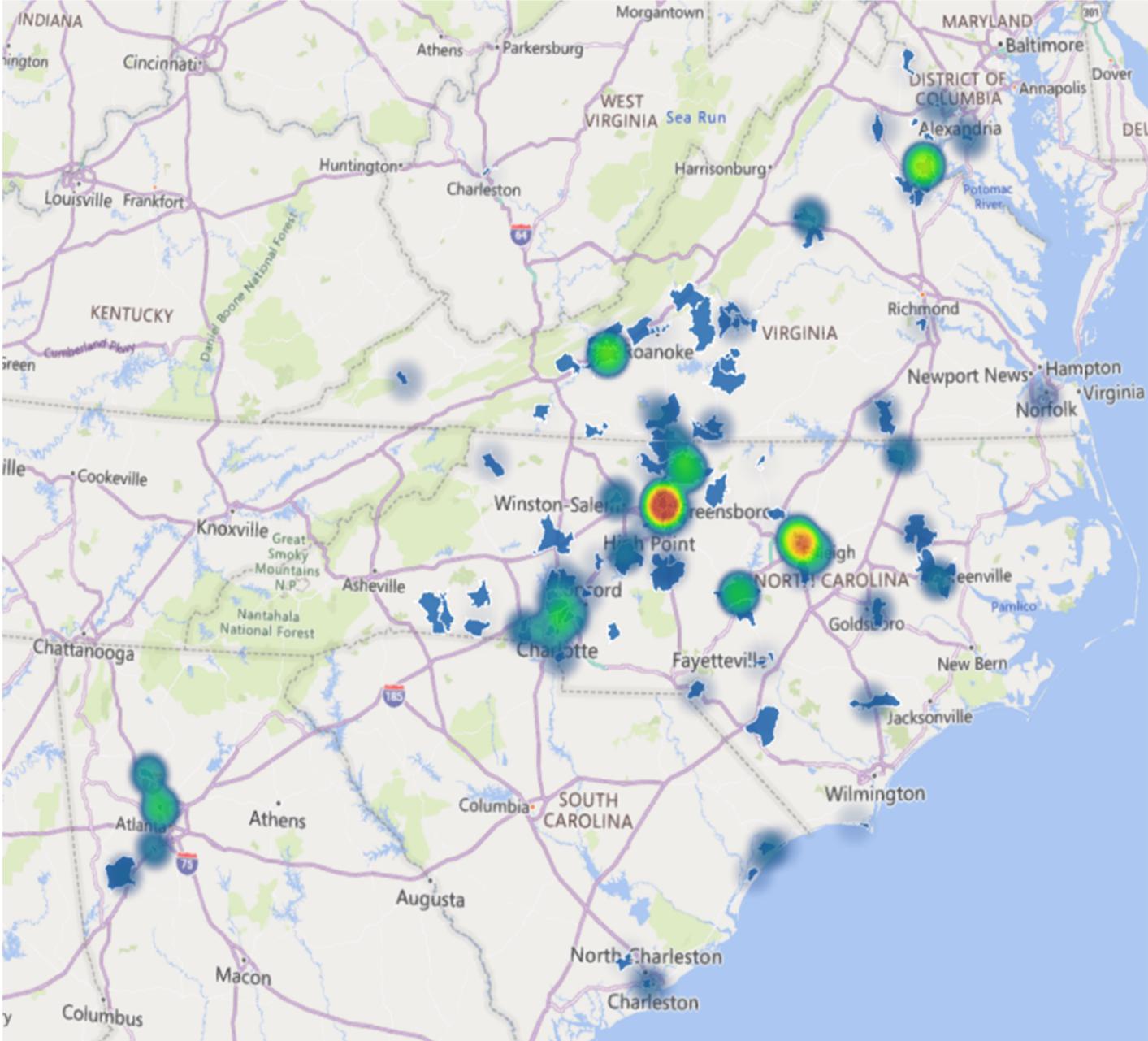
Category	Multifamily Portfolio Balance	Percentage of Total Balance	Multifamily Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Door - Total Commitment
Multifamily						
North Carolina	\$ 193,818	42.1%	\$ 304,617	51.9%	\$ 3,400	\$ 136
Virginia	152,550	33.1%	164,501	46.9%	4,237	87
South Carolina	45,724	9.9%	45,724	51.8%	1,905	118
Student Housing						
Virginia	47,121	10.2%	47,121	58.4%	5,890	54
South Carolina	19,500	4.3%	19,500	68.0%	19,500	40
North Carolina	1,782	0.4%	1,782	49.5%	1,782	8
Multifamily Totals	\$ 460,495	100.0%	\$ 583,245	51.5%	\$ 6,119	\$ 110

Retail Metrics

- Total portfolio balance \$504.1M**
- Geographic diversification (see map)
- Mean loan size in portfolio \$3.0M¹
- Median of loans in portfolio \$1.3M¹
- The largest loan in portfolio \$27M¹
- 9.68% are under construction¹
- Top 10 borrowers make up 32.92% of the total retail commitment¹
- No loans in this portfolio are considered delinquent¹
- Less than 0.01% of this portfolio are considered adversely classified¹
- Less than 0.01% are in NPL status¹
- 94.36% of retail portfolio is funded¹

AVERAGE

4.29 **57.3%** **\$135**
RISK RATING **LTV** **DEBT/SQ FT**



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	\$ 256,932	51.0%	\$ 259,860	58.4%	\$ 5,139	\$ 119
Unanchored Strip Centers	130,922	26.0%	154,898	54.7%	2,014	170
Outparcels/Single Tenant	77,831	15.4%	80,583	56.3%	1,342	140
Power Centers ²	34,893	6.9%	35,510	62.0%	6,979	95
Big Box	3,531	0.7%	3,531	60.7%	1,177	46
Retail Totals¹	\$ 504,109	100.0%	\$ 534,382	57.3%	\$ 3,330	\$ 135

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size
North Carolina	\$ 298,343	59.2%	\$ 324,281	54.1%	\$ 3,140
Virginia	95,506	18.9%	97,099	64.3%	1,676
South Carolina	38,844	7.7%	41,585	56.1%	2,428
Georgia	35,660	7.1%	35,660	62.3%	4,457
Ohio	10,430	2.1%	10,430	57.6%	10,430
Florida	9,618	1.9%	9,619	74.6%	9,619
Maryland	15,349	3.0%	15,349	61.2%	7,675
West Virginia	359	0.1%	359	43.5%	359
Retail Totals¹	\$ 504,109	100.0%	\$ 534,382	57.3%	\$ 4,973

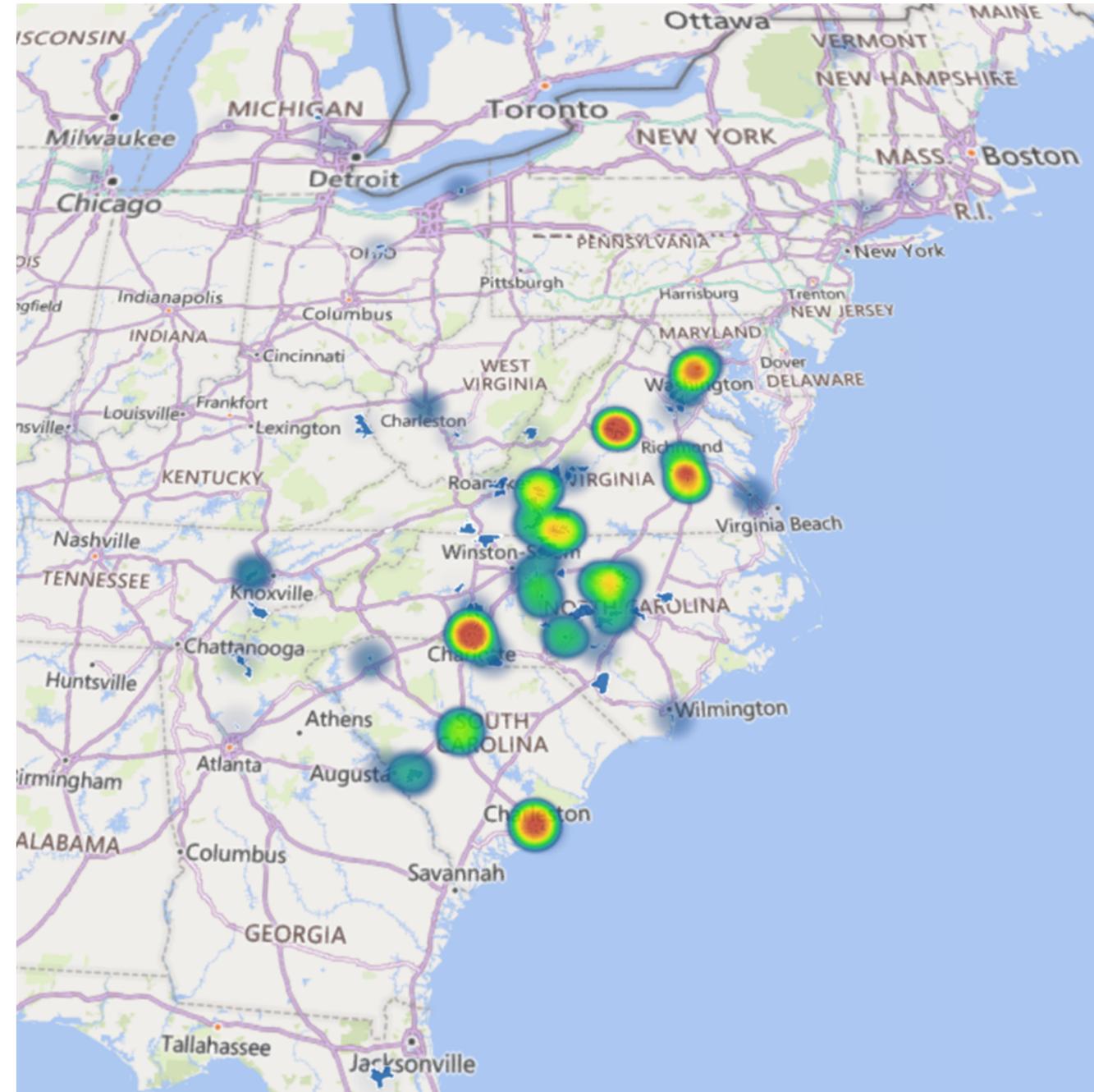
Office Metrics

- Total portfolio balance \$224.0M
- Geographic diversification (see map)
- Mean loan size in portfolio \$1.8M¹
- Median of loans in portfolio \$499K¹
- The largest loan in portfolio \$23.1M¹
- 2.72% are under construction¹
- Top 10 borrowers make up 56.33% of the total office commitment¹
- 0.05% of this portfolio are considered delinquent¹
- 6.16% of loans are primarily rated special mention¹
- 6.16% are in NPL status¹
- 96.26% of office portfolio is funded¹

AVERAGE

4.56
RISK RATING

\$122
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	\$ 183,967	82.1%	\$ 197,822	\$ 2,091	\$ 118
Daycare Center	17,309	7.7%	17,309	2,885	206
Medical Offices	15,472	6.9%	15,922	910	103
Veterinary Offices	6,795	3.1%	13,561	377	102
Law Offices	484	0.2%	484	121	37
Office Totals	224,027	100.0%	245,098	1,277	122

Category	Office Portfolio Balance	Percentage of Total Balance	Office Commitment Balance	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
Virginia	\$ 87,864	39.2%	\$ 90,039	\$ 1,831	\$ 104
North Carolina	70,414	31.4%	85,889	1,381	132
South Carolina	39,721	17.7%	43,144	6,620	148
Maryland	6,585	3.0%	6,585	6,585	121
Georgia	7,207	3.2%	7,207	1,030	143
Tennessee	2,981	1.3%	2,981	1,491	53
West Virginia	2,427	1.1%	2,427	809	69
Ohio	1,882	0.9%	1,881	941	104
Connecticut	1,316	0.6%	1,316	439	89
Michigan	1,137	0.5%	1,137	379	96
Vermont	909	0.4%	909	454	161
Illinois	512	0.2%	512	512	128
Maine	364	0.2%	364	364	153
Indiana	284	0.1%	283	283	45
Kentucky	228	0.1%	228	228	72
Florida	196	0.1%	196	196	75
Office Totals	\$ 224,027	100.0%	\$ 245,098	\$ 1,471	\$ 122

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.

Adjusted Net Interest Income (FTE) (Non-GAAP)	Quarter-to-Date		
	Q3 2025	Q2 2025	Q3 2024
(Dollars in Thousands)			
Interest Income (FTE) (Non-GAAP)			
Interest and Dividend Income (GAAP)	\$ 59,170	\$ 57,747	\$ 56,595
Tax Equivalent Adjustment ³	163	171	190
Interest and Dividend Income (FTE) (Non-GAAP)	59,333	57,918	56,785
Average Earning Assets	\$ 4,680,668	\$ 4,634,635	\$ 4,447,455
Yield on Interest-earning Assets (GAAP)	5.02%	5.00%	5.06%
Yield on Interest-earning Assets (FTE) (Non-GAAP)	5.03%	5.01%	5.08%
Net Interest Income (FTE) (Non-GAAP)			
Net Interest Income (GAAP)	\$ 33,719	\$ 32,359	\$ 28,798
Tax Equivalent Adjustment ³	163	171	190
Net Interest Income (FTE) (Non-GAAP)	33,882	32,530	28,988
Average Earning Assets	\$ 4,680,668	\$ 4,634,635	\$ 4,447,455
Net Interest Margin (GAAP)	2.86%	2.80%	2.58%
Net Interest Margin (FTE) (Non-GAAP)	2.87%	2.82%	2.59%

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.

Adjusted Efficiency Ratio (Non-GAAP)	Quarter-to-Date		
	Q3 2025	Q2 2025	Q3 2024
(Dollars in Thousands)			
Noninterest Expense	\$ 28,704	\$ 29,304	\$ 27,433
Less: (Losses) Gains on sales and write-downs of Branch Premises, net	(11)	(60)	(9)
Less: (Losses) Gains on Sales and write-downs of OREO, net	89	(262)	502
Less: 1035 Exchange fee on BOLI	—	(252)	—
Less: Acquisition Costs	(33)	(386)	—
Less: Severance Pay	—	(40)	—
Less: Contingent Liability	—	(38)	(303)
Adjusted Noninterest Expense (Non-GAAP)	28,749	28,266	27,623
Net Interest Income	\$ 33,719	\$ 32,359	\$ 28,798
Plus: Taxable Equivalent Adjustment ³	163	171	190
Net Interest Income (FTE) (Non-GAAP)	33,882	32,530	28,988
Less: Equity Security Unrealized Fair Value Gain	(69)	(22)	(144)
Less: OREO Income	—	—	(16)
Plus: Noninterest Income	5,370	4,908	5,422
Net Interest Income (FTE) (Non-GAAP) plus Adjusted Noninterest Income	39,183	37,416	34,250
Efficiency Ratio (GAAP)	73.43%	78.63%	80.17%
Adjusted Efficiency Ratio (Non-GAAP)	73.37%	75.55%	80.65%

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.

	Quarter-to-Date	
Adjusted Book Value (Non-GAAP)	Q3 2025	
(Dollars in Thousands)		
Adjusted Book Value (Non-GAAP)		
Total Shareholders' Equity	\$	412,838
Add: AOCL		46,053
Add: Other Segment Reserve Release, net of tax		17,160
Total Shareholders' Equity, excluding AOCI and segment reserve release (Non-GAAP)	\$	476,051
Common Shares Outstanding at End of Period		22,406
Book Value (GAAP)	\$	18.42
Adjusted Book Value (Non-GAAP)	\$	21.25

Non-GAAP Reconciliation

Adjusted Nonperforming Loans ("NPL") to Total Portfolio Loans (Non-GAAP)	September 30, 2025
(Dollars in Thousands)	
Adjusted NPLs (Non-GAAP)	
Total NPL	\$ 258,637
Less: Bank's Largest Lending Relationship	228,554
Total NPL, excluding Bank's Largest Lending Relationship (Non-GAAP)	\$ 30,083
Total Portfolio Loans	\$ 3,835,653
NPL to Total Portfolio Loans (GAAP)	6.74%
Adjusted NPL to Total Portfolio Loans (Non-GAAP)	0.78%

Adjusted Allowance for Credit Losses ("ACL") to Total Portfolio Loans (Non-GAAP)	September 30, 2025
(Dollars in Thousands)	
Adjusted ACL (Non-GAAP)	
Total ACL	\$ 73,762
Less: Bank's Largest Lending Relationship Reserve	21,686
Total ACL, excluding Bank's Largest Lending Relationship Reserve (Non-GAAP)	\$ 52,076
Total Portfolio Loans	\$ 3,835,653
ACL to Total Portfolio Loans (GAAP)	1.92%
Adjusted ACL to Total Portfolio Loans (Non-GAAP)	1.36%