Investor Presentation

Third Quarter 2026

Nasdaq: CARE

Carter Bankshares, Inc.

LIFE LIVED FULL

Forward-Looking Statement

This information contains 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 the Company believes 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, funding costs and its deposit, loan and securities portfolios; inflation, market and monetary fluctuations; changes in trade policies, 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; cyber-security threats, attacks or events; rapid technological developments and changes, including emerging issues related to the development and use of artificial intelligence that could give rise to legal or regulatory action or increase cybersecurity threats; 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 commercial real estate loans, and the potential impacts of changes in market conditions on the value of real estate collateral; increased delinquency and foreclosure rates on commercial real estate 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 (such as pandemics), and of any governmental and societal responses thereto; these potential adverse effects may include, without limitation, adverse effects on macroeconomic conditions, 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 and changes impacting the rulemaking, supervision, examination and enforcement priorities of the federal banking agencies; 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; 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, government shutdowns and geopolitical instability and tensions; significant weakening of the local economies in which the Company operates; 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 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” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025. 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. The Company cautions you not to unduly rely on forward-looking statements because the assumptions, beliefs, expectations and projections about future events that 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 the Company undertakes 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	14-27
SECTION 03	Asset Quality	28-34
SECTION 04	Deposit Mix	35-37
SECTION 05	Commercial Loans	38-47
SECTION 06	Non-GAAP Reconciliation	48-54

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

2026 Carter Bank expands into South Carolina and launched a dedicated Small Business Administration ("SBA") Lending Team

Footprint

HQ

Martinsville, Virginia

–

63

Branches

–

10

Corporate Centers

Stats

$4.7B

Assets

–

$3.8B

Loans

–

$4.1B

Deposits

Corporate Highlights

Company completed the sale of its largest NPL relationship in 1Q 2026

–

Sold Company's membership in Bearing Insurance Group, LLC in 2Q 2026

–

Company executed a strategic repositioning of $139.4 million (18.7%) of the AFS securities portfolio, replacing securities with a 2.28% weighted average yield with $88.5 million of new investments yielding 5.27% in 2Q 2026

–

Company established the Carter Bankshares, Inc. Dividend Reinvestment and Stock Purchase Plan (the “DRIP”) in 3Q 2026

–

Company launched a dedicated Small Business Administration (“SBA”) lending team focused on SBA 7(a) financing in 3Q 2026

–

Opened regional loan office in Greenville, SC

–

Further enhanced capital and liquidity levels

–

Reinstated Quarterly Cash Dividend on April 22, 2026

–

YTD 2026 Loan Production of $615.5M of which 67.87% was funded at a weighted average rate of 6.28%. The YTD production was offset by early payoffs of $450.5M

Regional Footprint

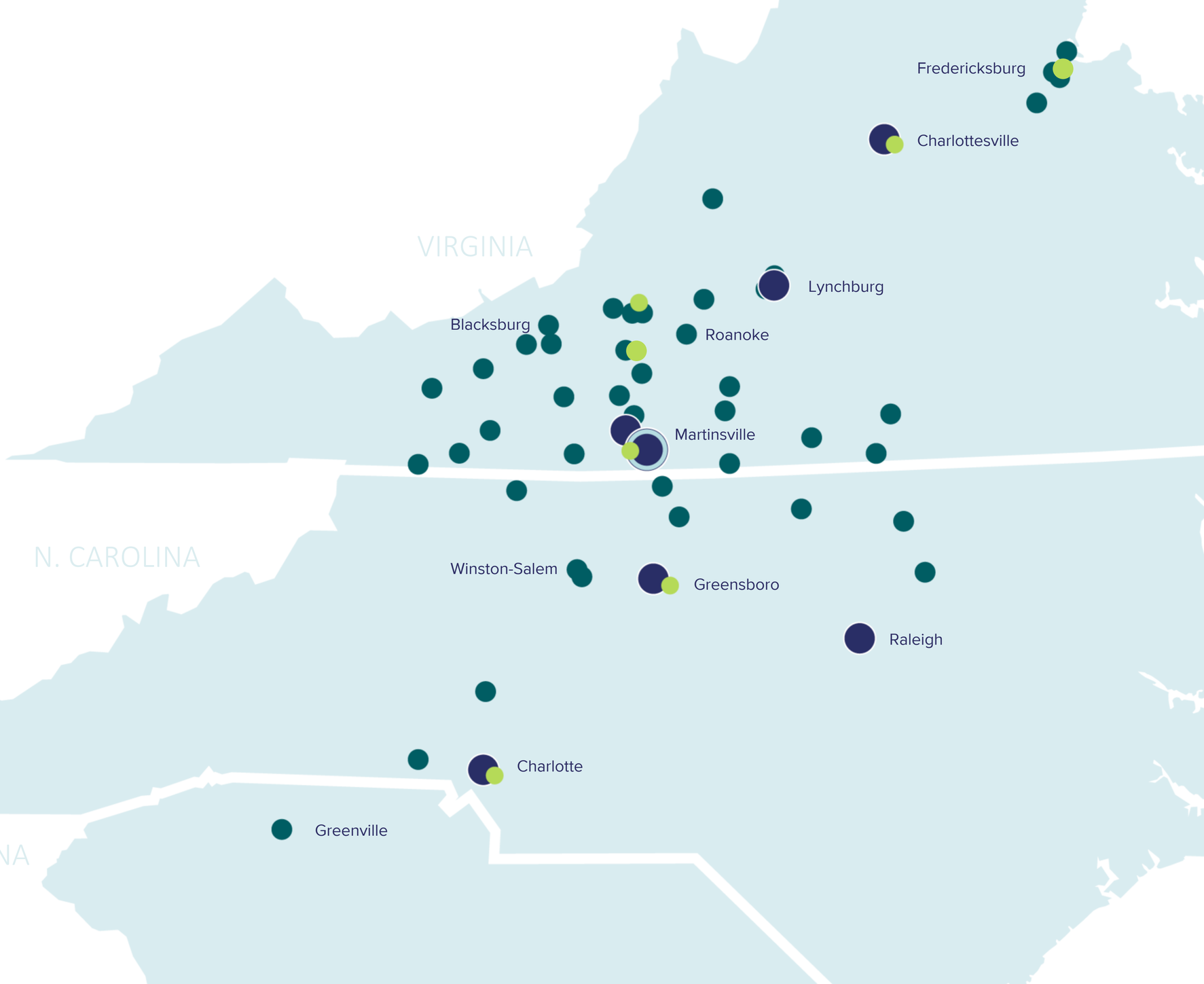
50 Total Branches in Virginia
Total VA Deposits $3.6 billion

13 Total Branches in North Carolina
Total NC Deposits $0.5 billion

1 Loan Production Office in South Carolina

Map Key

- Corporate Headquarters
- Regional Offices
- Branches
- Mortgage Loan Offices

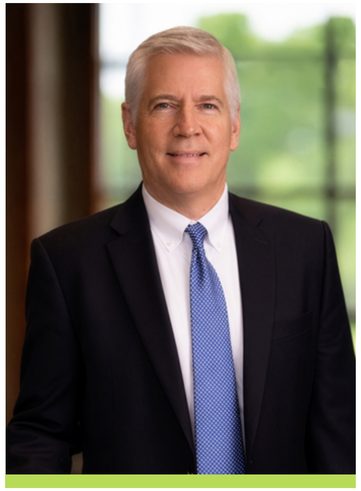


Leadership Team



Litz Van Dyke

Chief Executive Officer
41 years in Industry
10 years at the Bank



Bradford Langs

President
Chief Strategy Officer
40 years in Industry
9 years at the Bank



Wendy Bell

Senior Executive Vice President
Chief Financial Officer
41 years in Industry
9 years at the Bank



Loran Adams

Executive Vice President
Director of Regulatory Risk Management
43 years in Industry
9 years at the Bank



Tami Buttrey

Executive Vice President
Chief Retail Banking Officer
43 years in Industry
7 years at the Bank



Jane Ann Davis

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



Tony Kallsen

Senior Executive Vice President
Chief Credit Risk Officer
35 years in Industry
8 years at the Bank



Chrystal Parnell

Executive Vice President
Chief Marketing & Communications Officer
23 years in Industry
4 years at the Bank



Kimberly Schaufenbuel

Executive Vice President
Chief Human Resources Officer
7 years in Industry
<1 year at the Bank



Matt Speare

Senior Executive Vice President
Chief Operations Officer
24 years in Industry
9 years at the Bank



Rich Spiker

Senior Executive Vice President
Chief Lending Officer
37 years in Industry
9 years at the Bank



OUR PURPOSE

To create opportunities for more people and businesses to prosper.

Rewarding Relationships





Corporate & Social Responsibility



Associates joined neighbors and fans at Carter Bank Night with the Danville Otterbots baseball team. Associates provided parents with financial education guides to support age-appropriate financial discussions with their children. It reflects Carter Bank's commitment to add value and show up where its communities gather.



The Bank partnered with the Montgomery County Chamber of Commerce to award six minority-owned businesses complimentary chamber memberships. This investment supports an ongoing effort to create opportunities for underserved communities.

Congratulations to the 2026 recipients: Baan Coffee & Thai Tea, The Lemuel Foundation, CampusHaul, Elegant Nails, Don’s Improvement, and Mano a Mano Services.



The Renaissance West Community Initiative aims to end intergenerational poverty in West Charlotte, and Carter Bank associates were proud to represent the Bank at its annual fundraising event at the Sullenberger Aviation Museum. RWCI builds a collaborative community around quality housing, education, health and wellness, and opportunity. Its programs include free GED classes, tutoring, and mobile health care brought directly into the community.

2,592
Volunteer Community Service Hours

–

57
Nonprofits Supported by Associates Serving on Boards & Committees

–

$486,581
Charitable Donations & Sponsorships to Nonprofits

–

92
Financial Education Classes Facilitated for 3,112 Students

Investment Highlights

Strong Financial Performance

- Strong Liquidity & Capital Position
- CET1 of 14.24%
- ACL coverage of 1.42%
- $1.6B of total available liquidity
- 222.0% total available liquidity / uninsured deposits

Conservative Credit Culture

- Strong Credit Position
- 0.74% NPLs to Total Portfolio Loans
- 0.77% NPAs to Total Portfolio Loans plus OREO
- 191.79% Allowance for Credit Losses to NPLs
- 0.34% Past Due Loans to Total Portfolio Loans
- (0.12)% Net (Recoveries)/Charge-offs to YTD Avg Loans

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

Focused on the Future

We aspire to be a high-performing regional community bank with deep local relationships, differentiated expertise, and scalable capabilities across our markets.

To achieve our long-term aspirations and deliver value to customers, associates, shareholders, and communities, the Bank will execute its strategy through three interconnected pillars: Invest, Enhance, and Expand, which are underpinned by Financial Performance and Operational Excellence. These pillars are designed to strengthen our foundational capabilities, elevate performance, and enable sustainable growth, all within a disciplined, measurable, and adaptable framework.

Invest	We will invest in the people, infrastructure, technology, governance, and organizational capabilities needed to ensure sustainable growth, operational excellence, and long-term scalability.
Enhance	We will enhance operational performance and customer and associate experience through continuous improvement, optimization, innovation, collaboration, and service excellence.
Expand	We will drive sustainable growth by expanding market presence, strengthening relationships, and growing consumer and business banking opportunities through strategic expansion, innovation, and customer-focused engagement.

Safety & Soundness

Capital

14.24%
Common Equity Tier 1 Ratio (CET1)

–

15.49%
Total Risk-based Capital Ratio

–

11.95%
Leverage Ratio

–

$23.85
Book Value

Asset Quality

0.34%
Delinquency/Portfolio Loans

–

0.74%
NPL/Portfolio Loans

–

1.42%
ACL/Portfolio Loans

–

(0.12)%
Net Recovery/Portfolio Loans (YTD)

Earnings

3.39%
Actual ROA (YTD)[1]

–

32.64%
Actual ROE (YTD)[2]

–

3.34%
NIM (FTE) (YTD)[3]

–

66.47%
Adjusted Efficiency Ratio (YTD)[3]

Liquidity

$1.6B
Total Liquidity Sources

–

13.52%
Highly Liquid Assets/Total Assets

–

86.87%
Highly Liquid Assets/Uninsured Deposits

–

222.01%
Total Available Liquidity/Uninsured Deposits

[1] YTD adjusted ROA = 0.77%[3]
[2] YTD adjusted ROE = 7.41%[3]
[3] Non-GAAP Financial Measure - see Non-GAAP reconciliation

SECTION 02

Financial

Income Statement

Operational Results	3Q 2026	2Q 2026	Q/Q Change $	3Q 2025	Y/Y Change $
Net Interest Income	$ 41,232	$ 39,950	**$ 1,282**	$ 33,719	**$ 7,513**
Provision for Credit Losses	10,476	2,010	**8,466**	2,896	**7,580**
(Recovery) Provision for Unfunded Commitments	(143)	(554)	**411**	335	**(478)**
Noninterest Income[2]	4,984	28,730	**(23,746)**	5,370	**(386)**
Noninterest Expense	29,504	29,986	**(482)**	28,704	**800**
Income Tax (Benefit) Expense	(1,382)	8,327	**(9,709)**	1,735	**(3,117)**
Net Income	$ 7,761	$ 28,911	**$ (21,150)**	$ 5,419	**$ 2,342**
Adjusted Net Income[1]	$ 7,561	$ 11,598	**$ (4,037)**	$ 5,711	**$ 1,850**

$1.3M / $7.5M
Net Interest Income up Q/Q & Y/Y

$10.5M / $2.0M / $2.9M
Provision for Credit Losses
3Q26 / 2Q26 / 3Q25

$(23.7)M / $(0.4)M
Noninterest Income down Q/Q & Y/Y

$(0.5)M / $0.8M
Noninterest Expense down Q/Q & up Y/Y

$(9.7)M / $(3.1)M
Income Tax (Benefit) Expense down Q/Q & Y/Y

$(21.2)M / $2.3M
Net Income down Q/Q & up Y/Y

$(4.0)M / $1.9M
Adjusted Net Income[1] down Q/Q & up Y/Y

[1]Non-GAAP Financial measure - see Non-GAAP reconciliation
[2]During the second quarter of 2026 the Company recognized a $35.9M gain on the Insurance Transaction and $12.5M Losses on the sale of securities as a result of the Portfolio Repositioning.

Balance Sheet

Balance Sheet Condition	3Q 2026	2Q 2026	Q/Q Change $	3Q 2025	Y/Y Change $
Assets	$ 4,730,937	$ 4,801,883	**$ (70,946)**	$ 4,840,119	**$ (109,182)**
Loans Held-for-Sale	—	467	**(467)**	478	**(478)**
Portfolio Loans	3,770,643	3,734,594	**36,049**	3,835,653	**(65,010)**
Allowance for Credit Losses	(53,550)	(55,170)	**1,620**	(73,762)	**20,212**
Securities	677,567	640,302	**37,265**	727,903	**(50,336)**
Equity Securities	21,479	12,676	**8,803**	10,269	**11,210**
Deposits	4,117,308	4,197,556	**(80,248)**	4,210,347	**(93,039)**
Borrowings	20,000	—	**20,000**	175,500	**(155,500)**
Shareholders' Equity	$ 526,919	$ 539,146	**$ (12,227)**	$ 412,838	**$ 114,081**
Portfolio Loans excluding Large NPL[1]				$ 3,607,099	**$ 163,544**

$36.0M / $(65.0)M
Loan Growth up Q/Q & down Y/Y

$163.5M
Loan Growth (Non-GAAP)[1] up Y/Y

$8.8M / $11.2M
Equity Securities up Q/Q & Y/Y

$(80.2)M / $(93.0)M
Deposits down Q/Q & Y/Y

$20.0M / $(155.5)M
Borrowings up Q/Q & down Y/Y

$(12.2)M / $114.1M
Shareholders' Equity down Q/Q & up Y/Y

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

Financial / Shareholder Ratios

Shareholder Ratios	3Q 2026	2Q 2026	Q/Q Change $	3Q 2025	Y/Y Change $
Diluted Earnings Per Share (QTD)	$ 0.35	$ 1.31	**$ (0.96)**	$ 0.24	**$ 0.11**
Adj. Diluted Earnings Per Share (QTD)[1]	$ 0.35	$ 0.53	**$ (0.18)**	$ 0.26	**$ 0.09**

Financial Ratios					
Return on Avg Assets (QTD)	0.65%	2.39%	**(1.74)%**	0.45%	**0.20%**
Adj. Return on Avg Assets (QTD)[1]	0.63%	0.96%	**(0.33)%**	0.47%	**0.16%**
Return on Avg Shareholders' Equity (QTD)	5.68%	22.01%	**(16.33)%**	5.24%	**0.44%**
Adj. Return on Avg Shareholders' Equity (QTD)[1]	5.54%	8.83%	**(3.29)%**	5.53%	**0.01%**
Net Interest Margin (FTE)(QTD)[1]	3.55%	3.40%	**0.15%**	2.87%	**0.68%**
Adjusted Efficiency Ratio (QTD)[1]	64.64%	62.66%	**1.98%**	73.37%	**(8.73)%**

Asset Quality Ratios					
NPL / Total Portfolio Loans	0.74%	1.01%	**(0.27)%**	6.74%	**(6.00)%**
NPA / Total Portfolio Loans plus OREO	0.77%	1.09%	**(0.32)%**	6.75%	**(5.98)%**
ACL / Total Portfolio Loans	1.42%	1.48%	**(0.06)%**	1.92%	**(0.50)%**
Net Chg-offs (Recoveries) / Total Portfolio Loans (QTD annualized)	1.28%	(0.07)%	**1.35%**	0.02%	**1.26%**

$(0.96) / $0.11
Diluted EPS down Q/Q & up Y/Y

$(0.18) / $0.09
Adj. Diluted EPS[1] down Q/Q & up Y/Y

0.63% / 0.96% / 0.47%
Adj. QTD ROA[1] 3Q26, 2Q26 & 3Q25

5.54% / 8.83% / 5.53%
Adj. QTD ROE[1] 3Q26, 2Q26 & 3Q25

3.55% / 3.40% / 2.87%
NIM (FTE)[1] 3Q26, 2Q26 & 3Q25

64.64% / 62.66% / 73.37%
Adj Efficiency Ratio[1] 3Q26, 2Q26 & 3Q25

0.74% / 1.01% / 6.74%
NPL / Portfolio Loans 3Q26, 2Q26 & 3Q25

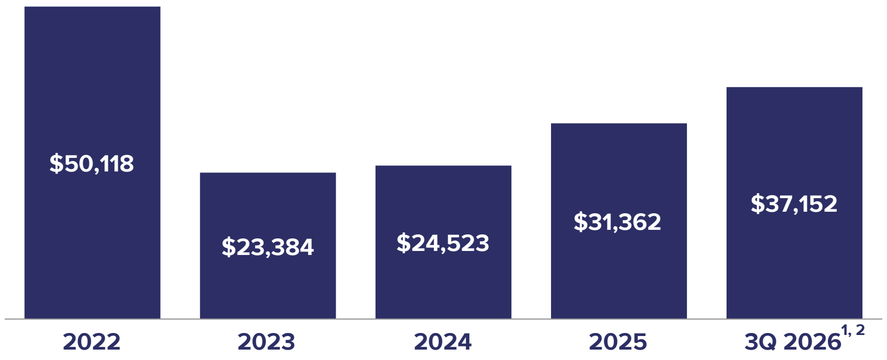
1.42% / 1.48% / 1.92%
ACL to Portfolio Loans 3Q26, 2Q26 & 3Q25

1.28% / (0.07)% / 0.02%
Net Chg-offs (Recoveries) to Portfolio Loans (QTD annualized) 3Q26, 2Q26 & 3Q25

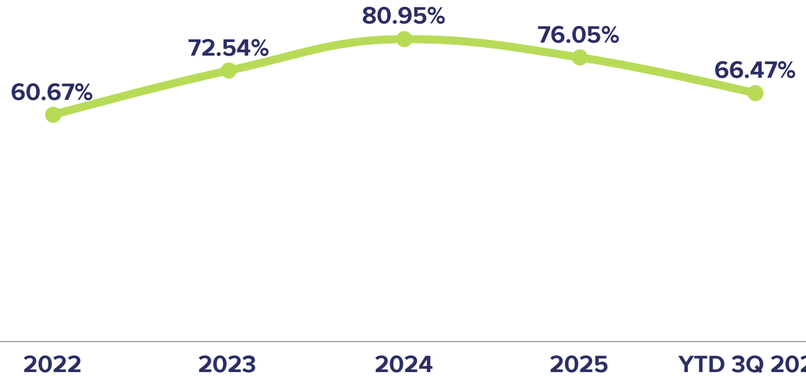
[1]Non-GAAP Financial measure - see Non-GAAP reconciliation

Financial Performance Trends

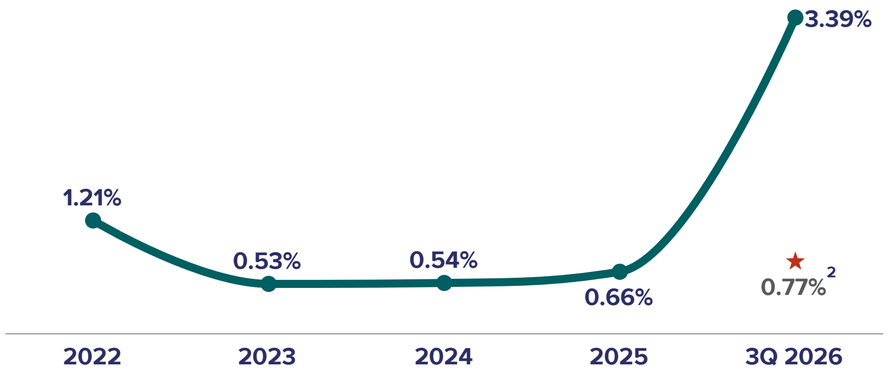
Net Income, in thousands



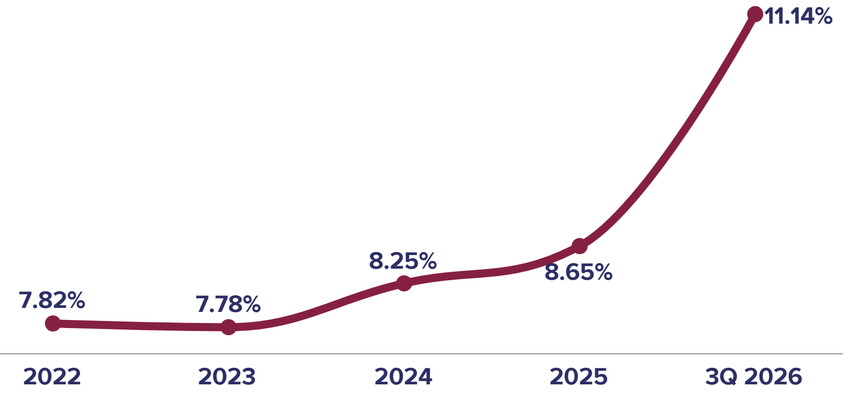
Adjusted Efficiency Ratio[2]



ROA



TCE



[1] Adjusted Net Income (non-GAAP)[2] and YTD annualized for the nine months ended September 30, 2026
[2] Non-GAAP Financial Measure - see Non-GAAP reconciliation on pages 51, 53 and 54

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.
- On February 2, 2026, the Board authorized a repurchase program to purchase up to $10.0 million of the Company's common stock in the aggregate over a period of twelve months beginning February 11, 2026.
  - During the three months ended September 30, 2026, the Company repurchased 74,151 shares of its common stock at a total cost of $2.2 million and a weighted average cost per share of $29.85.
  - During the nine months ended September 30, 2026, the Company repurchased 182,752 shares of its common stock at a total cost of $5.1 million and a weighted average cost per share of $27.86.

		Carter Bankshares		
		Regulatory Well Capitalized	Actual	Excess ($) (In Thousands)
Common Equity Tier 1 Ratio ("CET 1")		6.50%	14.24%	$ 312,081
Tier 1 Risk-based Ratio		8.00%	14.24%	251,605
Total Risk-based Capital Ratio		10.00%	15.49%	221,432
Leverage Ratio		5.00%	11.95%	334,003
Critically Undercapitalized Category	Tangible equity to total assets ≤ 2%			
Capital Conservation Buffer	>= 2.5% composed of CET 1			

REGULATORY CAPITAL

14.24%	15.49%	11.95%
TIER 1	TOTAL	LEVERAGE

	Actual ($) 09/30/26	Cumulative AOCL Impact 09/30/26
Book Value per Common Share	$ 23.85	$ (2.23)
Adjusted Book Value[1]	**$ 26.08**	

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

Capital Management

(Dollars in Thousands)	Minimum Required Basel III	Well Capitalized	September 30, 2026		December 31, 2025	
			Amount	Ratio	Amount	Ratio
Carter Bankshares, Inc.						
Leverage Ratio	4.00%	NA	$574,144	11.95%	$459,735	9.43%
Common Equity Tier 1 (to Risk-weighted Assets)	7.00%	NA	574,144	14.24%	459,735	10.70%
Tier 1 Capital (to Risk-weighted Assets)	8.50%	NA	574,144	14.24%	459,735	10.70%
Total Capital (to Risk-weighted Assets)	10.50%	NA	624,605	15.49%	513,722	11.95%
Carter Bank & Trust						
Leverage Ratio	4.00%	5.00%	$557,584	11.62%	$437,670	9.01%
Common Equity Tier 1 (to Risk-weighted Assets)	7.00%	6.50%	557,584	13.87%	437,670	10.23%
Tier 1 Capital (to Risk-weighted Assets)	8.50%	8.00%	557,584	13.87%	437,670	10.23%
Total Capital (to Risk-weighted Assets)	10.50%	10.00%	607,884	15.13%	491,396	11.49%

Liquidity

$1.6B

TOTAL AVAILABLE LIQUIDITY

Continue to maintain a strong liquidity position:

- Ongoing FHLB collateral pledging[1]
- Maintain five unsecured lines 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 222.0%

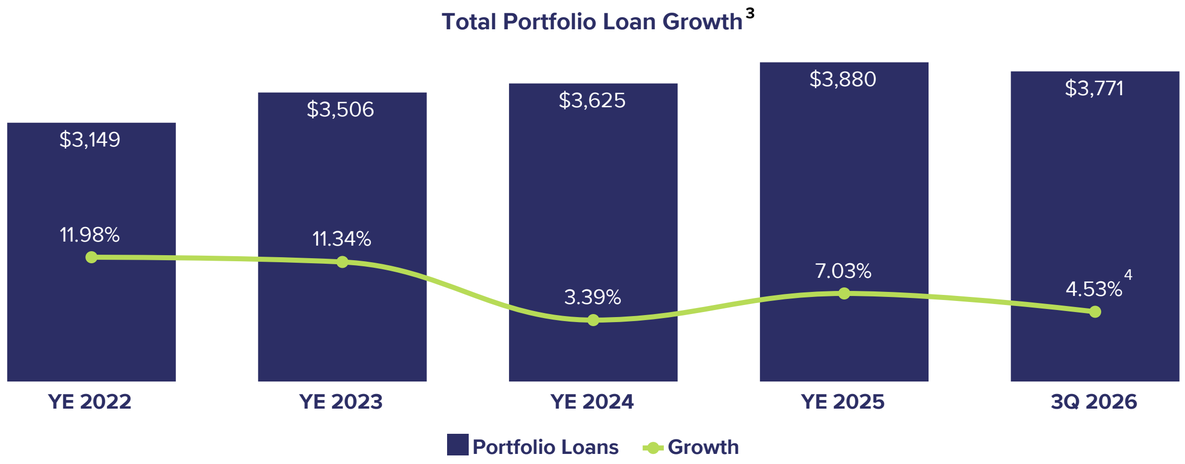
$ in thousands	September 30, 2026	December 31, 2025	Change
Cash and Due From Banks	$ 37,626	$ 36,935	$ 691
Interest Bearing Deposits in Other Financial Institutions	21,207	12,134	9,073
Federal Reserve Bank Excess Reserves	42,892	56,094	(13,202)
FHLB Borrowing Availability[1]	818,698	609,392	209,306
Unsecured Lines of Credit	115,000	30,000	85,000
Collateralized Lines of Credit	—	45,000	(45,000)
Unpledged Investment Securities	575,344	402,220	173,124
Excess Pledged Securities	23,363	33,443	(10,080)
Total Liquidity Sources	**$ 1,634,130**	**$ 1,225,218**	**$ 408,912**

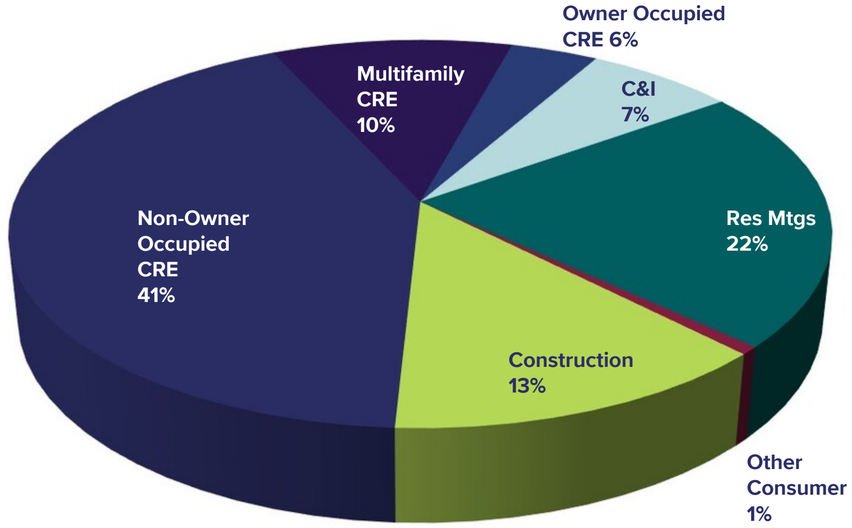
[1]For the periods presented above, the Company maintained a secured FHLB Borrowing Facility with FHLB of Atlanta equal to 30% of the Bank's assets approximating $1.4 billion, with available borrowing capacity subject to the amount of eligible collateral pledged at any given time.

Loan Composition

$ in thousands	For the Period Ending 09/30/2026	06/30/2026	09/30/2025	Variance Quarter	Year
CRE - Non-Owner Occupied	$ 1,554,315	$ 1,575,976	$ 1,546,006	$ (21,661)	$ 8,309
CRE - Multifamily	401,106	394,829	383,712	6,277	17,394
CRE - Owner Occupied	217,971	172,557	133,463	45,414	84,508
Commercial and Industrial	260,705	262,432	218,038	(1,727)	42,667
Residential Mortgages	817,700	814,383	826,944	3,317	(9,244)
Other Consumer	24,355	25,154	29,077	(799)	(4,722)
Construction	494,491	489,263	466,701	5,228	27,790
Other[1]	—	—	231,712	—	(231,712)
Total Portfolio Loans[2]	**$ 3,770,643**	**$ 3,734,594**	**$ 3,835,653**	**$ 36,049**	**$ (65,010)**

- The successful resolution of our largest nonperforming credit relationship during the first quarter of 2026 reduced total portfolio loans by $209.5 million and contributed to a more favorable loan composition, including lower levels of nonperforming and higher risk loans.
- Excluding the large NPL relationship sold during the first quarter of 2026, total portfolio loans increased organically by $163.5 million[4], or 4.53%[4] YoY.
- YTD 2026 Loan Production of $615.5M of which 67.87% was funded at a weighted average rate of 6.28%. The YTD production was offset by early payoffs $450.5M

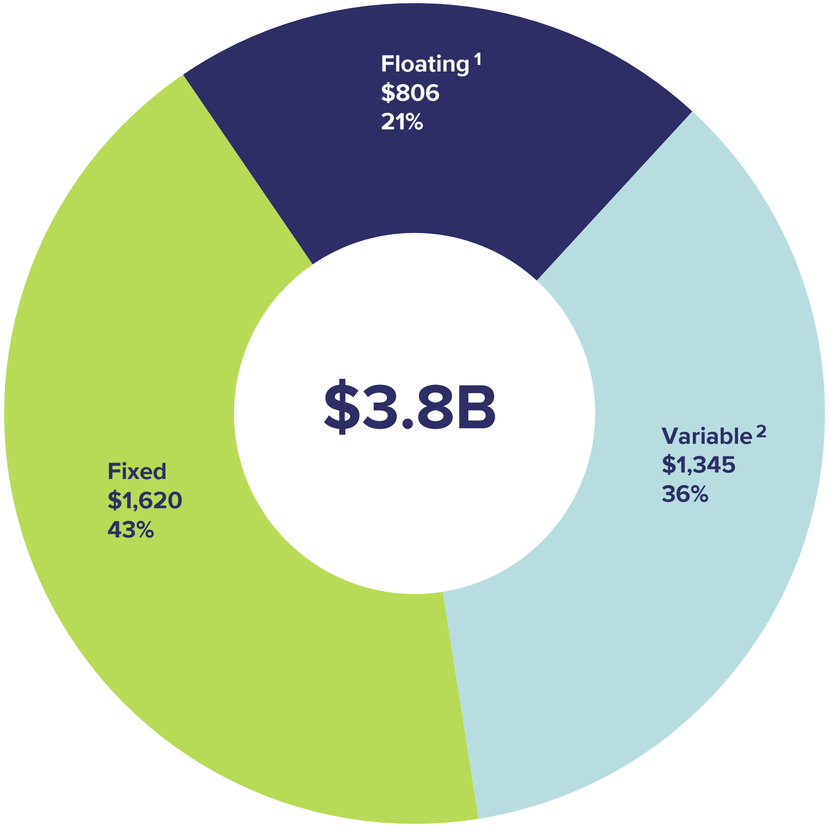




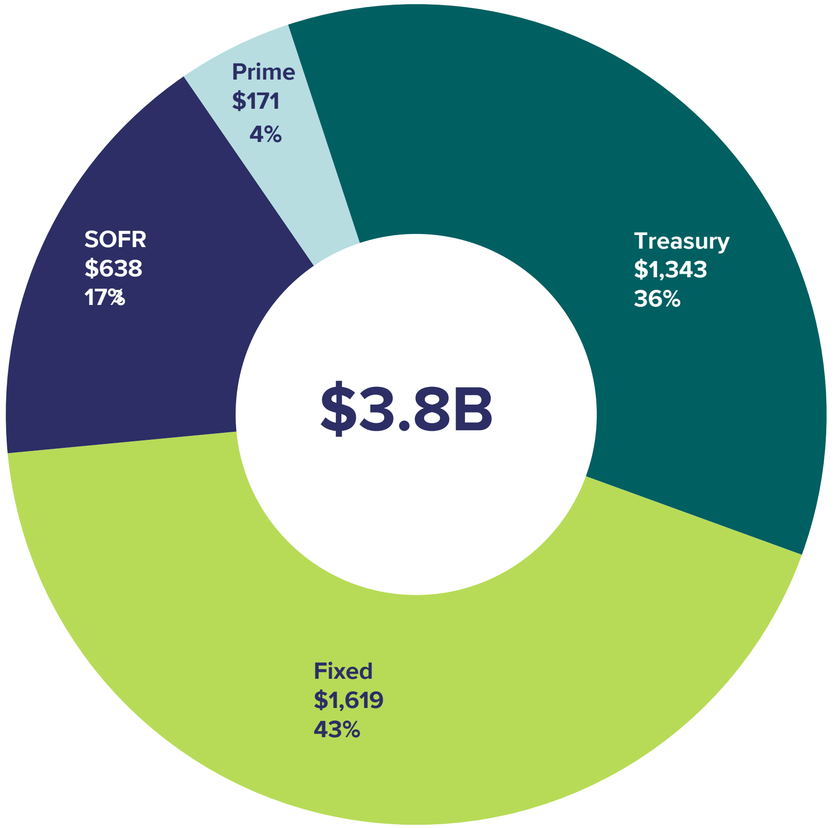
[1] Other loans include unique risk attributes considered inconsistent with our current underwriting standards.
[2] Total Portfolio Loans is net of loans held-for-sale and Loan Portfolio Segments are sourced from Fed. Call Codes (RC-C).
[3] $ in millions
[4] This is a Non-GAAP reconciliation for Loan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

Loan Portfolio Repricing & Index 3Q 2026

Loan Portfolio by Rate Type[3]



Loan Portfolio by Rate Index Type[3]



Carter Bankshares, Inc.

[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)

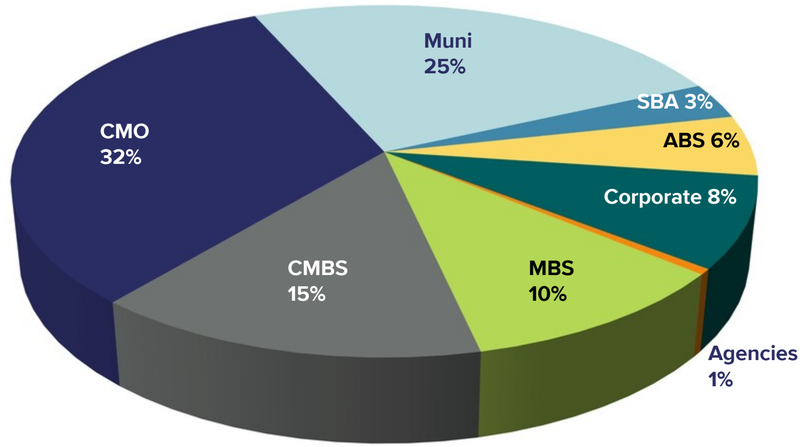
$ in thousands	For the Periods Ending				
	September 30, 2026	December 31, 2025 balances of the September 30, 2026 top-ten Relationships	Change	% of Gross Loans	% of RBC
1. Land & Long-Term Care	$ 59,594	$ 28,227	$ 31,367	1.58%	9.54%
2. Multifamily	58,407	58,610	(203)	1.55%	9.35%
3. Retail & Office	53,856	54,838	(982)	1.43%	8.62%
4. Healthcare	47,954	44,779	3,175	1.27%	7.68%
5. Warehouse	46,684	47,969	(1,285)	1.24%	7.47%
6. Warehouse	45,763	46,687	(924)	1.21%	7.33%
7. Land & Self Storage	44,499	47,392	(2,893)	1.18%	7.12%
8. Multifamily	44,335	44,842	(507)	1.18%	7.10%
9. Retail & Warehouse	44,284	38,656	5,628	1.17%	7.10%
10. Long-Term Care	43,563	46,199	(2,636)	1.16%	6.97%
Top Ten (10) Relationships[1]	**$ 488,939**	**$ 458,199**	**$ 30,740**	**12.97%**	**78.28%**
Total Gross Loans	**$ 3,770,643**	**$ 3,879,899**	**$ (109,256)**		
% of Total Gross Loans	**12.97%**	**11.81%**	**1.16%**		
Concentration (25% of Risk Based Capital ("RBC"))	$ 156,151	$ 128,431			

[1] The table above reflects the removal of the Company's largest nonperforming loan relationship as a result of the first quarter 2026 Transaction, resulting in a meaningful decline in borrower concentration. Prior to the Transaction the top 10 relationships to total gross loans at December 31, 2025 was 17.00%.

Bond Portfolio

$ in thousands	September 30, 2026 Amortized Cost	Net Unrealized (Losses)/ Gains	Fair Value	December 31, 2025 Amortized Cost	Net Unrealized (Losses)/ Gains	Fair Value
U.S. Government Agency Securities	$ 14,964	$ (508)	$ 14,456	$ 19,796	$ (421)	$ 19,375
Residential Mortgage-Backed Securities	68,235	(8,642)	59,593	83,918	(7,145)	76,773
Commercial Mortgage-Backed Securities	22,362	(568)	21,794	25,438	(316)	25,122
Other Commercial Mortgage-Backed Securities	21,727	(1,525)	20,202	25,297	(1,043)	24,254
Asset Backed Securities	129,574	(7,540)	122,034	100,643	(5,846)	94,797
Collateralized Mortgage Obligations	226,548	(10,207)	216,341	168,749	(6,929)	161,820
States and Political Subdivisions	198,019	(31,061)	166,958	262,275	(28,051)	234,224
Corporate Notes	58,750	(2,561)	56,189	59,250	(4,003)	55,247
Total Debt Securities	**$ 740,179**	**$ (62,612)**	**$ 677,567**	**$ 745,366**	**$ (53,754)**	**$ 691,612**

- The bond portfolio is 100% available-for-sale.
- Company executed a strategic repositioning of $139.4 million (18.7%) of the AFS securities portfolio, replacing securities with a 2.28% weighted average yield with $88.5 million of new investments yielding 5.27% in 2Q2026.
- Our portfolio consists of 46.5% of securities issued by United States government sponsored entities and carry an implicit government guarantee.
- States and political subdivisions comprise 24.6% 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, 2026, the Company held 61.2% fixed rate and 38.8% floating rate securities.
- Securities comprise 14.3% of total assets at September 30, 2026.
- Shorter maturity profile with an average life of 6.09 years; less interest rate risk with an effective duration of 4.49; and higher than peer book yield of 3.80%

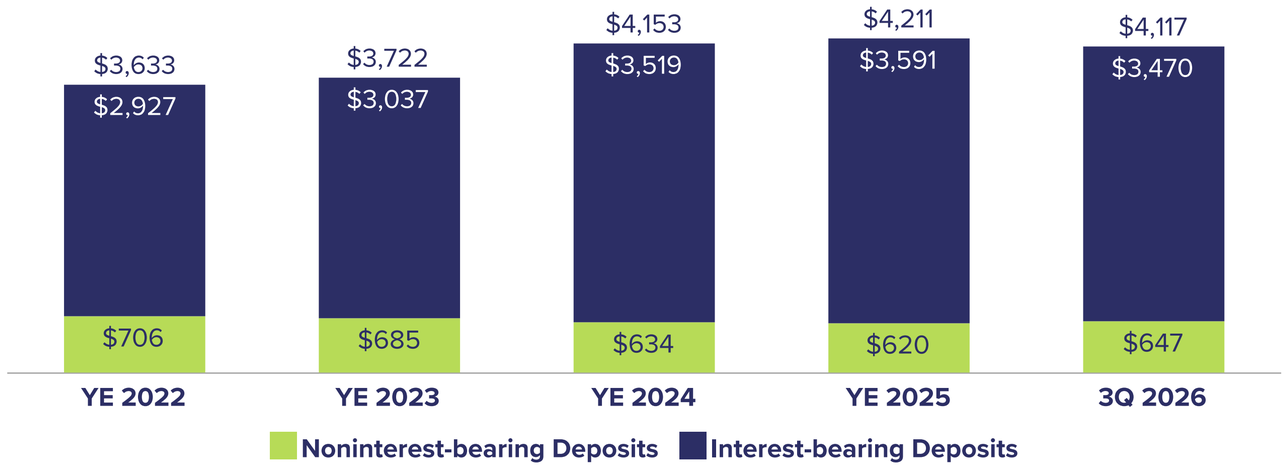


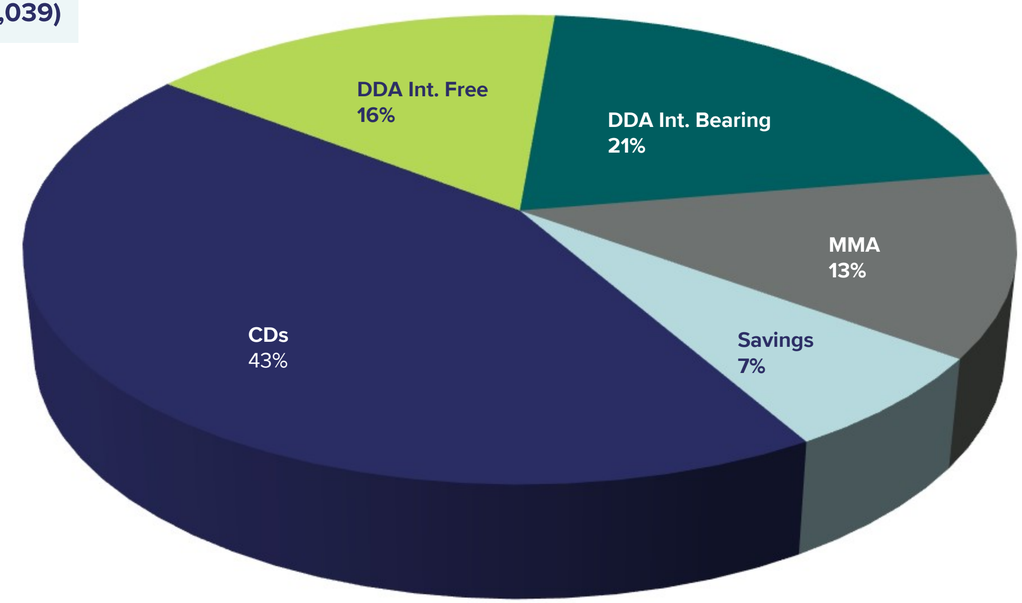
Deposit Composition

$ in thousands	For the Period Ending 09/30/2026	06/30/2026	09/30/2025	Variance Quarter	Year
Lifetime Free Checking	$ 647,585	$ 655,482	$ 606,203	$ (7,897)	$ 41,382
Interest-Bearing Demand	857,118	866,759	809,527	(9,641)	47,591
Money Market	514,676	510,125	552,564	4,551	(37,888)
Savings	313,472	318,774	335,502	(5,302)	(22,030)
Certificates of Deposits	1,784,457	1,846,416	1,906,551	(61,959)	(122,094)
Total Deposits	**$ 4,117,308**	**$ 4,197,556**	**$ 4,210,347**	**$ (80,248)**	**$ (93,039)**

- Total deposits decreased $93.0M YoY
- Diversified and granular deposit base, approximately 79.5% Retail Customers
- Approximately 82.1% 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

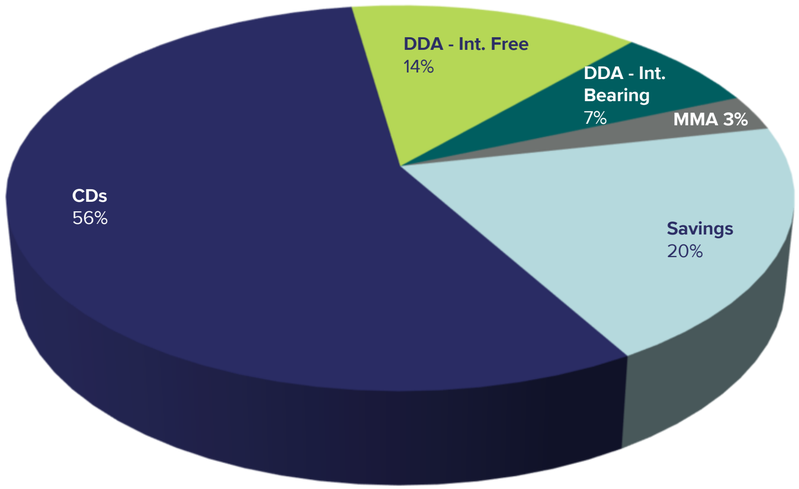
Deposits

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

- Deposits currently stand at $4.1B
- CD Portfolio ($1.8B) is relatively short with 81.0% of the portfolio scheduled to mature within 12 months and 96.0% of the 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

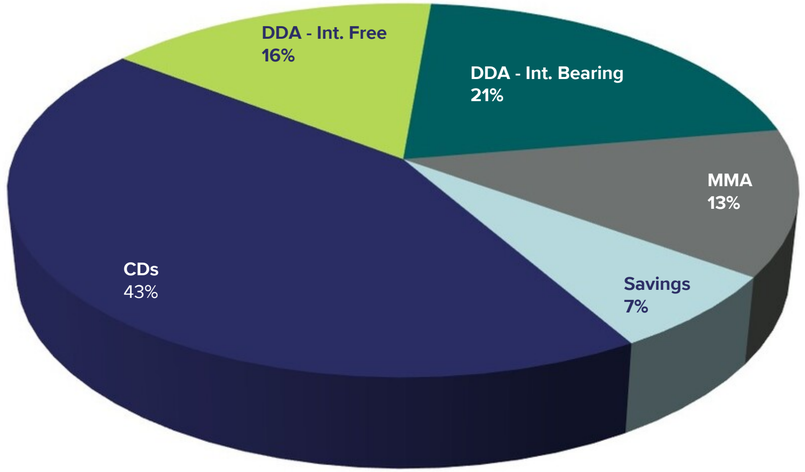
Past

Deposit Mix - 12/31/2017



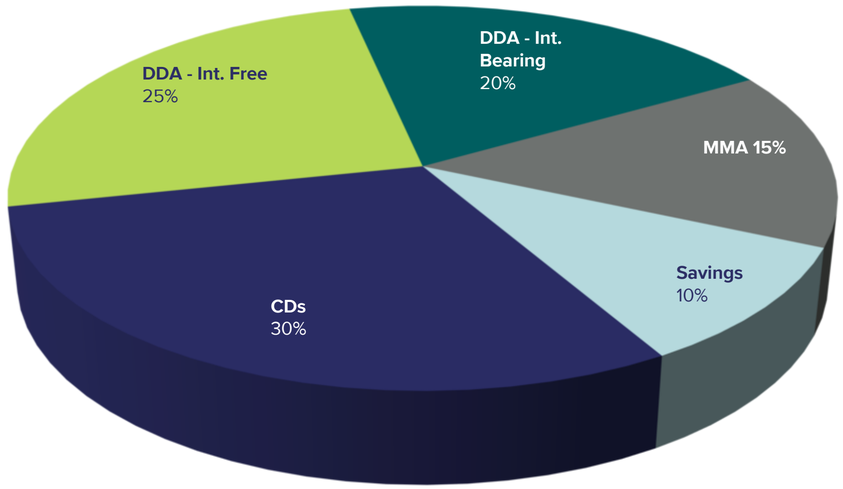
Present

Deposit Mix - 09/30/2026



Future

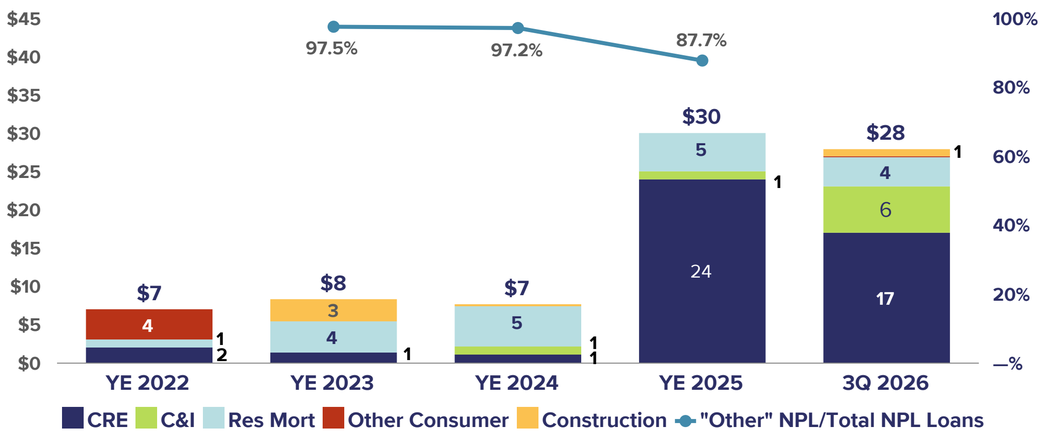
Deposit Mix - Target

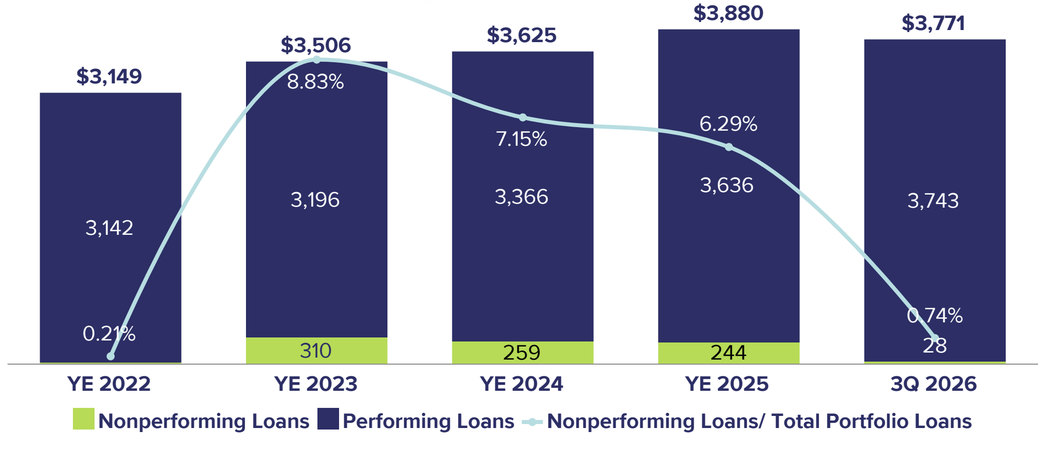


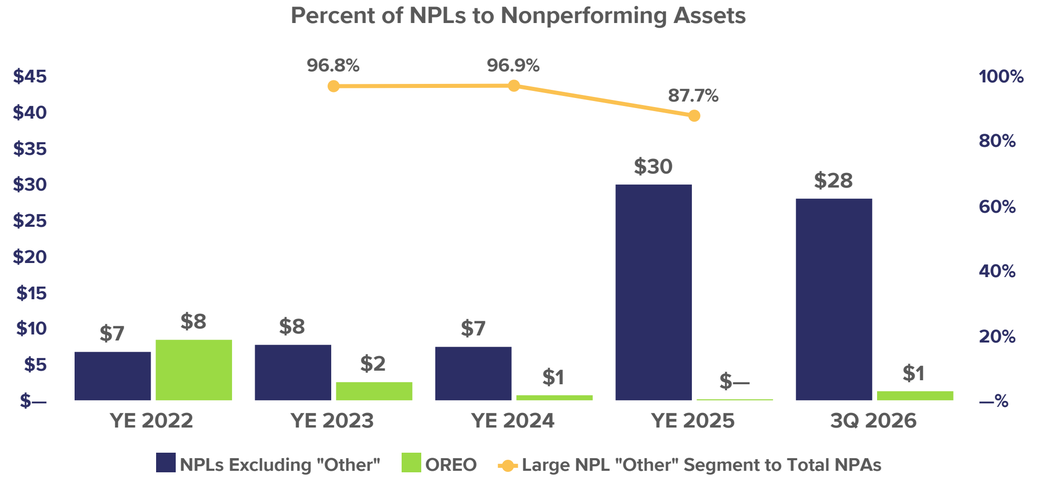
SECTION 03

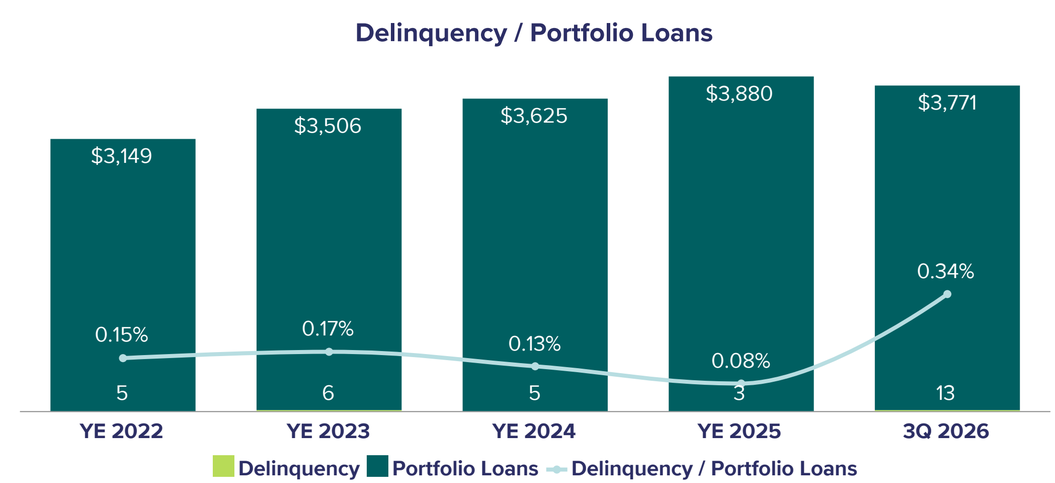
Asset Quality

Asset Quality

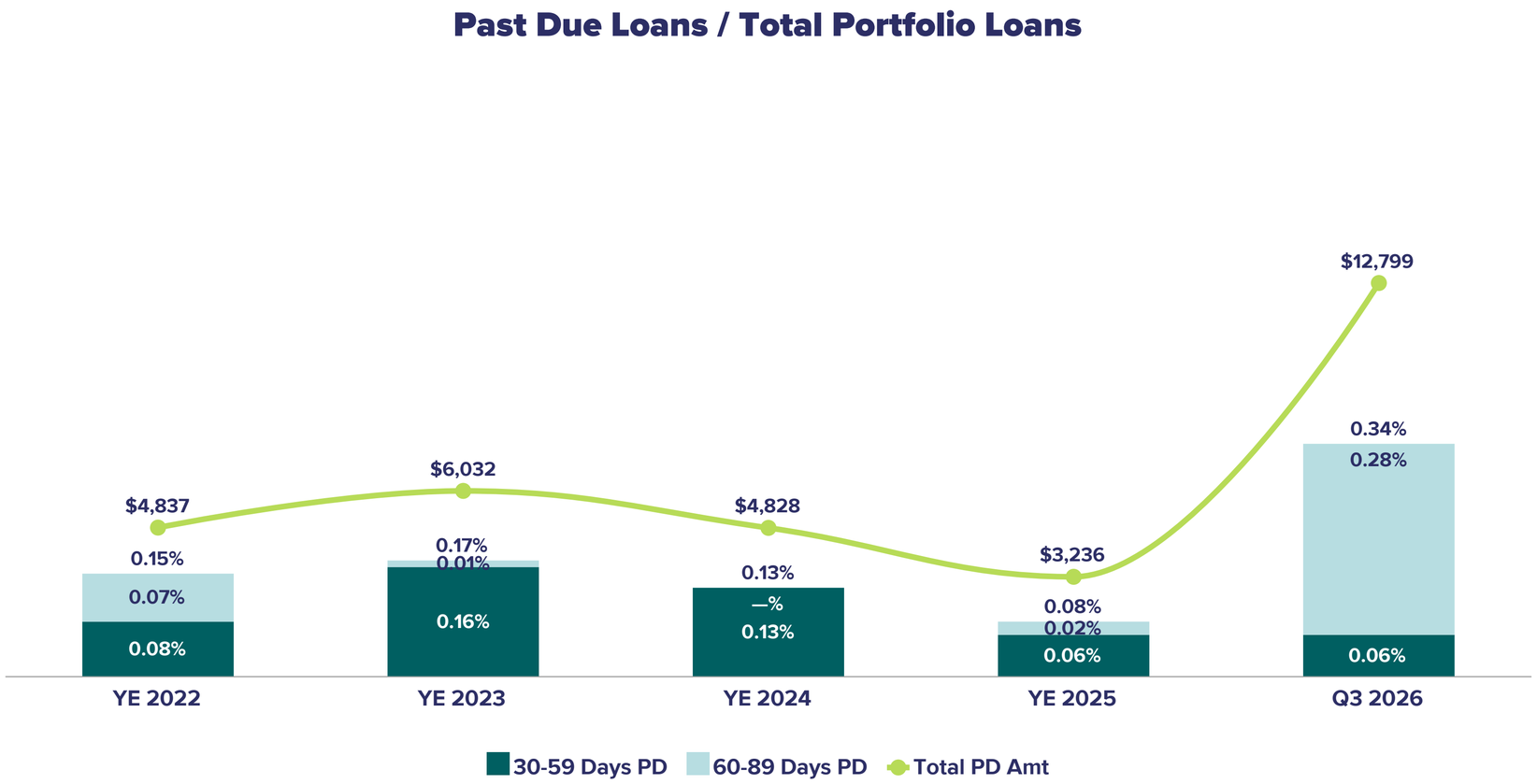






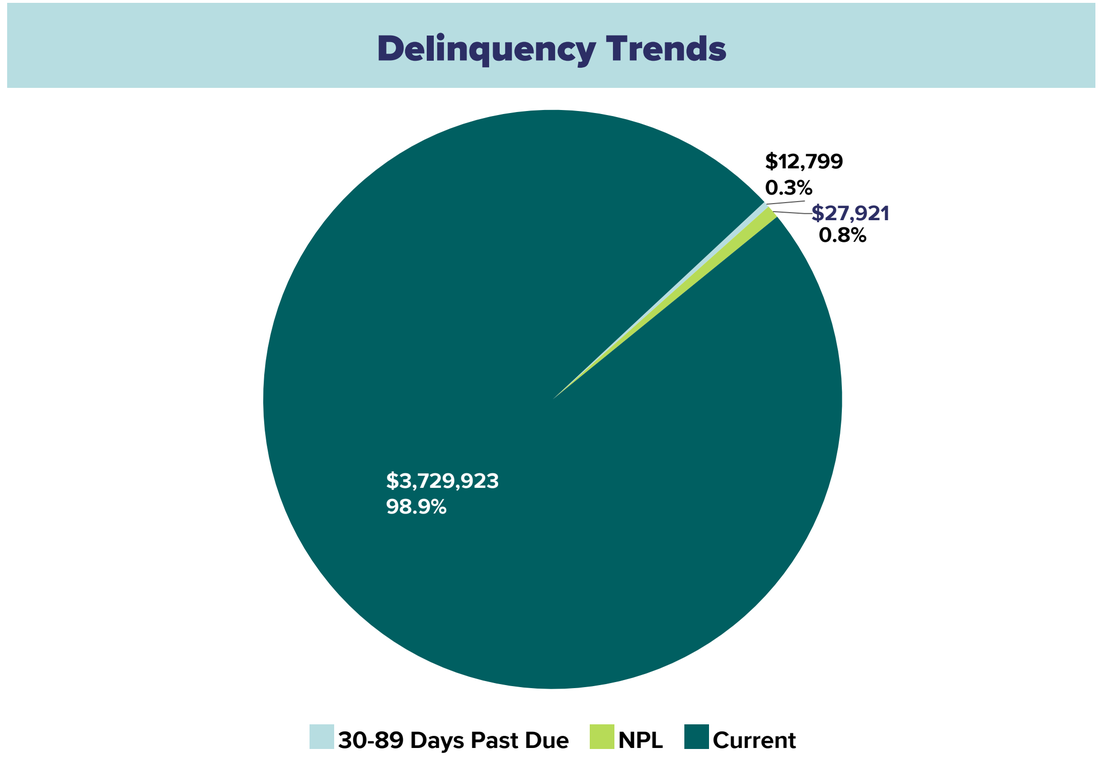


Delinquency Trends



$'s in thousands

Delinquency Trends



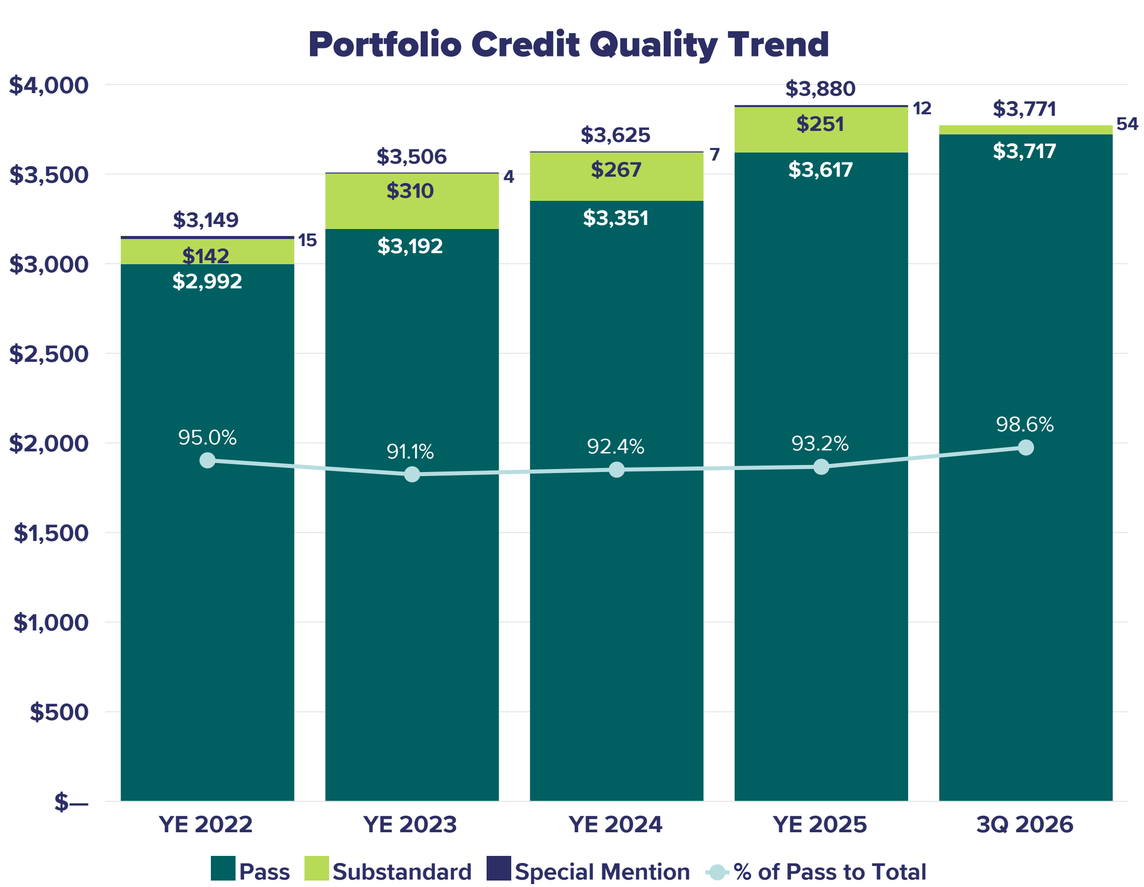
	September 30, 2026			
$ in thousands	Current	30-89 Days Past Due	NPL	Total Portfolio Loans
Commercial Real Estate	$ 2,144,968	$ 10,878	$ 17,546	$ 2,173,392
Commercial and Industrial	254,744	—	5,961	260,705
Residential Mortgages	812,055	1,750	3,895	817,700
Other Consumer	24,171	100	84	24,355
Construction	493,985	71	435	494,491
Total	**$ 3,729,923**	**$ 12,799**	**$ 27,921**	**$ 3,770,643**

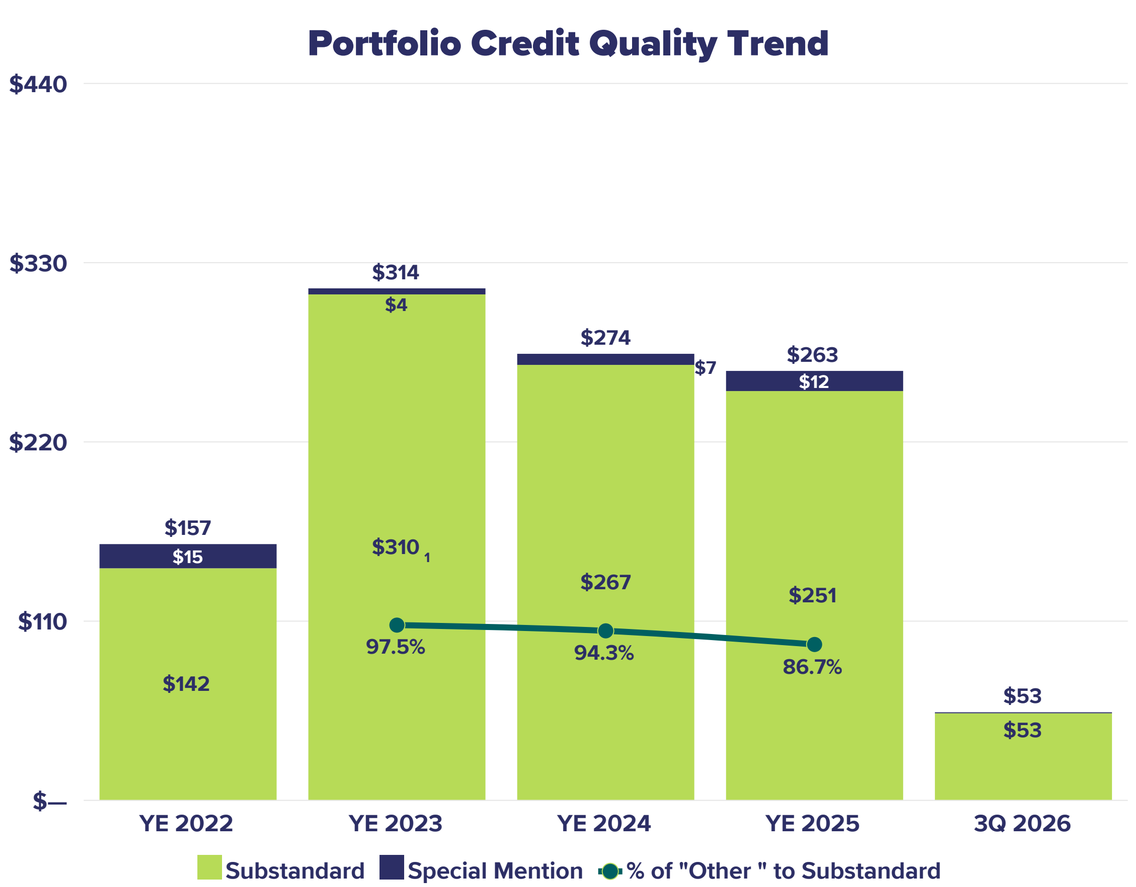
Nonperforming Relationships

$ in thousands	Nonaccrual Balance 9/30/2026	Nonaccrual Balance 12/31/2025	Change	Comments
1. CRE	$ 9,964	$ 14,321	$ (4,357)	Office Building
2. CRE	7,552	9,495	(1,943)	Commercial Warehouse Property
3. C&I	5,360	—	5,360	Motor Vehicle Towing Co
4. Residential Mortgage	1,051	—	1,051	Residential Mortgage Loan
5. Residential Mortgage	934	—	934	Residential Mortgage Loan
6. Other[1]	—	214,020	(214,020)	Other
7. Residential Construction	—	2,018	(2,018)	Residential Mortgage Loan
8. Commercial & Industrial	—	915	(915)	Purchase Business Equipment
Subtotal: Top 5 Nonaccrual Loans	**$ 24,861**	**$ 240,769**	**$ (215,908)**	
Total Nonaccrual Loans	$ 27,921	$ 243,982	$ (216,061)	
Top 5 Nonaccrual Loans / Total Nonaccrual Loans	89.04%	98.68%	(9.64)%	
Total Portfolio Loans	$ 3,770,643	$ 3,879,560	$ (108,917)	
Total Nonaccrual Loans / Total Portfolio Loans	0.74%	6.29%	(5.55)%	

[1] Reflects the removal of the Company's largest nonperforming loan relationship as a result of the first quarter 2026 Transaction, resulting in a meaningful decline in nonaccrual loans.

Loan Portfolio - Risk Ratings





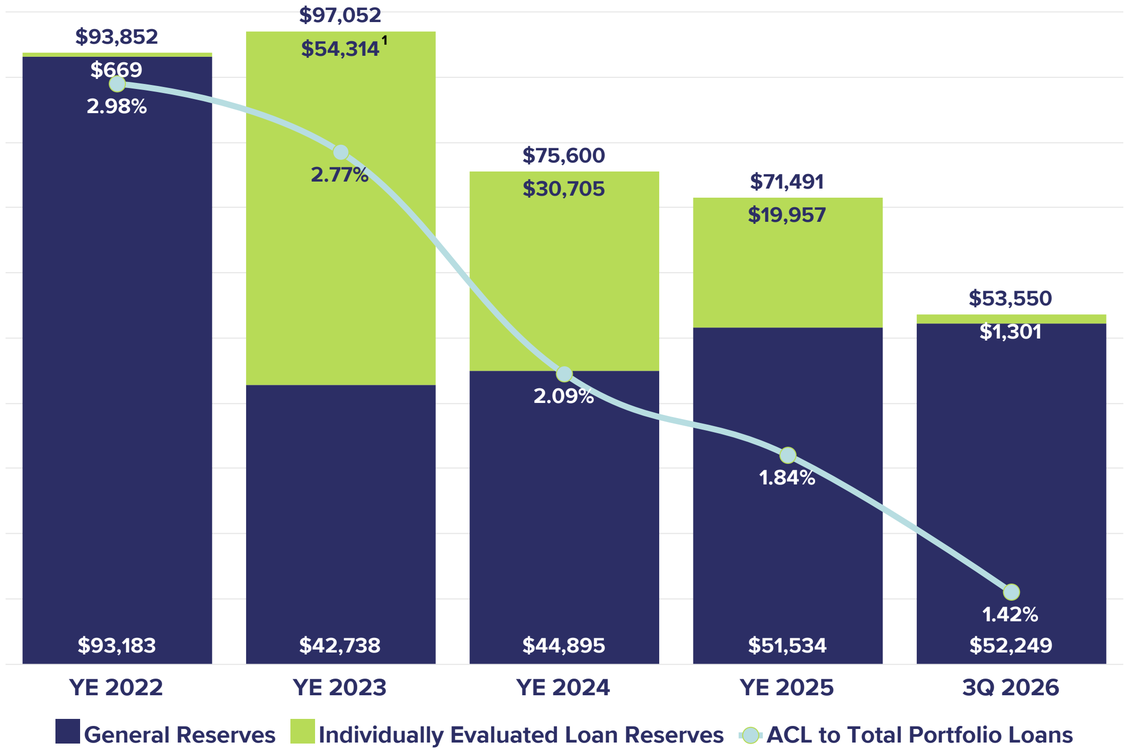
Carter Bankshares, Inc.

[1] The Company placed $301.9 million of commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship during the second quarter of 2023, which was resolved and sold on March 26, 2026.
$ in millions

Net Charge-offs & Provision Expense

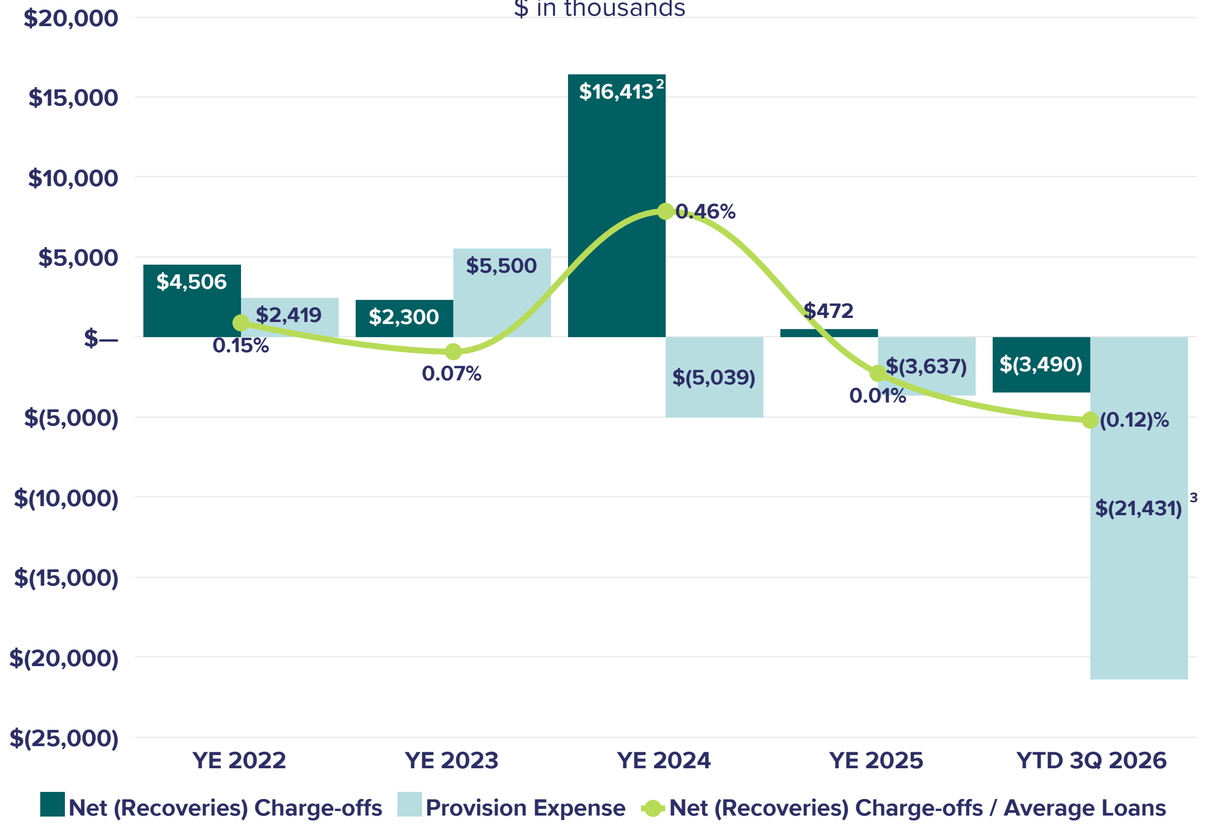
ACL Composition & ACL Coverage Ratio

$ in thousands



Net (Recoveries) / Charge-offs & Provision Expense

$ in thousands



[1] 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.

[2] 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. The full $15.0 million has been recovered during 1Q26.

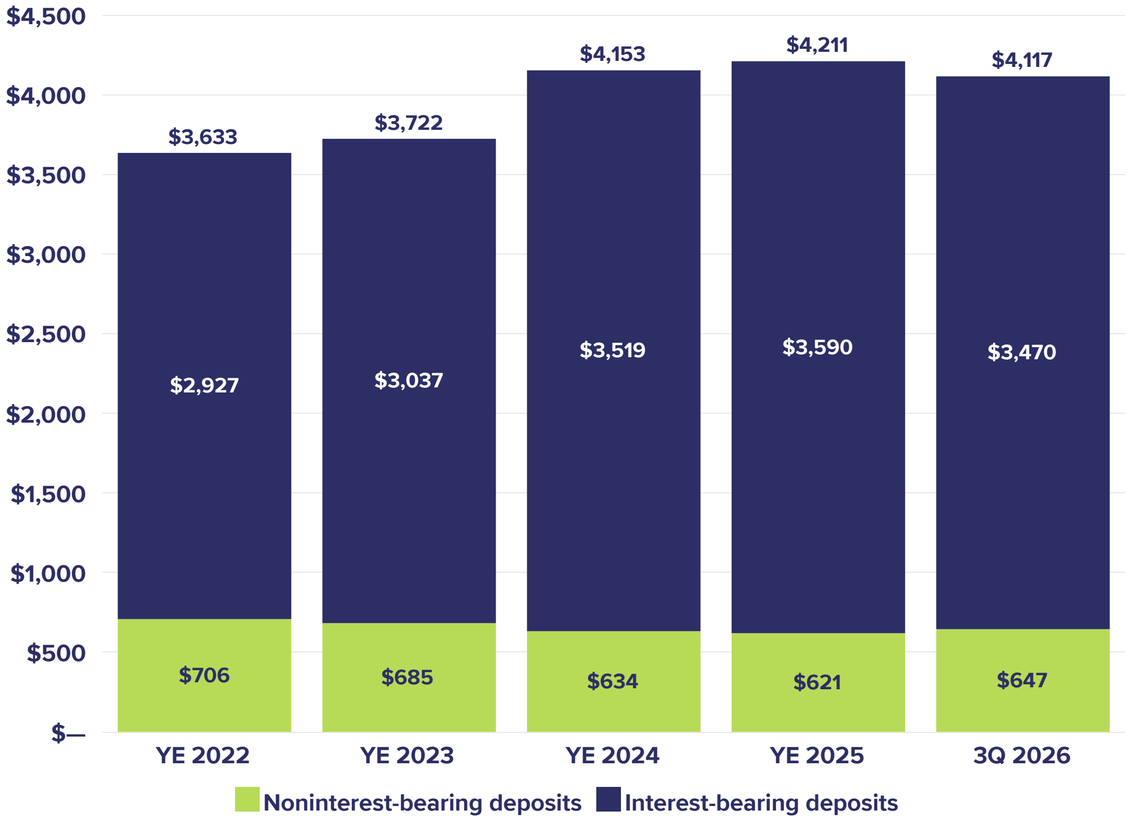
[3] The change in provision relates to the $15.0 million recovery and the $18.0 million reserve release as a result of the resolution of the Bank's largest nonperforming loan relationship during 1Q26.

SECTION 04

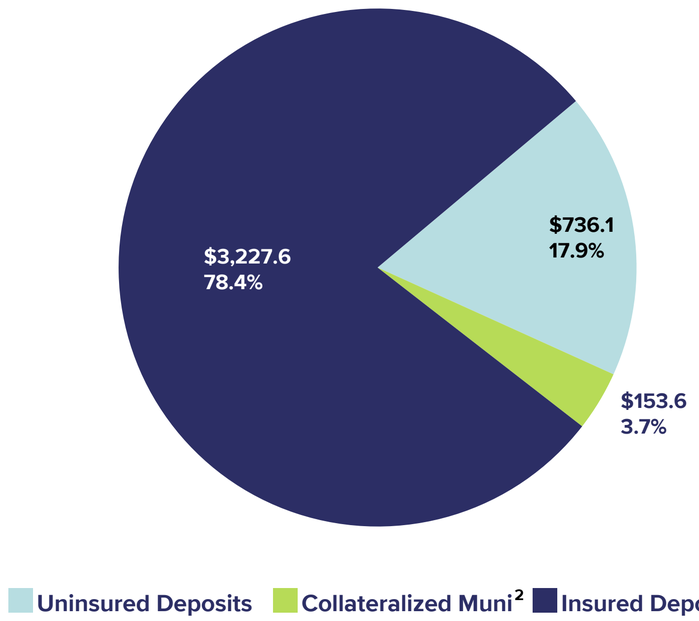
Deposit Mix

Deposits

Total Deposit Composition[1]



Insured/Uninsured Deposits

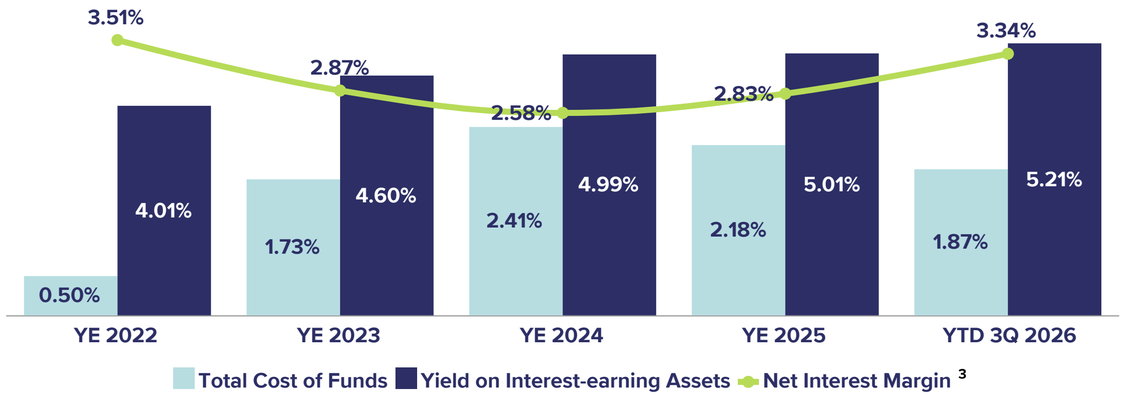


- Well-diversified deposit base of 112,967 customers
  - average commercial deposit account balance is $48.1K
  - average retail deposit account balance is $17.2K
- Deposit mix of 79.5% Consumer / 20.5% Business
- Partnership with IntraFi for available coverage over $250K FDIC insured limit.

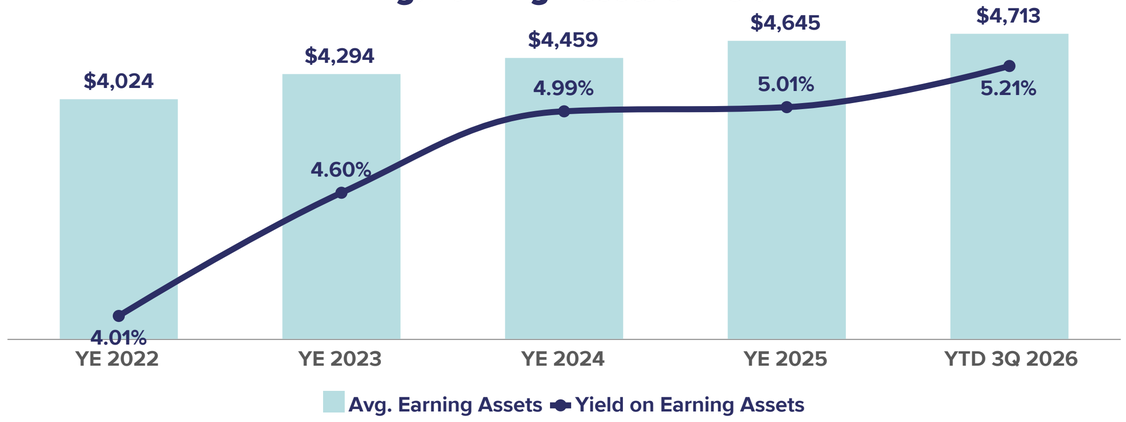
[1] Period end balances, $ in millions
[2] Collateralized Muni deposits are FDIC insured up to $250,000. All balances in excess of $250,000 are fully collateralized with eligible securities.

Net Interest Income

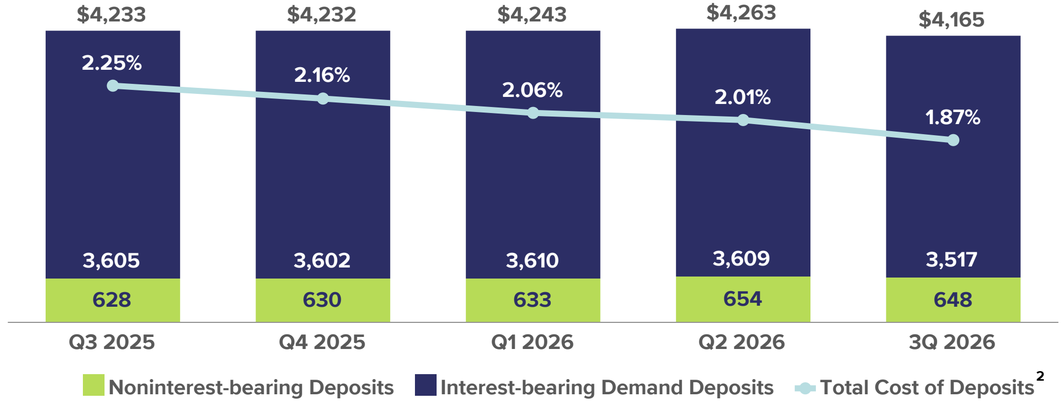
Net Interest Income & NIM



Avg. Earning Assets & Yield



Total Deposits and Cost of Deposits[1]



Avg. Interest-Bearing Liabilities & Costs



Carter Bankshares, Inc.

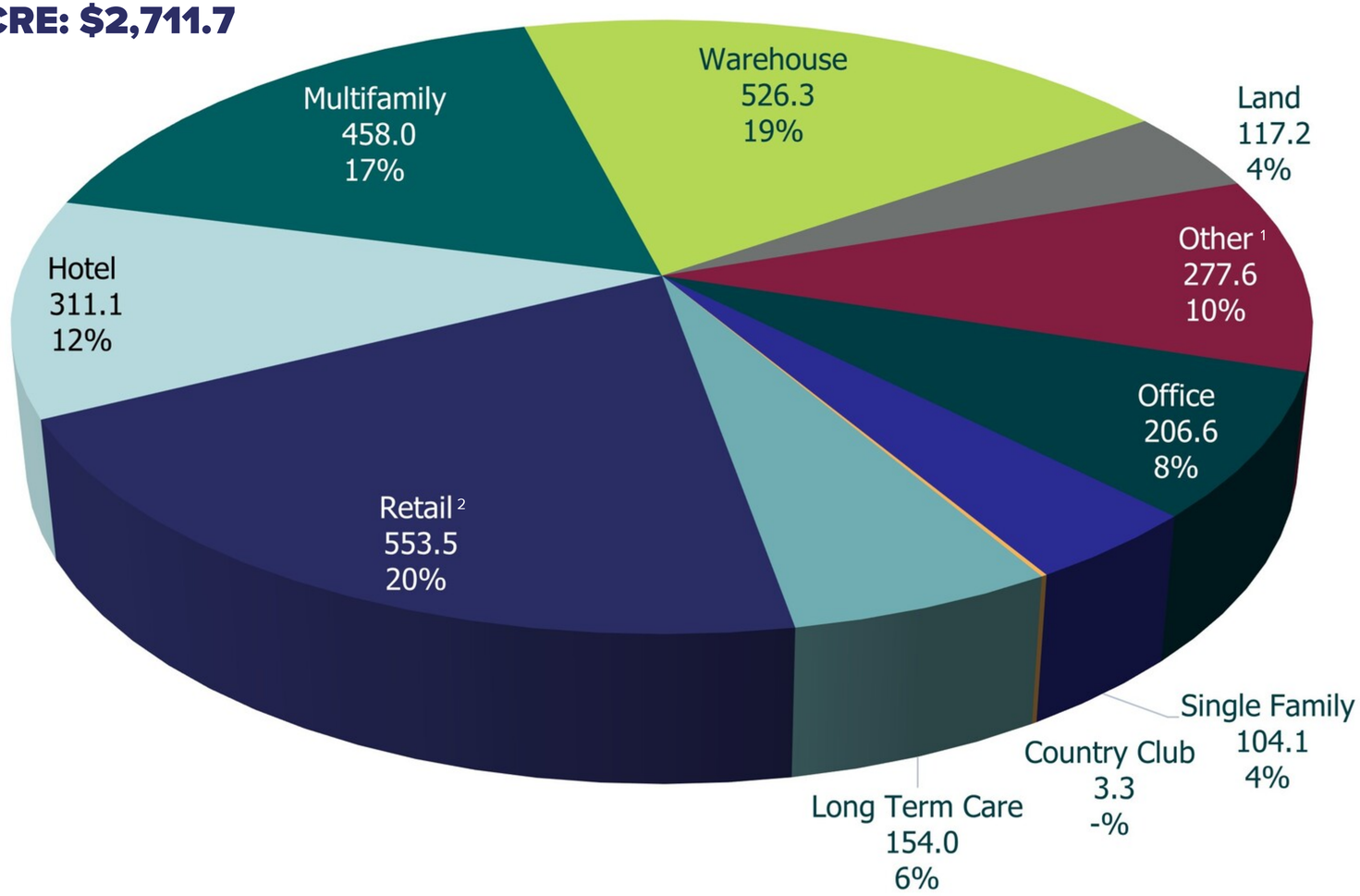
[1] Average balances, $ in millions
[2] Cost of Funds incorporates the free funds contribution with the rate on total interest-bearing liabilities to illustrate the impact of noninterest-bearing liabilities on the overall cost of funds.
[3] Computed on a fully taxable equivalent basis (FTE) using 21% federal income tax statutory rate for 2022 through 2026.

SECTION 05

Commercial Loans

CRE Segment Overview

Total CRE: $2,711.7



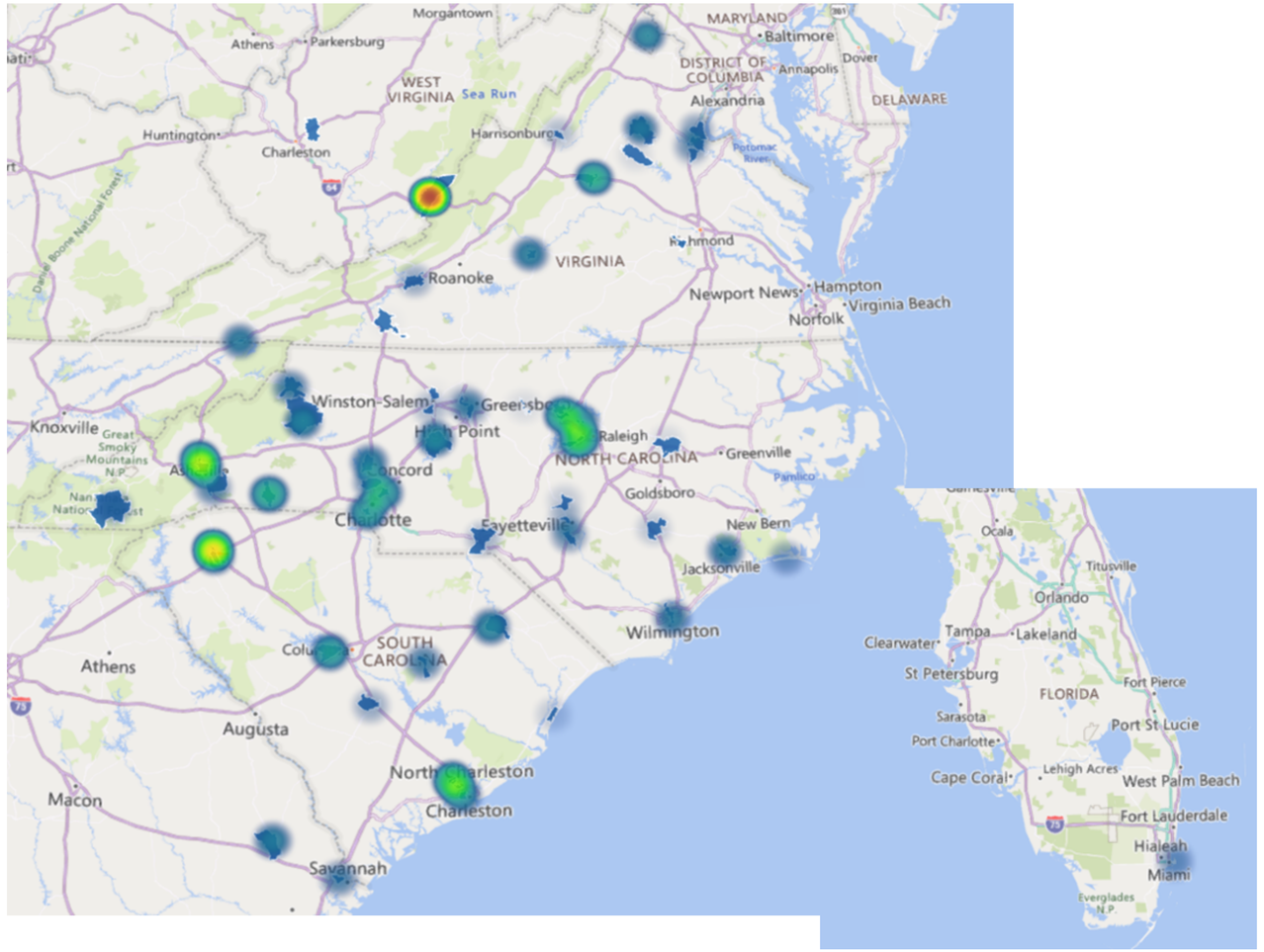
[1] Other CRE & Other Commercial Segments include, but are not limited to, Special / Limited Use, Church, Mobile Home Park, Gas Station, Self-Storage Facilities & Auto Shops
[2] Includes restaurant loans of $37.7 million

Hospitality Metrics

- Total portfolio balance $311.1M
- Geographic diversification (see map)
- Mean loan size in portfolio $6.1M[1]
- Median of loans in portfolio $4.5M[1]
- The largest loan in portfolio $20.0M[1]
- 25.97% are under construction[1]
- Top 10 borrowers make up 38.18% of the total hospitality commitment[1]
- No delinquent loans in the hospitality portfolio[1]
- There are less than 0.01% loans in the hospitality portfolio that are adversely classified or NPL[1]
- 92.29% of hospitality portfolio is funded[1]

AVERAGE

4.55	51.9%	$104K
RISK RATING	LTV	DEBT/KEY



[1]Commitment Level

Hospitality Metrics

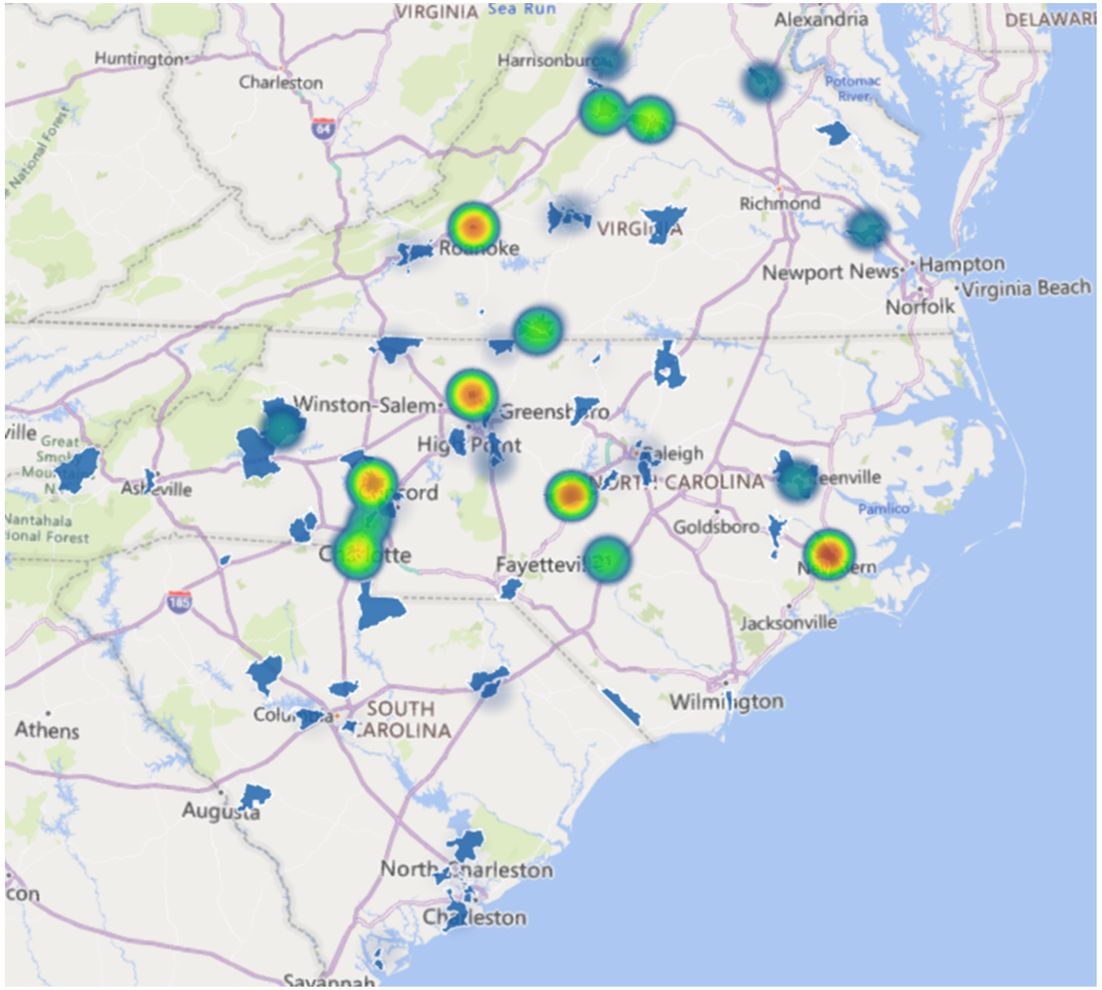
Category	Hospitality Portfolio Balance	Percentage of Total Balance	Hospitality Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size	Avg. of Debt per Key - Total Commitment
Hilton	$ 133,295	42.8%	$ 181,063	55.2%	$ 7,405	$ 111
IHG	65,540	21.1%	65,540	46.2%	5,958	75
Marriott	51,515	16.6%	61,555	54.2%	8,586	122
Wyndham	21,014	6.8%	21,014	54.4%	2,335	38
Independent	16,588	5.3%	16,588	49.5%	3,318	231
Radisson	9,769	3.1%	9,769	46.7%	2,442	33
Best Western	4,935	1.6%	4,935	37.2%	1,645	18
Choice	4,348	1.4%	4,348	41.7%	1,449	25
Upscale Independent/Boutique	4,059	1.3%	4,059	—%	4,059	203
Hospitality Totals	**$ 311,063**	**100.0%**	**$ 368,872**	**51.9%**	**$ 4,133**	**$ 104**

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	$ 237,763	76.4%	$ 280,249	51.4%	$ 6,096	$ 112
South Carolina	33,335	10.7%	42,214	56.7%	4,167	73
Virginia	26,606	8.6%	33,049	52.9%	2,956	99
Georgia	9,627	3.1%	9,627	50.9%	4,814	56
West Virginia	3,732	1.2%	3,732	27.1%	1,866	26
Hospitality Totals	**$ 311,063**	**100.0%**	**$ 368,872**	**51.9%**	**$ 3,980**	**$ 104**

Multifamily Metrics

- Total portfolio balance $458.0M
- Geographic diversification (see map)
- Mean loan size in portfolio $4.0M[1]
- Median of loans in portfolio $6.3M[1]
- The largest loan in portfolio $26.0M[1]
- 31.30% are under construction[1]
- Top 10 borrowers make up 50.61% of the total multifamily commitment[1]
- No loans in the portfolio are delinquent[1]
- There are no loans in the portfolio that are considered NPL[1]
- 1.91% of the portfolio is considered adversely classified[1]
- 93.61% of portfolio is funded[1]

AVERAGE		
4.72	49.9%	$113
RISK RATING	LTV	DEBT/DOOR



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	$ 390,423	85.2%	$ 467,685	49.7%	$ 5,276	$ 113
Student	47,953	10.5%	47,953	55.8%	6,312	148
Participations in Affordable Housing	19,601	4.3%	19,884	39.6%	417	35
Other[1]	—	—%	25	—%	—	—
Multifamily Totals	**$ 457,977**	**100.0%**	**$ 535,547**	**49.9%**	**$ 3,001**	**$ 113**

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	$ 209,461	45.7%	$ 274,367	50.7%	$ 3,491	$ 125
Virginia	155,718	34.0%	157,134	48.0%	3,993	78
South Carolina	44,844	9.8%	56,092	46.4%	1,950	126
Student Housing						
Virginia	45,248	9.9%	45,248	56.1%	5,656	156
North Carolina	2,706	0.6%	2,706	50.9%	1,353	16
Multifamily Totals	**$ 457,977**	**100.0%**	**$ 535,547**	**49.9%**	**$ 3,288**	**$ 113**

$ in thousands

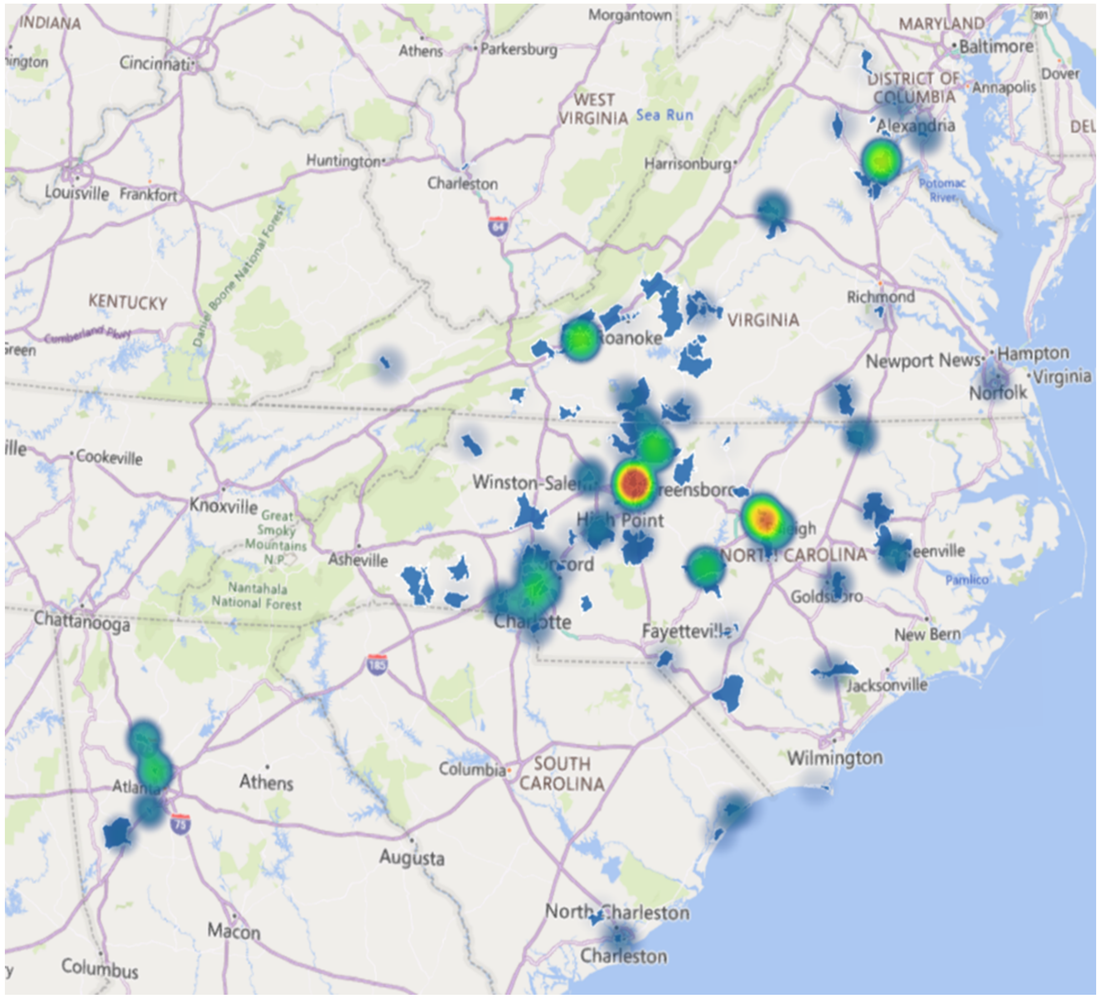
[1] The Other category consists of multifamily properties for which we do not have the data.

Retail Metrics

- Total portfolio balance $515.9M**
- Geographic diversification (see map)
- Mean loan size in portfolio $3.1M[1]
- Median of loans in portfolio $1.3M[1]
- The largest loan in portfolio $27M[1]
- 12.80% are under construction[1]
- Top 10 borrowers make up 40.74% of the total retail commitment[1]
- There are no delinquent loans in the portfolio
- 0.02% of this portfolio are considered adversely classified[1]
- Less than 0.01% are in NPL status[1]
- 93.45% of retail portfolio is funded[1]

AVERAGE

4.42	31.0%	$172
RISK RATING	LTV	DEBT/SQ FT



** Excludes restaurant loans of $37.7 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	$ 254,021	49.2%	$ 265,380	25.3%	$ 4,619	$ 126
Unanchored Strip Centers	153,390	29.7%	181,741	38.1%	2,515	215
Outparcels/Single Tenant	80,124	15.5%	91,145	43.1%	1,358	246
Power Centers[2]	24,899	4.8%	26,899	1.1%	8,300	98
Big Box	3,417	0.8%	3,417	—%	1,139	45
Retail Totals[1]	**$ 515,851**	**100.0%**	**$ 568,582**	**31.0%**	**$ 3,586**	**$ 172**

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size
North Carolina	$ 308,433	59.8%	$ 350,449	27.8%	$ 2,994
Virginia	112,191	21.7%	112,794	20.9%	1,968
South Carolina	39,106	7.6%	49,218	89.2%	3,555
Georgia	19,950	3.9%	19,950	16.3%	4,988
Maryland	15,015	2.9%	15,015	53.5%	7,508
Ohio	10,275	2.0%	10,275	—%	10,275
Florida	9,384	1.8%	9,384	—%	9,384
Tennessee	1,163	0.2%	1,163	—%	1,162
West Virginia	334	0.1%	334	—%	334
Retail Totals[1]	**$ 515,851**	**100.0%**	**$ 568,582**	**31.0%**	**$ 4,685**

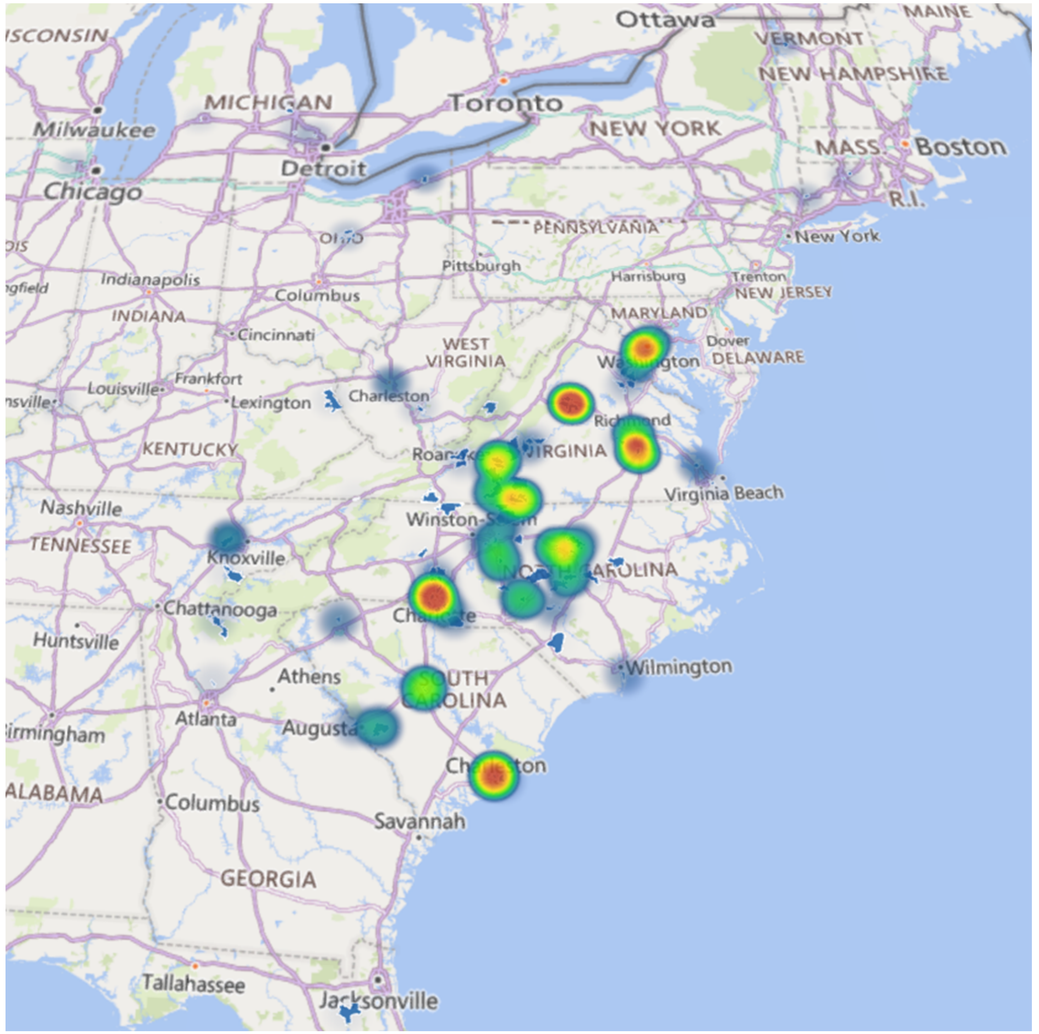
$ in thousands
[1] Excludes restaurant loans of $37.7 million
[2] A Power Center is a large outdoor shopping mall that usually includes three or more "Big Box" stores.

Office Metrics

- Total portfolio balance $206.6M
- Geographic diversification (see map)
- Mean loan size in portfolio $1.8M[1]
- Median of loans in portfolio $508K[1]
- The largest loan in portfolio $23.0M[1]
- 8.48% are under construction[1]
- Top 10 borrowers make up 49.90% of the total office commitment[1]
- 0.10% of this portfolio is delinquent
- 4.64% of loans are primarily rated special mention[1]
- 4.18% are in NPL status[1]
- 92.69% of office portfolio is funded[1]

AVERAGE

4.60	$142
RISK RATING	DEBT/SQ FT



Office Metrics

Category	Office Portfolio Balance	Percentage of Total Balance	Office Commitment Balance	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
General Office Space	$ 109,395	52.9%	$ 114,373	$ 1,499	$ 155
Medical Offices	43,988	21.3%	45,444	2,095	114
Daycare Offices	25,047	12.1%	29,840	2,783	219
Government Offices	16,687	8.1%	16,687	5,562	68
Veterinary Offices	8,050	3.9%	15,497	424	109
Education Offices	3,082	1.5%	15,914	1,027	97
Law Offices	363	0.2%	363	91	37
Office Totals	**206,612**	**100.0%**	**238,118**	**1,926**	**142**

Category	Office Portfolio Balance	Percentage of Total Balance	Office Commitment Balance	Avg. GL Balance Size	Avg. of Debt per Square Ft- Total Commitment
Virginia	$ 81,903	39.7%	$ 83,298	$ 1,743	$ 110
North Carolina	64,705	31.3%	86,929	1,135	154
South Carolina	42,734	20.8%	46,819	6,105	185
Maryland	6,467	3.1%	6,467	6,467	119
Georgia	4,432	2.1%	8,234	739	155
Ohio	1,825	0.9%	1,825	913	101
Connecticut	1,111	0.5%	1,111	555	88
Michigan	1,103	0.5%	1,103	368	93
Vermont	881	0.4%	881	441	157
Illinois	498	0.2%	498	498	124
Maine	353	0.2%	353	353	148
Kentucky	221	0.1%	221	221	70
Florida	190	0.1%	190	190	72
Tennessee	189	0.1%	189	189	51
Office Totals	**$ 206,612**	**100.0%**	**$ 238,118**	**$ 1,423**	**$ 142**

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 return on average assets, adjusted return on average shareholders' equity, adjusted efficiency ratio, the adjusted book value and net interest income and net interest margin, each on a fully taxable equivalent, or FTE, basis, adjusted net income and adjusted earnings per common share (diluted) which are non-GAAP financial measures. Management believes the adjusted return on average assets, adjusted return on average shareholders' equity, adjusted efficiency ratio, the adjusted book value and net interest income and net interest margin, each on a fully taxable equivalent, or FTE, basis, adjusted net income and adjusted earnings per common share (diluted) 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

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, 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.

Adjusted Book Value (Non-GAAP)	**Quarter-to-Date 3Q 2026**
(Dollars in Thousands)	
Adjusted Book Value (Non-GAAP)	
Total Shareholders' Equity	$ 526,919
Add back: AOCL	(49,154)
Total Shareholders' Equity, excluding AOCL (Non-GAAP)	**$ 576,073**
Common Shares Outstanding, at End of Period	22,091,410
Book Value (GAAP)	**$ 23.85**
Adjusted Book Value (Non-GAAP)	**$ 26.08**

Non-GAAP Reconciliation

Adjusted Return on Average Assets (ROA) (Non-GAAP)	Quarter-to-Date			Year-to-Date	
	3Q 2026	2Q 2026	3Q 2025	September 30, 2026	September 30, 2025
(Dollars in Thousands)					
Adjusted Net Income (Non-GAAP)*	$ 7,561	$ 11,598	$ 5,711	$ 27,788	$ 22,265
Adjusted Net Income (Non-GAAP) (YTD annualized)	29,997	46,519	22,658	37,152	29,768
Average Assets	$ 4,767,964	$ 4,857,022	$ 4,804,416	$ 4,834,015	$ 4,747,545
Adjusted ROA (Non-GAAP)	**0.63%**	**0.96%**	**0.47%**	**0.77%**	**0.63%**

Adjusted Return on Average Shareholders' Equity (ROE) (Non-GAAP)	Quarter-to-Date			Year-to-Date	
	3Q 2026	2Q 2026	3Q 2025	September 30, 2026	September 30, 2025
(Dollars in Thousands)					
Adjusted Net Income (Non-GAAP)*	$ 7,561	$ 11,598	$ 5,711	$ 27,788	$ 22,265
Adjusted Net Income (Non-GAAP) (YTD annualized)	29,997	46,519	22,658	37,152	29,768
Average Shareholders' Equity	$ 541,899	$ 526,910	$ 409,940	$ 501,487	$ 401,830
Adjusted ROE (Non-GAAP)	**5.54%**	**8.83%**	**5.53%**	**7.41%**	**7.41%**

Loan Growth (Non-GAAP)	Year-to-Date	
	September 30, 2026	September 30, 2025
(Dollars in Thousands)		
Portfolio Loans	$ 3,770,643	$ 3,835,653
Less: Loans Related to the Transaction		228,554
Adjusted Loans (Non-GAAP)		$ 3,607,099
Loan Growth (Non-GAAP) $	**$ 163,544**	
Portfolio Loan Growth (GAAP)	**(1.69)%**	
Loan Growth (Non-GAAP) %	**4.53%**	

*See Non-GAAP reconciliation for adjusted net income, slide 54.

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			Year-to-Date	
Adjusted Net Interest Income (FTE) (Non-GAAP)	**3Q 2026**	**2Q 2026**	**3Q 2025**	**09/30/26**	**09/30/25**
(Dollars in Thousands)					
Interest Income (FTE) (Non-GAAP)					
Interest and Dividend Income (GAAP)	$ 62,086	$ 61,491	$ 59,170	$ 182,762	$ 172,924
Tax Equivalent Adjustment [3]	403	237	163	794	512
Interest and Dividend Income (FTE) (Non-GAAP)	**62,489**	**61,728**	**59,333**	**183,556**	**173,436**
Average Earning Assets	$ 4,655,724	$ 4,736,054	$ 4,680,668	$ 4,713,030	$ 4,623,599
Yield on Interest-earning Assets (GAAP)	**5.29%**	**5.21%**	**5.02%**	**5.18%**	**5.00%**
Yield on Interest-earning Assets (FTE) (Non-GAAP)	**5.33%**	**5.23%**	**5.03%**	**5.21%**	**5.02%**
Net Interest Income (GAAP)	$ 41,232	$ 39,950	$ 33,719	$ 117,116	$ 96,216
Tax Equivalent Adjustment [3]	403	237	163	794	512
Net Interest Income (FTE) (Non-GAAP)	**41,635**	**40,187**	**33,882**	**117,910**	**96,728**
Average Earning Assets	$ 4,655,724	$ 4,736,054	$ 4,680,668	$ 4,713,030	$ 4,623,599
Net Interest Margin (GAAP)	**3.51%**	**3.38%**	**2.86%**	**3.32%**	**2.78%**
Net Interest Margin (FTE) (Non-GAAP)	**3.55%**	**3.40%**	**2.87%**	**3.34%**	**2.80%**

[3] Computed on a fully taxable equivalent basis ("FTE") using a 21% federal income tax rate for the 2026 and 2025 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 (losses) on sales and write-downs of OREO, net, 1035 exchange fee on BOLI, acquisition costs, severance pay, contingent liability, the losses on sales of securities, net, equity security unrealized fair value loss (gain), gain on BOLI death benefit, gain on the Insurance Transaction and gain on the Loan Sale Transaction and FHLB early prepayment credit. 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			Year-to-Date	
Adjusted Efficiency Ratio (Non-GAAP)	**3Q 2026**	**2Q 2026**	**3Q 2025**	**09/30/26**	**09/30/25**
(Dollars in Thousands)					
Noninterest Expense	**$ 29,504**	**$ 29,986**	**$ 28,704**	**$ 90,502**	**$ 86,050**
Less: Losses on sales and write-downs of Branch Premises, net	(88)	(105)	(11)	(194)	(68)
Less: Gains (Losses) on Sales and write-downs of OREO, net	883	(1,326)	89	(1,012)	(254)
Less: 1035 Exchange fee on BOLI	—	—	—	—	(527)
Less: Acquisition Costs	—	—	(33)	—	(419)
Less: Severance Pay	—	—	—	—	(40)
Less: Contingent Liability	—	—	—	—	(38)
Adjusted Noninterest Expense (Non-GAAP)	**30,299**	**28,555**	**28,749**	**89,296**	**84,704**
Net Interest Income	**$ 41,232**	**$ 39,950**	**$ 33,719**	**$ 117,116**	**$ 96,216**
Plus: Taxable Equivalent Adjustment[3]	403	237	163	794	512
Net Interest Income (FTE) (Non-GAAP)	**41,635**	**40,187**	**33,882**	**117,910**	**96,728**
Less: Losses (Gains) on Sales of Securities, net	—	12,531	—	12,451	—
Less: Equity Security Unrealized Fair Value Loss (Gain)	509	71	(69)	625	(228)
Gain on BOLI death benefit[5]	(256)	—	—	(256)	(1,882)
Less: Gain on the Insurance Transaction	—	(35,949)	—	(35,949)	—
Less: Gain on the Loan Sale Transaction	—	—	—	(65,000)	—
Less: FHLB Early Prepayment Credit	—	—	—	(130)	—
Plus: Noninterest Income	4,984	28,730	5,370	104,688	17,179
Net Interest Income (FTE) (Non-GAAP) plus Adjusted Noninterest Income (Non-GAAP)	**46,872**	**45,570**	**39,183**	**134,339**	**111,797**
Efficiency Ratio (GAAP)	**63.84%**	**43.66%**	**73.43%**	**40.80%**	**75.89%**
Adjusted Efficiency Ratio (Non-GAAP)	**64.64%**	**62.66%**	**73.37%**	**66.47%**	**75.77%**

[3] Computed on a fully taxable equivalent basis ("FTE") using a 21% federal income tax rate for the 2026 and 2025 periods.
[5] The gain on BOLI death benefit is tax-exempt.

Non-GAAP Reconciliation

The adjusted net income (FTE) (non-GAAP) excludes the gain on sale of membership interest and the gain on the Transaction, specific reserves released related to the loan sale transaction, recovery related to the loan sale transaction, losses on sales of securities, net, equity security unrealized fair value loss (gain), losses on sales and write-downs of bank premises, net, (gains) losses on sales and write-downs of OREO, net, 1035 exchange fee on BOLI, acquisition costs, FHLB early prepayment credit, severance pay and contingent liability. Also excluded are the following tax-exempt items: Gain on BOLI death benefit, MEC 10% penalty on BOLI surrender and the tax effect on BOLI surrender. These exclusions are deleted to calculated the adjusted earnings per common share (diluted) (Non-GAAP). The Company believes these adjusted measure provides investors with important information about the results of the Company's operations.

	Quarter-to-Date			Year-to-Date	
Adjusted Net Income and EPS (Non-GAAP)	**3Q 2026**	**2Q 2026**	**3Q 2025**	**09/30/26**	**09/30/25**
(Dollars in Thousands)					
Net Income	**$ 7,761**	**$ 28,911**	**$ 5,419**	**$ 122,429**	**$ 22,882**
Less: Gain on the Insurance Transaction	—	(35,949)	—	(35,949)	—
Less: Gain on the Loan Sale Transaction	—	—	—	(65,000)	—
Specific Reserves Released Related to the Loan Sale Transaction	—	—	—	(18,035)	—
Net Recoveries Related to the Loan Sale Transaction	—	—	—	(15,000)	—
Losses on Sales of Securities, net	—	12,531	—	12,451	—
Equity Security Unrealized Fair Value Loss (Gain)	509	71	(69)	625	(228)
Losses on Sales and Write-downs of Bank Premises, net	88	105	11	194	68
(Gains) Losses on Sales and Write-downs of OREO, net	(883)	1,326	(89)	1,012	254
1035 Exchange fee on BOLI	—	—	—	—	527
Acquisition Costs	—	—	33	—	419
FHLB Early Prepayment Credit	—	—	—	(130)	—
Severance Pay	—	—	—	—	40
Contingent Liability	—	—	—	—	38
Total Tax Effect	60	4,603	24	25,165	(235)
Gain on BOLI death benefit[5]	(256)	—	—	(256)	(1,882)
Modified Endowment Contract (MEC) 10% penalty on BOLI Surrender	91	—	123	91	123
Tax Effect on BOLI Surrender	191	—	259	191	259
Adjusted Net Income (Non-GAAP)	**$ 7,561**	**$ 11,598**	**$ 5,711**	**$ 27,788**	**$ 22,265**
Average Shares Outstanding - diluted	21,801,450	21,838,645	22,294,228	21,828,660	22,655,931
Adjusted Earnings Per Common Share (diluted) (Non-GAAP)	**$ 0.35**	**$ 0.53**	**$ 0.26**	**$ 1.27**	**$ 0.98**

[5] The gain on BOLI death benefit is tax-exempt.