Investor Presentation

Second 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 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, 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, 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, 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 (“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 (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 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, government shutdowns and geopolitical instability and tensions; 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, 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. 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

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

Footprint

HQ
Martinsville, Virginia

–

63
Branches

–

10
Corporate Centers

Stats

$4.8B
Assets

–

$3.7B
Loans

–

$4.2B
Deposits

Corporate Highlights

Company completed the sale of its largest NPL relationship in 1Q2026

–

Sold Company's membership in Bearing Insurance Group, LLC in 2Q2026

–

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.

–

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 $370.6M of which 71.18% was funded at a weighted average rate of 6.18%. The YTD production was offset by $226.1M in commercial loan payoffs > $1M each.

Regional Footprint

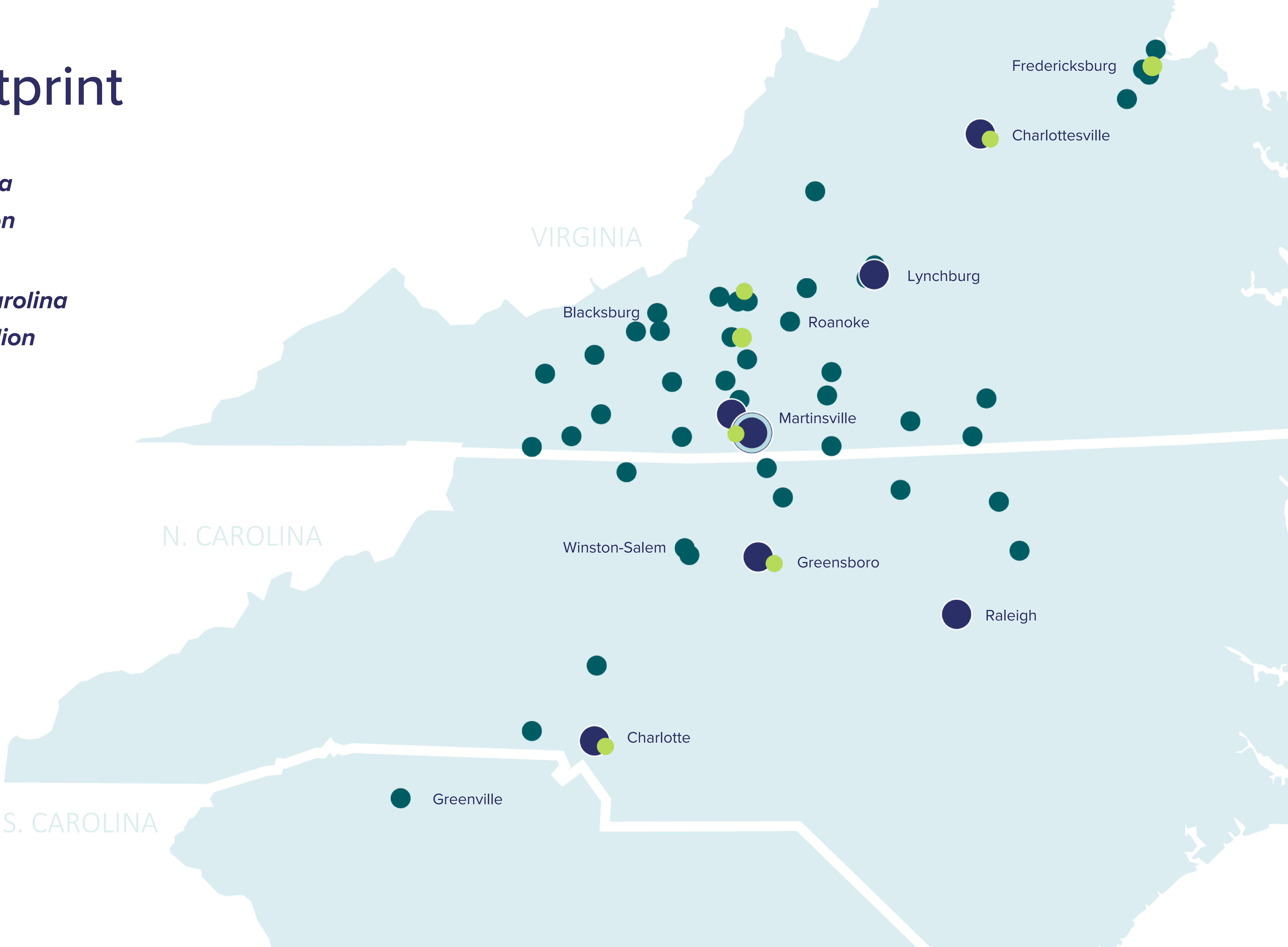
50 Total Branches in Virginia

Total VA Deposits $3.6 billion

13 Total Branches in North Carolina

Total NC Deposits $0.6 billion

1 Loan Production Office in South Carolina



Map Key

Corporate Headquarters

Regional Offices

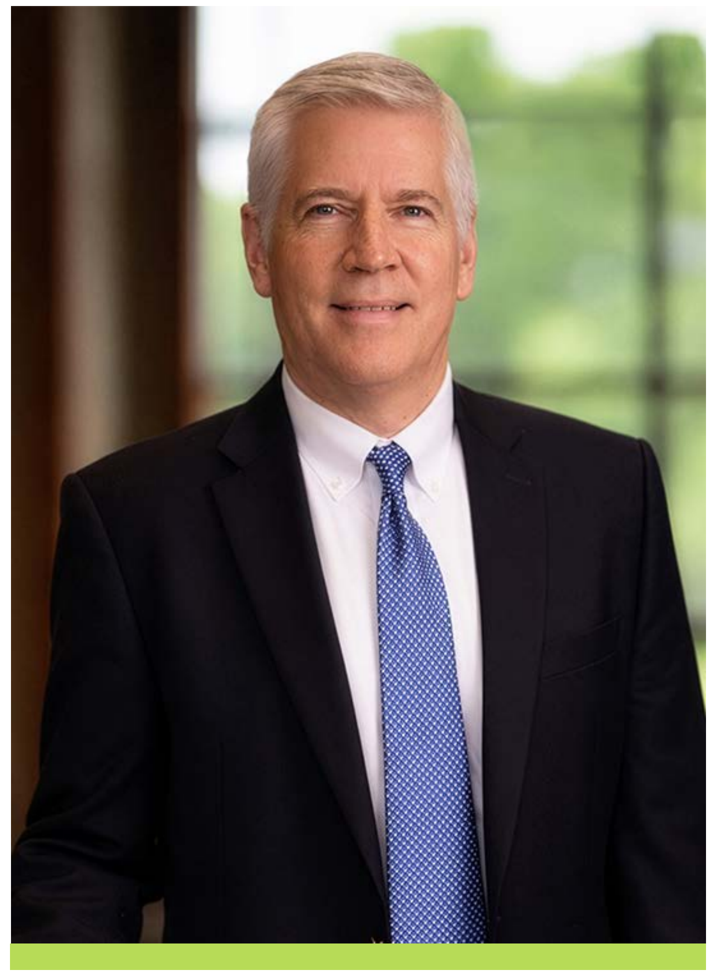
Branches

Mortgage Loan Offices

Leadership Team

Litz Van Dyke

Chief Executive Officer
40 years in Industry
9 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
8 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
41 years in Industry
41 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
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

OUR PURPOSE

To create opportunities for more people and businesses to prosper.

Rewarding Relationships

Corporate & Social Responsibility

Associates turned out to support the RedHawks American Indian Educational and Cultural Awareness Council's Youth Powwow in Eden, NC, marking the bank's fourth consecutive year backing the event. The powwow spotlights Native American culture, drum music, and dance, with youth leading every part of the celebration. It was a meaningful opportunity for associates to engage with local youth and celebrate the region's cultural heritage.

Carter Bank contributed to the Blue Ridge Regional Library Foundation's "Build a Better Library Book by Book" campaign, supporting the expansion of the Bassett Branch Library from 6,000 to 10,000 square feet. The renovation will add a dedicated children's department, a 50-person community meeting room, and a drive-through checkout to better serve area residents. The expanded space will strengthen access to lifelong learning resources for families throughout the community.

The 2026 Art of Aging Expo, hosted by Partners in Aging in Fredericksburg, brings 200+ attendees together to learn about community resources available to them. The attendees, many of whom reside in local assisted living facilities, spent time with Carter Bank associates learning how to protect themselves against financial exploitation. Supporting this free community event underscores the bank's dedication to helping vulnerable populations stay informed and protected.

1,632

Volunteer Community Service Hours

–

47

Nonprofits Supported by Associates Serving on Boards & Committees

–

$439,731

Charitable Donations & Sponsorships to Nonprofits

–

55

Financial Education Classes Facilitated for 2,026 Students

Investment Highlights

Strong Financial Performance

- Strong Liquidity & Capital Position
- CET1 of 14.26%
- ACL coverage of 1.48%
- $1.8B of total available liquidity
- 237.9% total available liquidity / uninsured deposits

Conservative Credit Culture

- Strong Credit Position
- 1.01% NPLs to Total Portfolio Loans
- 1.09% NPAs to Total Portfolio Loans plus OREO
- 146.88% Allowance for Credit Losses to NPLs
- 0.07% Past Due Loans to Total Portfolio Loans
- (0.82)% 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

14.26%
Common Equity Tier 1 Ratio (CET1)

–

15.51%
Total Risk-based Capital Ratio

–

11.65%
Leverage Ratio

–

$24.33
Book Value

Asset Quality

0.07%
Delinquency/Portfolio Loans

–

1.01%
NPL/Portfolio Loans

–

1.48%
ACL/Portfolio Loans

–

(0.82)%
Net Recovery/Portfolio Loans (YTD)

Earnings

4.75%
Actual ROA (YTD)[1]

–

48.08%
Actual ROE (YTD)[2]

–

3.24%
NIM (FTE) (YTD)[3]

–

67.45%
Adjusted Efficiency Ratio (YTD)[3]

Liquidity

$1.8B
Total Liquidity Sources

–

15.34%
Highly Liquid Assets/Total Assets

–

99.06%
Highly Liquid Assets/Uninsured Deposits

–

237.90%
Total Available Liquidity/Uninsured Deposits

Carter Bankshares, Inc.

[1] YTD adjusted ROA = 0.84%
[2] YTD adjusted ROE = 8.48%
[3] Non-GAAP Financial Measure - see Non-GAAP reconciliation

SECTION 02

Financial

Income Statement

Operational Results		2Q 2026		1Q 2026		Q/Q Change $		2Q 2025		Y/Y Change $
Net Interest Income	$	39,950	$	35,934	**$**	**4,016**	$	32,359	**$**	**7,591**
Provision (Recovery) for Credit Losses		2,010		(33,917)		**35,927**		(2,330)		**4,340**
Recovery for Unfunded Commitments		(554)		(218)		**(336)**		(335)		**(219)**
Noninterest Income[2]		28,730		70,974		**(42,244)**		4,908		**23,822**
Noninterest Expense		29,986		31,012		**(1,026)**		29,304		**682**
Income Tax Expense		8,327		24,274		**(15,947)**		2,118		**6,209**
Net Income	$	28,911	$	85,757	**$**	**(56,846)**	$	8,510	**$**	**20,401**
Adjusted Net Income[1]	$	11,598	$	8,629	**$**	**2,969**	$	9,312	**$**	**2,286**

$4.0M / $7.6M
Net Interest Income up Q/Q & Y/Y

$2.0M / $(33.9)M / $(2.3)M
Provision (Recovery) for Credit Losses
2Q26 / 1Q26 / 2Q25

$(42.2)M / $23.8M
Noninterest Income down Q/Q & up Y/Y

$(1.0)M / $0.7M
Noninterest Expense down Q/Q & up Y/Y

$(56.8)M / $20.4M
Net Income down Q/Q & up Y/Y

$3.0M / $2.3M
Adjusted Net Income[1] up Q/Q & 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 and recognized a $65.0M gain on the Loan Sale Transaction during the first quarter of 2026.

Balance Sheet

Balance Sheet Condition	2Q 2026	1Q 2026	Q/Q Change $	2Q 2025	Y/Y Change $
Assets	$ 4,801,883	$ 4,799,270	**$ 2,613**	$ 4,784,091	**$ 17,792**
Loans Held-for-Sale	467	341	**126**	246	**221**
Portfolio Loans	3,734,594	3,728,461	**6,133**	3,747,121	**(12,527)**
Allowance for Credit Losses	(55,170)	(52,503)	**(2,667)**	(71,023)	**15,853**
Securities	640,302	662,127	**(21,825)**	755,212	**(114,910)**
Deposits	4,197,556	4,235,250	**(37,694)**	4,222,239	**(24,683)**
Borrowings	—	—	**—**	113,500	**(113,500)**
Shareholders' Equity	$ 539,146	$ 504,902	**$ 34,244**	$ 405,635	**$ 133,511**
Portfolio Loans excluding Large NPL[1]				$ 3,508,398	**$ 226,196**

$6.1M / $(12.5)M
Loan Growth up Q/Q & down Y/Y

$226.2M
Loan Growth (Non-GAAP)[1] up Y/Y

$(37.7)M / $(24.7)M
Deposits down Q/Q & Y/Y

$(113.5)M
Borrowings down Y/Y

$34.2M / $133.5M
Shareholders' Equity up Q/Q & Y/Y

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

Financial / Shareholder Ratios

Shareholder Ratios	2Q 2026	1Q 2026	Q/Q Change $	2Q 2025	Y/Y Change $
Diluted Earnings Per Share (QTD)	$ 1.31	$ 3.88	**$ (2.57)**	$ 0.37	**$ 0.94**
Adj. Diluted Earnings Per Share (QTD)	$ 0.53	$ 0.40	**$ 0.13**	$ 0.41	**$ 0.12**

Financial Ratios					
Return on Avg Assets (QTD)	2.39%	7.13%	**(4.74)%**	0.72%	**1.67%**
Adj. Return on Avg Assets (QTD)	0.96%	0.72%	**0.24%**	0.78%	**0.18%**
Return on Avg Shareholders' Equity (QTD)	22.01%	80.05%	**(58.04)%**	8.45%	**13.56%**
Adj. Return on Avg Shareholders' Equity (QTD)	8.83%	8.05%	**0.78%**	9.25%	**(0.42)%**
Net Interest Margin (FTE)(QTD)[1]	3.40%	3.08%	**0.32%**	2.82%	**0.58%**
Adjusted Efficiency Ratio (QTD)[1]	62.66%	72.66%	**(10.00)%**	75.55%	**(12.89)%**

Asset Quality Ratios					
NPL / Portfolio Loans	1.01%	0.64%	**0.37%**	6.69%	**(5.68)%**
NPA / Total Assets plus OREO	1.09%	0.73%	**0.36%**	6.73%	**(5.64)%**
ACL / Portfolio Loans	1.48%	1.41%	**0.07%**	1.90%	**(0.42)%**
Net Chg-offs / Portfolio Loans (QTD annualized)	(0.07)%	(1.55)%	**1.48%**	0.02%	**(0.09)%**

$(2.57) / $0.94
Diluted EPS down Q/Q & up Y/Y

$0.13 / $0.12
Adj. Diluted EPS[1] up Q/Q & Y/Y

0.96% / 0.72% / 0.78%
Adj. QTD ROA[1] 2Q26, 1Q26 & 2Q25

8.83% / 8.05% / 9.25%
Adj. QTD ROE[1] 2Q26, 1Q26 & 2Q25

3.40% / 3.08% / 2.82%
NIM (FTE) 2Q26, 1Q26 & 2Q25

62.66% / 72.66% / 75.55%
Adj Efficiency Ratio 2Q26, 1Q26 & 2Q25

1.01% / 0.64% / 6.69%
NPL / Portfolio Loans 2Q26, 1Q26 & 2Q25

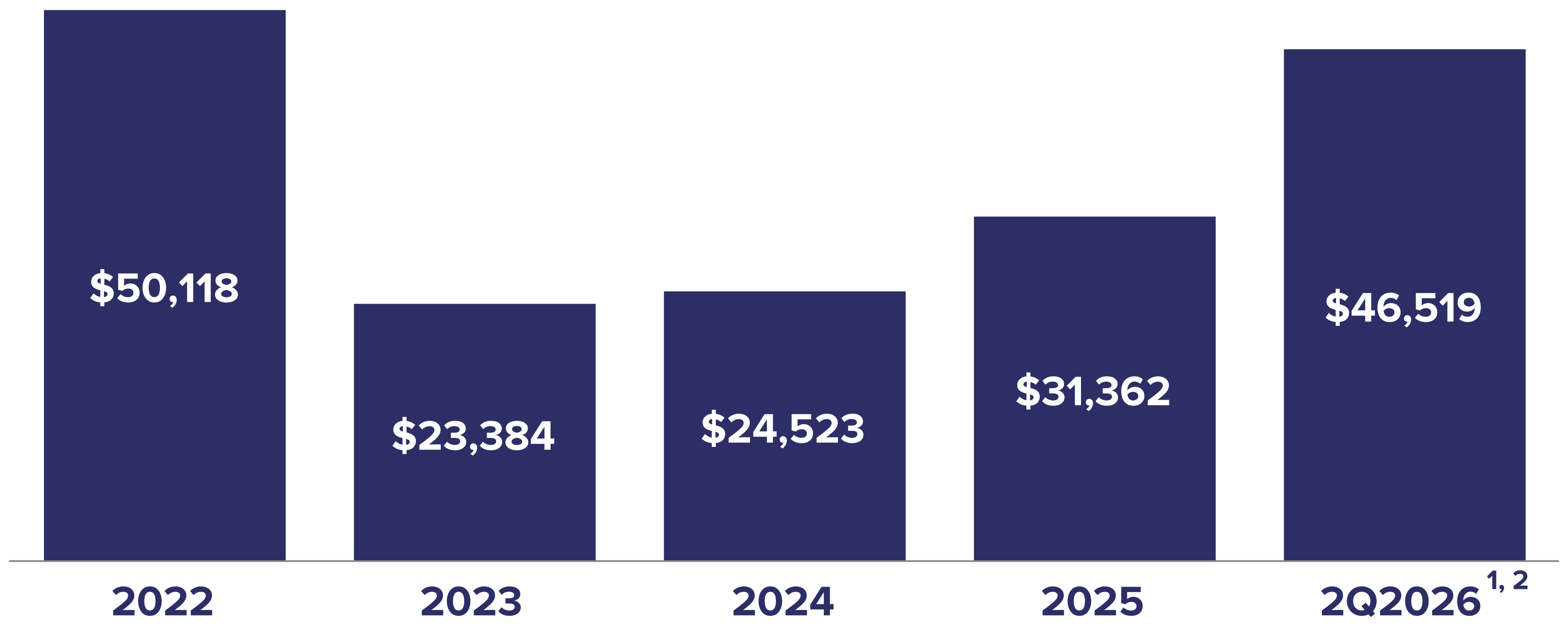
1.48% / 1.41% / 1.90%
ACL to Portfolio Loans 2Q26, 1Q26 & 2Q25

(0.07)% / (1.55)% / 0.02%
Net (Recoveries) Chg-offs to Portfolio Loans (QTD annualized) 2Q26, 1Q26 & 2Q25

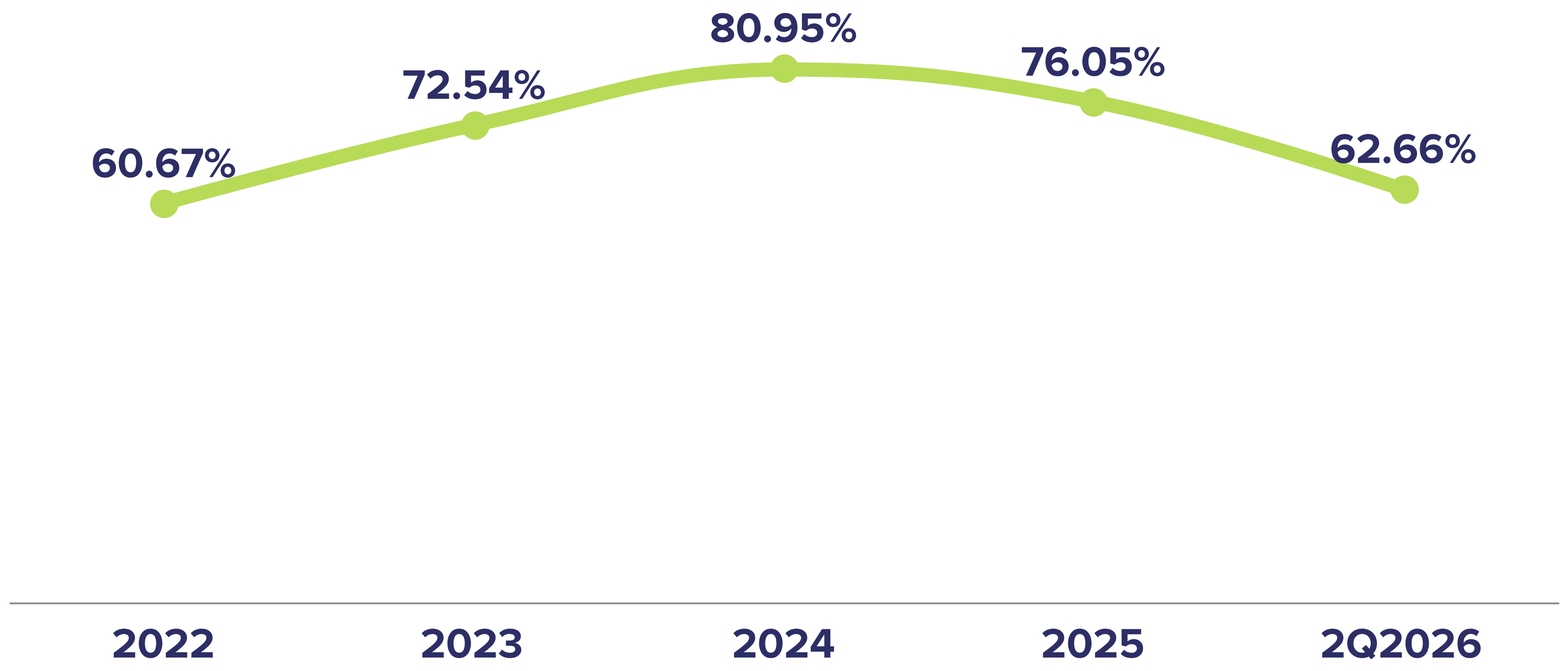
[1]Non-GAAP Financial measure - see Non-GAAP reconciliation

Financial Performance Trends

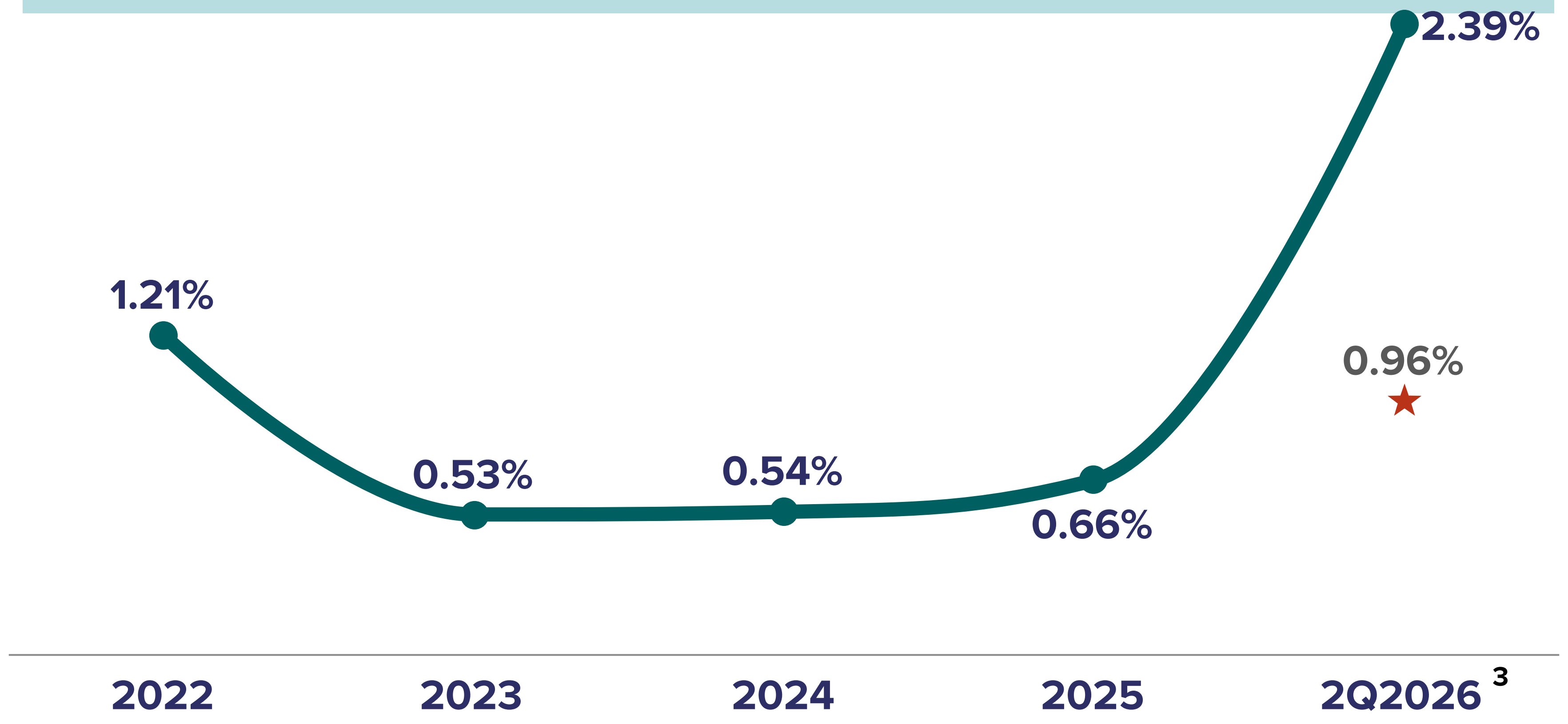
Net Income, in thousands



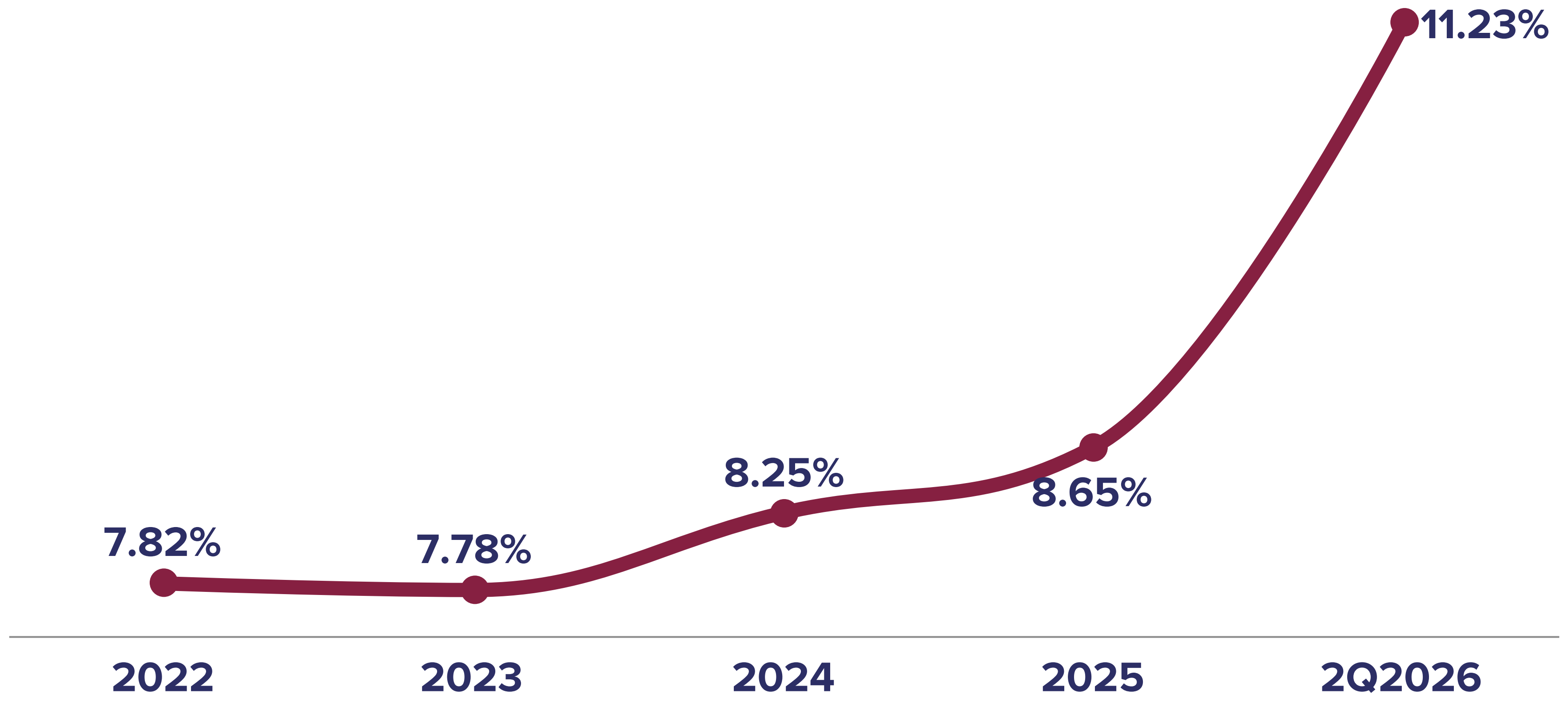
Adjusted Efficiency Ratio[2]



ROA



TCE



Carter Bankshares, Inc.

[1] Adjusted Net Income (non-GAAP)[2] and YTD annualized for the six months ended June 30, 2026
[2] Non-GAAP Financial Measure - see Non-GAAP reconciliation
[3] QTD ROA excludes the Sale of the Companies membership interest in Bearing Insurance Group LLC and security losses from the Portfolio Repositioning = 0.96%[2]

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 both the three and six months ended June 30, 2026, the Company repurchased 108,601 shares of its common stock at a total cost of $2.9 and a weighted average cost per share of $26.50.

REGULATORY CAPITAL

TIER 1	TOTAL	LEVERAGE
14.26%	15.51%	11.65%

		Carter Bankshares		
		Regulatory Well Capitalized	Actual	Excess ($) (In Thousands)
Common Equity Tier 1 Ratio ("CET 1")		6.50%	14.26%	$ 310,229
Tier 1 Risk-based Ratio		8.00%	14.26%	250,260
Total Risk-based Capital Ratio		10.00%	15.51%	220,366
Leverage Ratio		5.00%	11.65%	325,345
Critically Undercapitalized Category	Tangible equity to total assets ≤ 2%			
Capital Conservation Buffer	>= 2.5% composed of CET 1			

	Actual ($) 06/30/26	Cumulative AOCL Impact 06/30/26
Book Value per Common Share	$ 24.33	$ (1.48)
Adjusted Book Value[1]	**$ 25.81**	

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

Capital Management

(Dollars in Thousands)	Minimum Required Basel III	Well Capitalized [1]	June 30, 2026		December 31, 2025	
			Amount	Ratio	Amount	Ratio
Carter Bankshares, Inc.						
Leverage Ratio	4.00%	NA	$570,098	11.65%	$459,735	9.43%
Common Equity Tier 1 (to Risk-weighted Assets)	7.00%	NA	570,098	14.26%	459,735	10.70%
Tier 1 Capital (to Risk-weighted Assets)	8.50%	NA	570,098	14.26%	459,735	10.70%
Total Capital (to Risk-weighted Assets)	10.50%	NA	620,164	15.51%	513,722	11.95%
Carter Bank & Trust						
Leverage Ratio	4.00%	5.00%	$572,804	11.73%	$437,670	9.01%
Common Equity Tier 1 (to Risk-weighted Assets)	7.00%	6.50%	572,804	14.34%	437,670	10.23%
Tier 1 Capital (to Risk-weighted Assets)	8.50%	8.00%	572,804	14.34%	437,670	10.23%
Total Capital (to Risk-weighted Assets)	10.50%	10.00%	622,810	15.60%	491,396	11.49%

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

Liquidity

$1.8B

TOTAL AVAILABLE LIQUIDITY

Continue to maintain a strong liquidity position:

- Ongoing FHLB collateral pledging[1]
- Maintain four 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 237.9%

$ in thousands	**June 30, 2026**	**December 31, 2025**	**Change**
Cash and Due From Banks	$ 41,101	$ 36,935	$ 4,166
Interest Bearing Deposits in Other Financial Institutions	167,427	12,134	155,293
Federal Reserve Bank Excess Reserves	68,007	56,094	11,913
FHLB Borrowing Availability[1]	879,466	609,392	270,074
Unsecured Lines of Credit	105,000	30,000	75,000
Collateralized Lines of Credit	—	45,000	(45,000)
Unpledged Investment Securities	500,568	402,220	98,348
Excess Pledged Securities	7,066	33,443	(26,377)
Total Liquidity Sources	**$ 1,768,635**	**$ 1,225,218**	**$ 543,417**

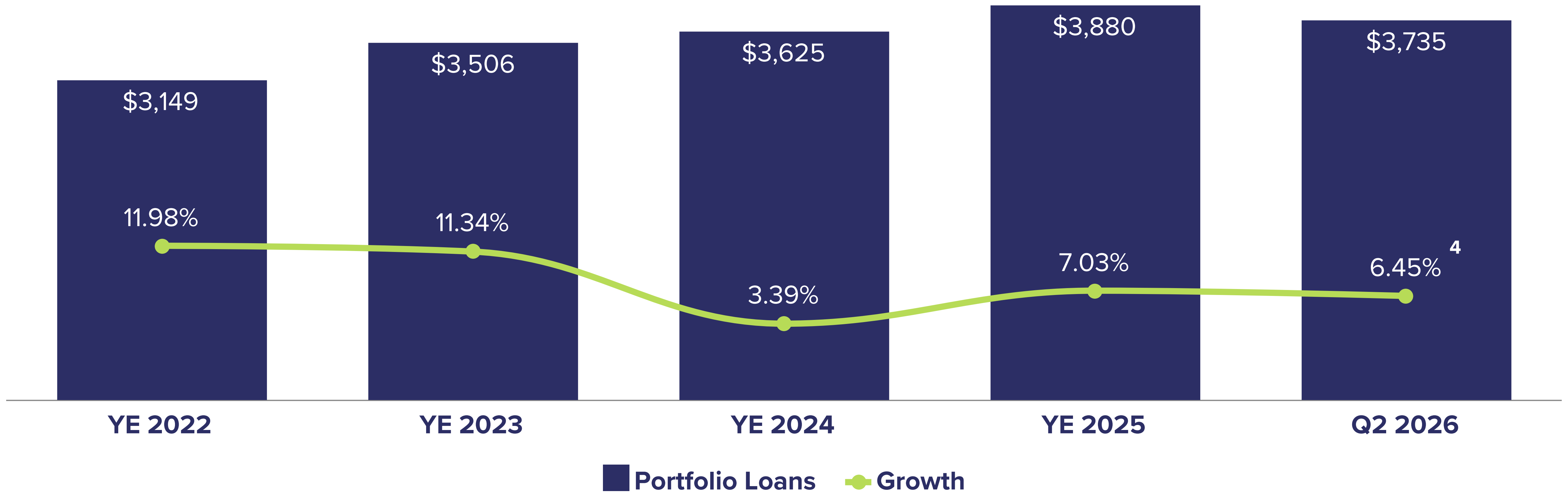
[1]For the periods presented above, the Company maintained a secured FHLB Borrowing Facility with FHLB of Atlanta equal to 30% of the Bank's assets approximating $1.4 billion, with available borrowing capacity subject to the amount of eligible collateral pledged at any given time.

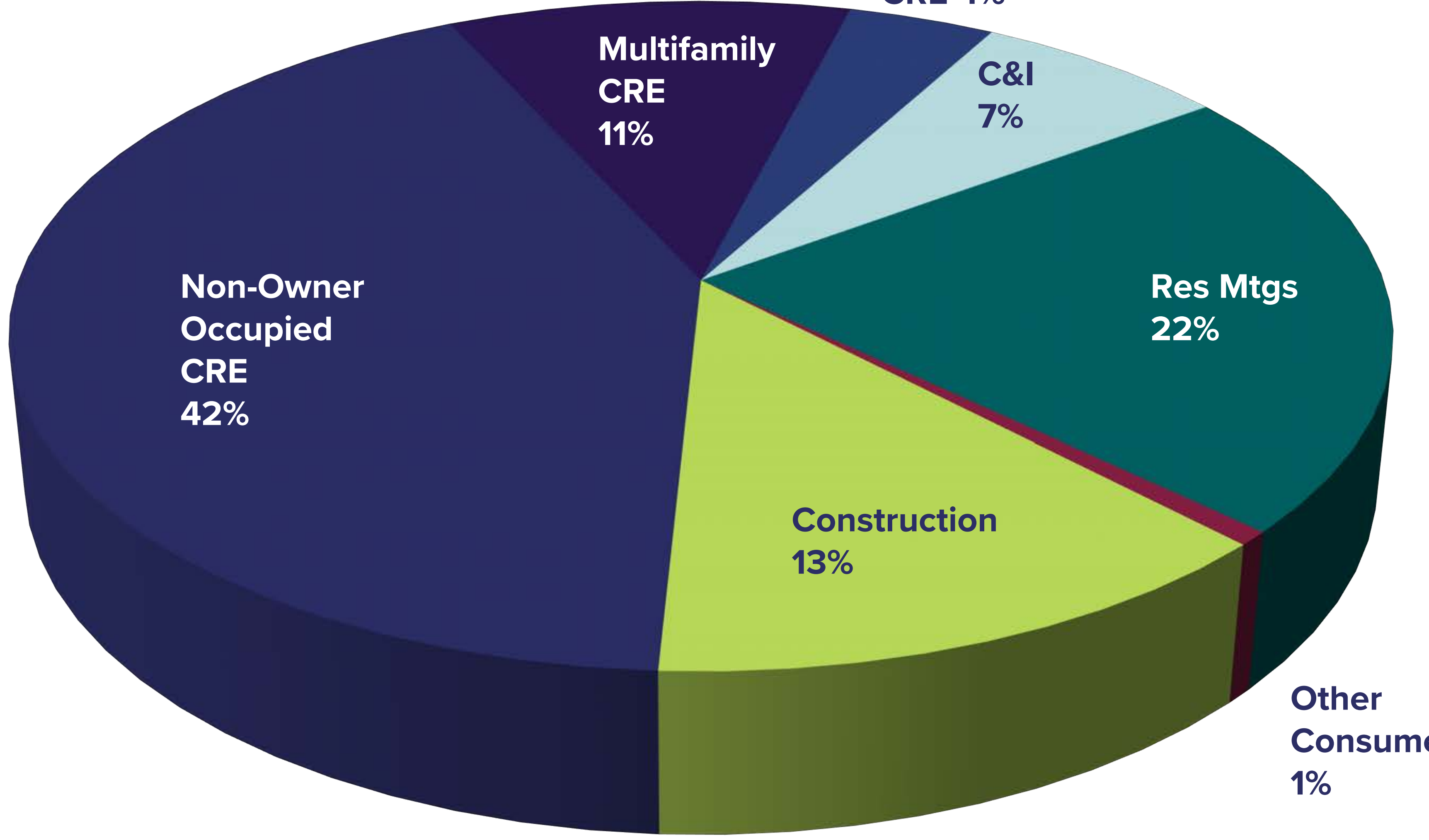
Loan Composition

$ in thousands	For the Period Ending 06/30/2026	03/31/2026	06/30/2025	Variance Quarter	Year
CRE - Non-Owner Occupied	$ 1,575,976	$ 1,575,228	$ 1,565,039	$ 748	$ 10,937
CRE - Multifamily	394,829	391,980	354,471	2,849	40,358
CRE - Owner Occupied	172,557	160,720	81,256	11,837	91,301
Commercial and Industrial	262,432	245,455	221,880	16,977	40,552
Residential Mortgages	814,383	815,263	814,188	(880)	195
Other Consumer	25,154	26,264	27,991	(1,110)	(2,837)
Construction	489,263	513,551	443,573	(24,288)	45,690
Other[1]	—	—	238,723	—	(238,723)
Total Portfolio Loans[2]	**$ 3,734,594**	**$ 3,728,461**	**$ 3,747,121**	**$ 6,133**	**$ (12,527)**

- 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 $226.2M[4], or 6.45%[4] YoY.
- YTD 2026 Loan Production of $370.6M of which 71.18% was was funded at a weighted average rate of 6.18%. The YTD production was offset by $226.1M in commercial loan payoffs > $1M each.

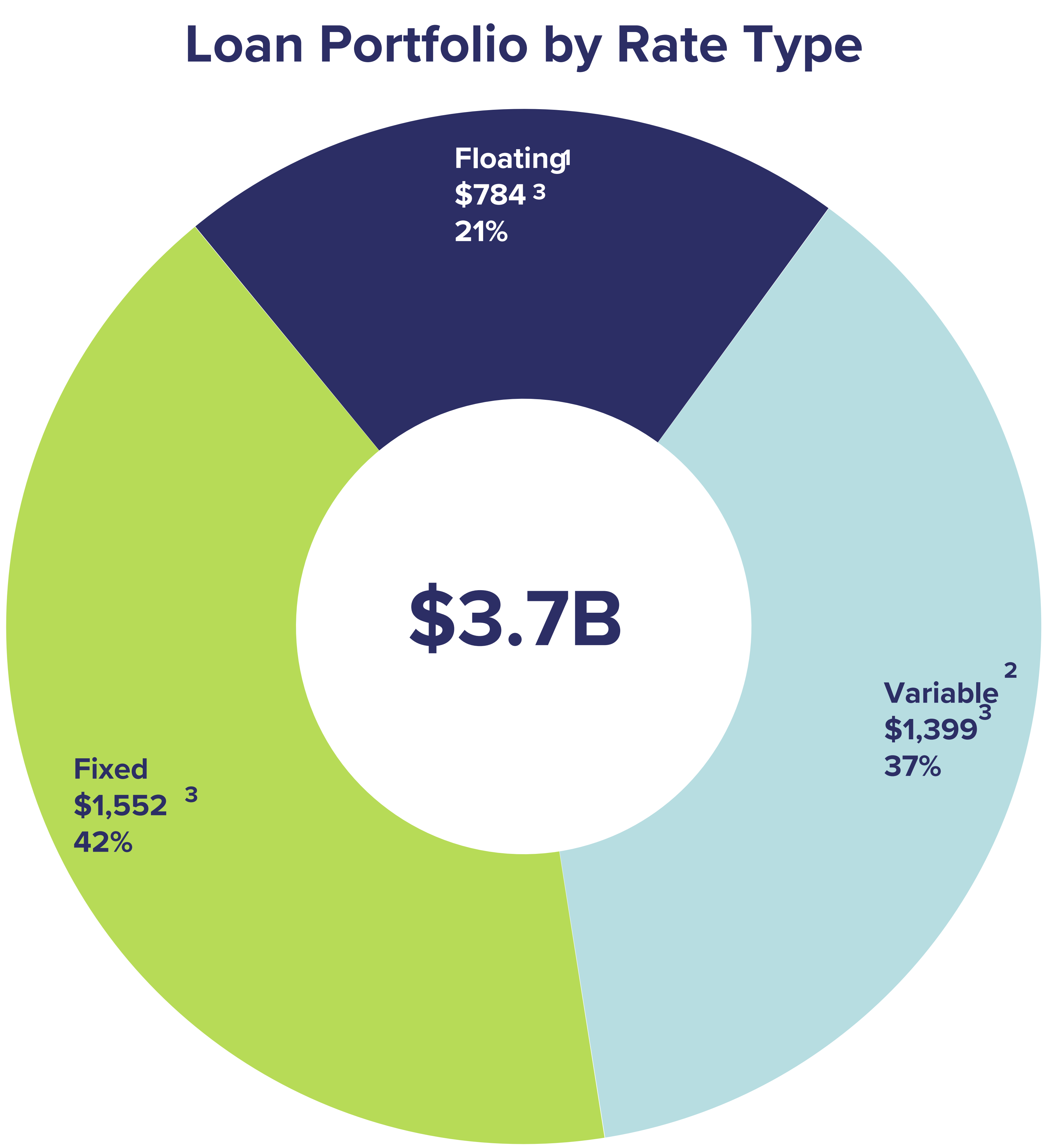
Total Portfolio Loan Growth[3]

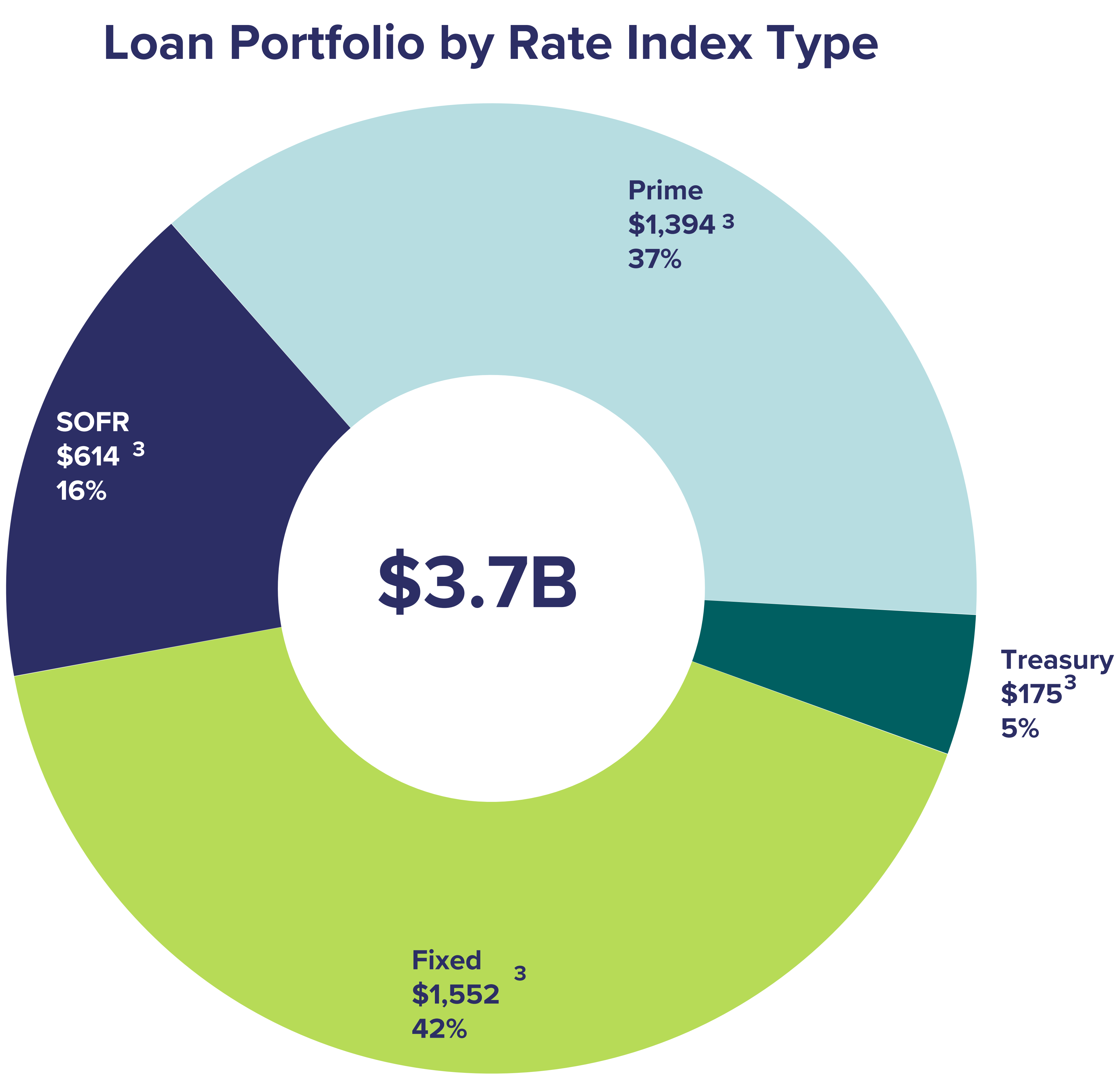




[1] Other loans include unique risk attributes considered inconsistent with our current underwriting standards.
[2] Total Portfolio Loans is net of loans held-for-sale and Loan Portfolio Segments are sourced from Fed. Call Codes (RC-C).
[3] $ in millions
[4] This is a Non-GAAP reconciliation for Loan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

Loan Portfolio Repricing & Index 2Q2026





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)

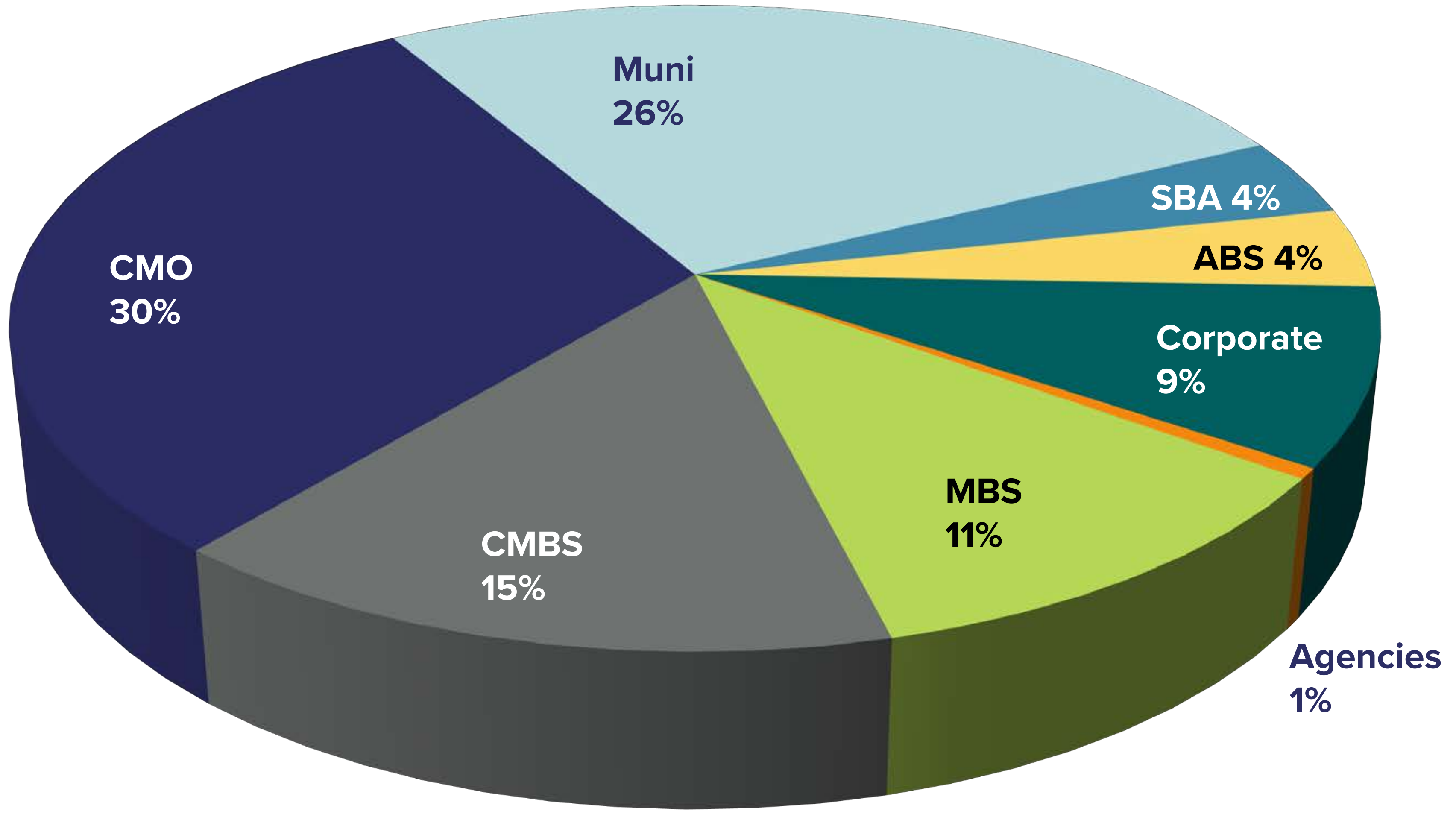
$ in thousands	For the Periods Ending 6/30/2026	12/31/2025	Change	% of Gross Loans	% of RBC
1. Multifamily	$ 58,475	$ 58,610	$ (135)	1.57%	9.43%
2. Retail & Office	53,637	54,838	(1,201)	1.44%	8.65%
3. Retail & Warehouse	47,725	38,656	9,069	1.28%	7.70%
4. Warehouse	47,120	47,969	(849)	1.26%	7.59%
5. Warehouse	44,991	46,687	(1,696)	1.20%	7.25%
6. Healthcare	44,779	44,779	—	1.20%	7.22%
7. Land & Self-Storage	44,625	47,392	(2,767)	1.19%	7.20%
8. Multifamily	44,504	44,842	(338)	1.19%	7.18%
9. Long-Term Care	43,618	46,199	(2,581)	1.17%	7.03%
10. Retail & Office	42,919	47,619	(4,700)	1.15%	6.92%
Top Ten (10) Relationships[1]	**$ 472,393**	**$ 477,591**	**$ (5,198)**	**12.65%**	**76.17%**
Total Gross Loans	**$ 3,735,061**	**$ 3,879,899**	**$ (144,838)**		
% of Total Gross Loans	**12.65%**	**12.31%**	**0.34%**		
Concentration (25% of Risk Based Capital ("RBC"))	$ 155,041	$ 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	June 30, 2026 Amortized Cost	June 30, 2026 Net Unrealized (Losses)/ Gains	June 30, 2026 Fair Value	December 31, 2025 Amortized Cost	December 31, 2025 Net Unrealized (Losses)/ Gains	December 31, 2025 Fair Value
U.S. Government Agency Securities	$ 16,611	$ (458)	$ 16,153	$ 19,796	$ (421)	$ 19,375
Residential Mortgage-Backed Securities	68,943	(7,493)	61,450	83,918	(7,145)	76,773
Commercial Mortgage-Backed Securities	21,144	(234)	20,910	25,438	(316)	25,122
Other Commercial Mortgage-Backed Securities	22,419	(1,158)	21,261	25,297	(1,043)	24,254
Asset Backed Securities	111,816	(6,222)	105,594	100,643	(5,846)	94,797
Collateralized Mortgage Obligations	199,406	(6,867)	192,539	168,749	(6,929)	161,820
States and Political Subdivisions	182,729	(16,416)	166,313	262,275	(28,051)	234,224
Corporate Notes	59,250	(3,168)	56,082	59,250	(4,003)	55,247
Total Debt Securities	**$ 682,318**	**$ (42,016)**	**$ 640,302**	**$ 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 48.0% of securities issued by United States government sponsored entities and carry an implicit government guarantee.
- States and political subdivisions comprise 26.0% 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 June 30, 2026, the Company held 59.9% fixed rate and 40.1% floating rate securities.
- Securities comprise 13.3% of total assets at June 30, 2026.
- Shorter maturity profile with an average life of 6.13 years; less interest rate risk with an effective duration of 4.56; and higher than peer book yield of 3.60%

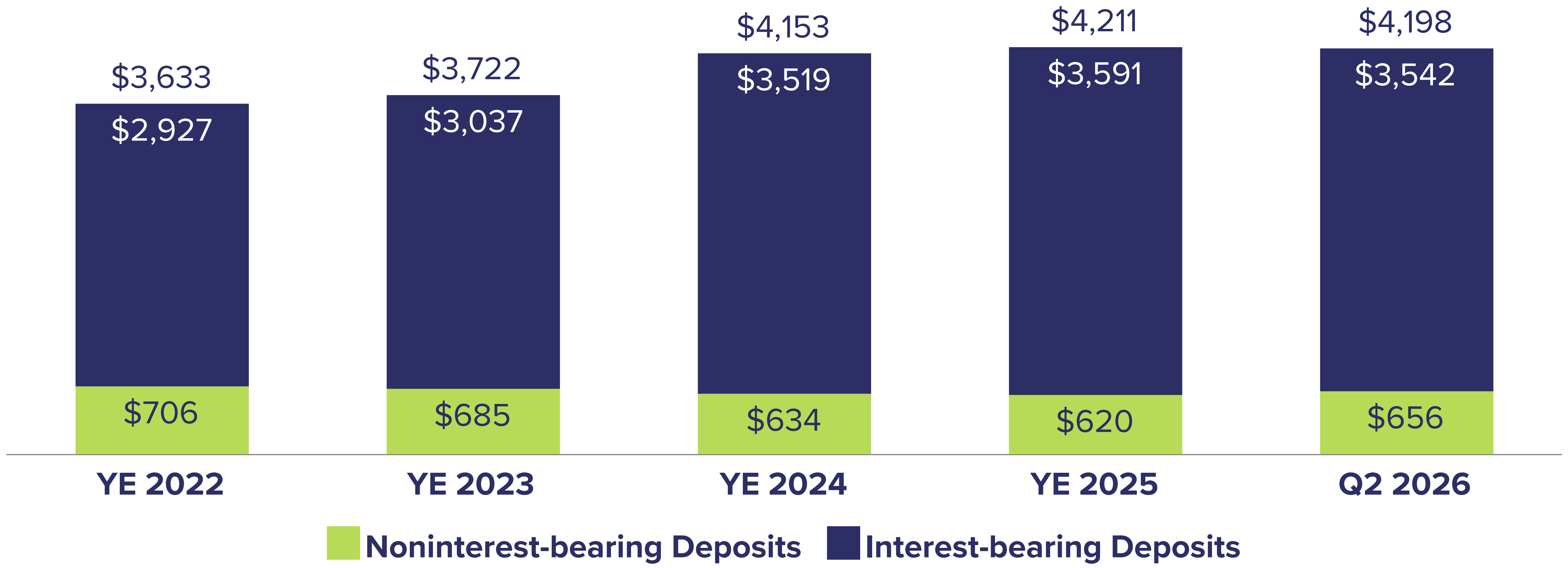


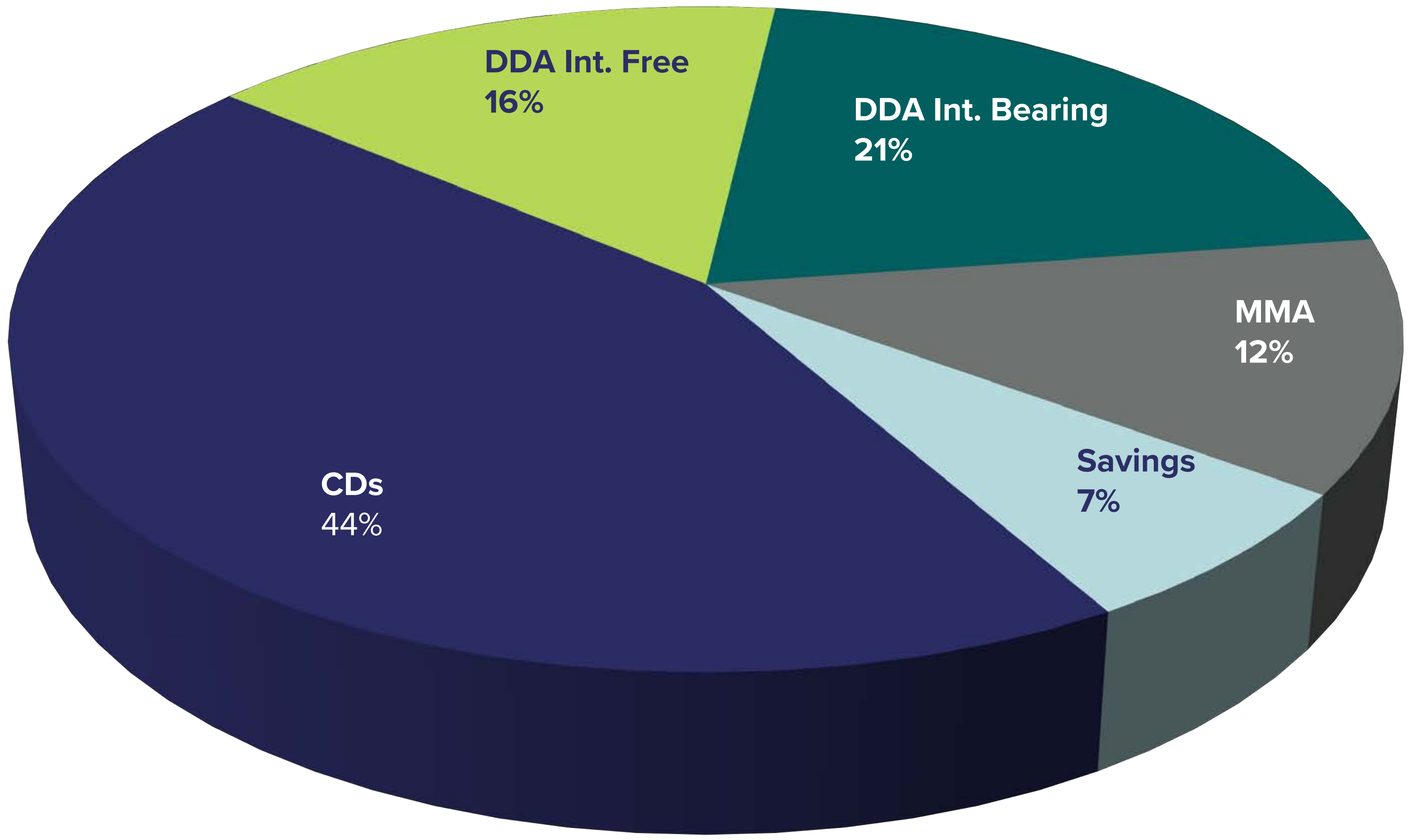
Deposit Composition

$ in thousands	For the Period Ending 06/30/2026	03/31/2026	06/30/2025	Variance Quarter	Year
Lifetime Free Checking	$ 655,482	$ 637,933	$ 635,192	$ 17,549	$ 20,290
Interest-Bearing Demand	866,759	871,398	805,013	(4,639)	61,746
Money Market	510,125	514,362	544,764	(4,237)	(34,639)
Savings	318,774	326,929	343,659	(8,155)	(24,885)
Certificates of Deposits	1,846,416	1,884,628	1,893,611	(38,212)	(47,195)
Total Deposits	**$ 4,197,556**	**$ 4,235,250**	**$ 4,222,239**	**$ (37,694)**	**$ (24,683)**

- Total deposits decreased $24.7M YoY
- Diversified and granular deposit base, approximately 79.1% Retail Customers
- Approximately 82.3% of Deposits, including Collateralized Muni deposits are FDIC Insured
- Partnership with IntraFi for available coverage over $250K FDIC insured limit

Total Deposits Composition[1]





[1] Period end balances at, $ in millions

Deposits

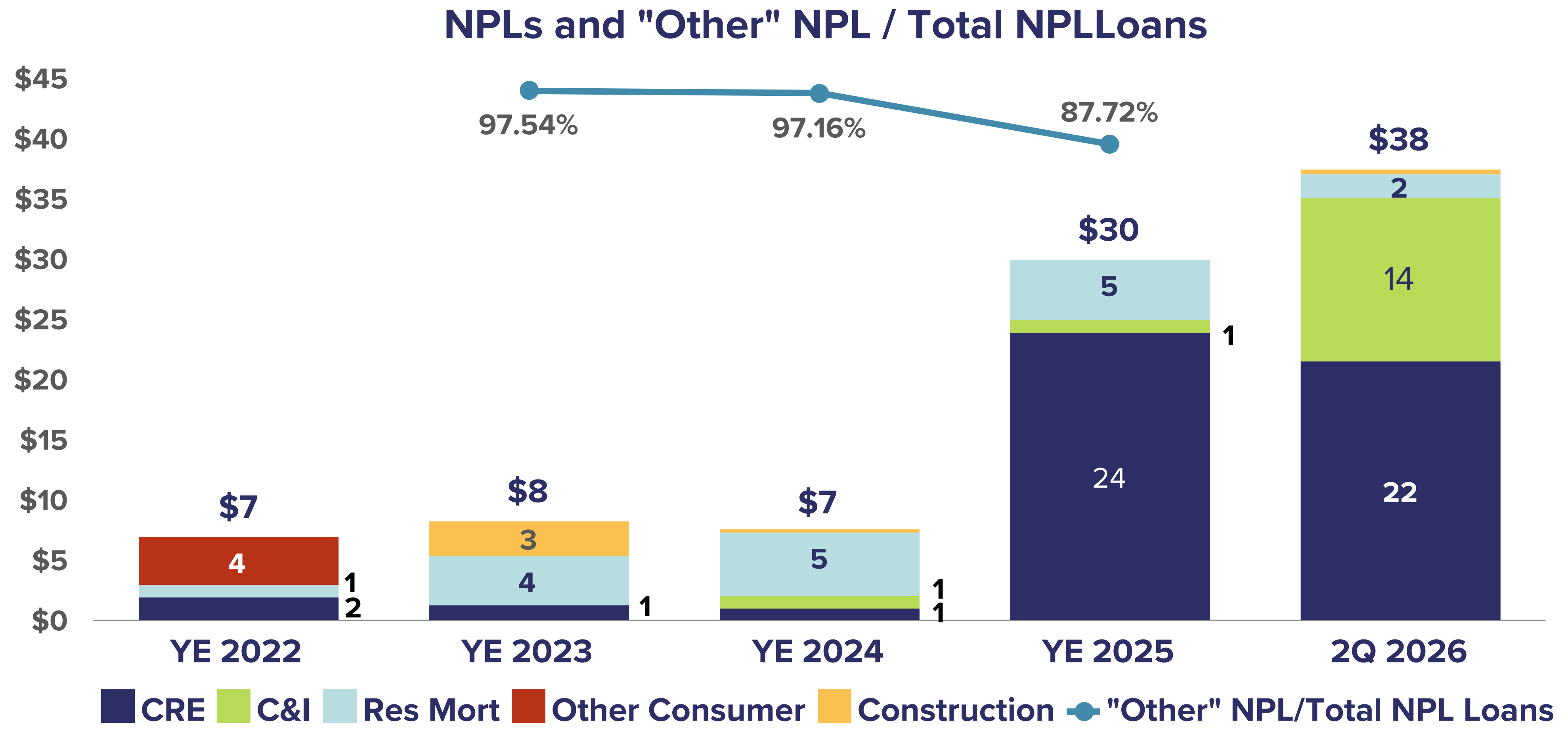
Goal is to enhance and diversify funding sources with a focus on lower cost/core relationships (both retail and commercial):

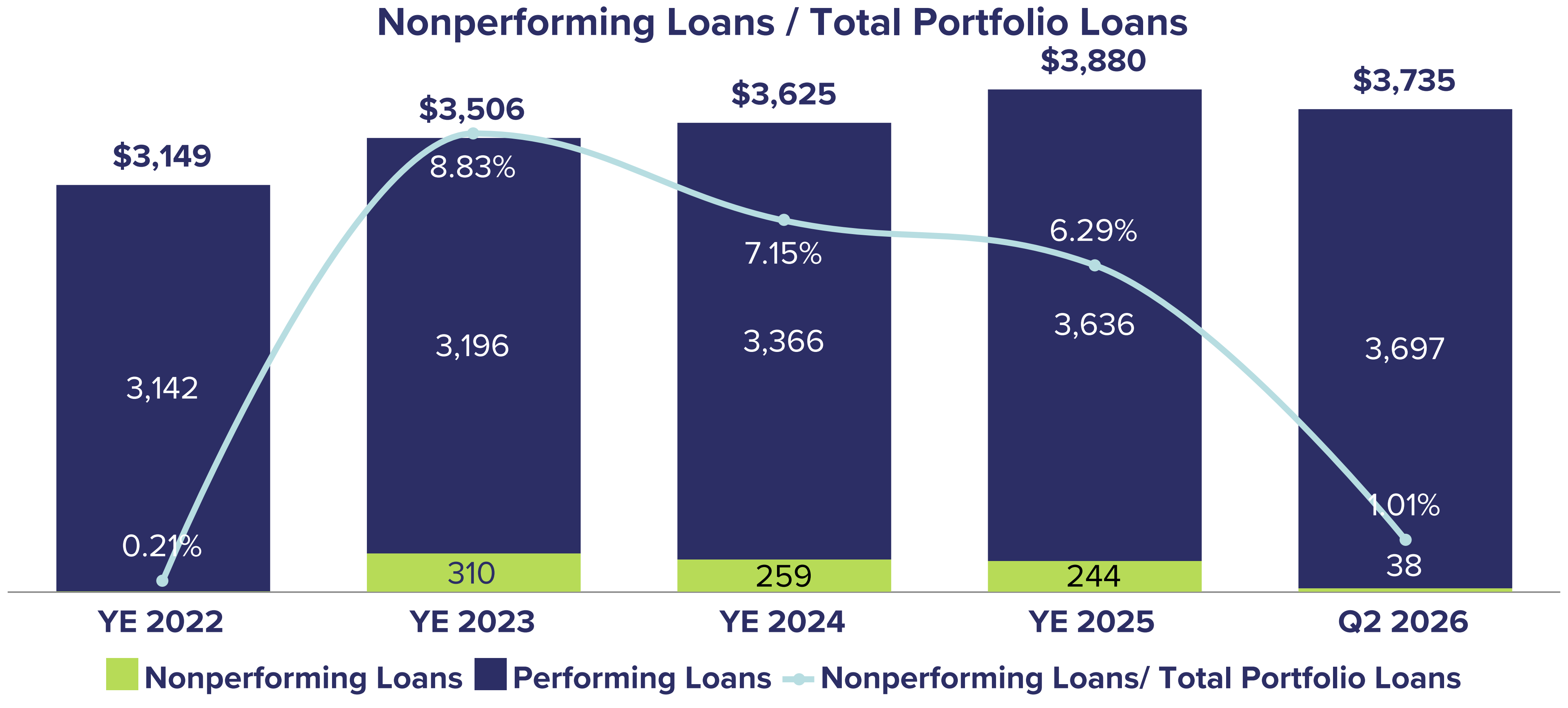
- Deposits currently stand at $4.2B
- CD Portfolio ($1.8B) is relatively short with 79.2% of the portfolio scheduled to mature within 12 months and 94.6% of the portfolio scheduled to mature within 24 months, allowing for opportunities to lower deposit costs quickly when short term rates begin to ease
- 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

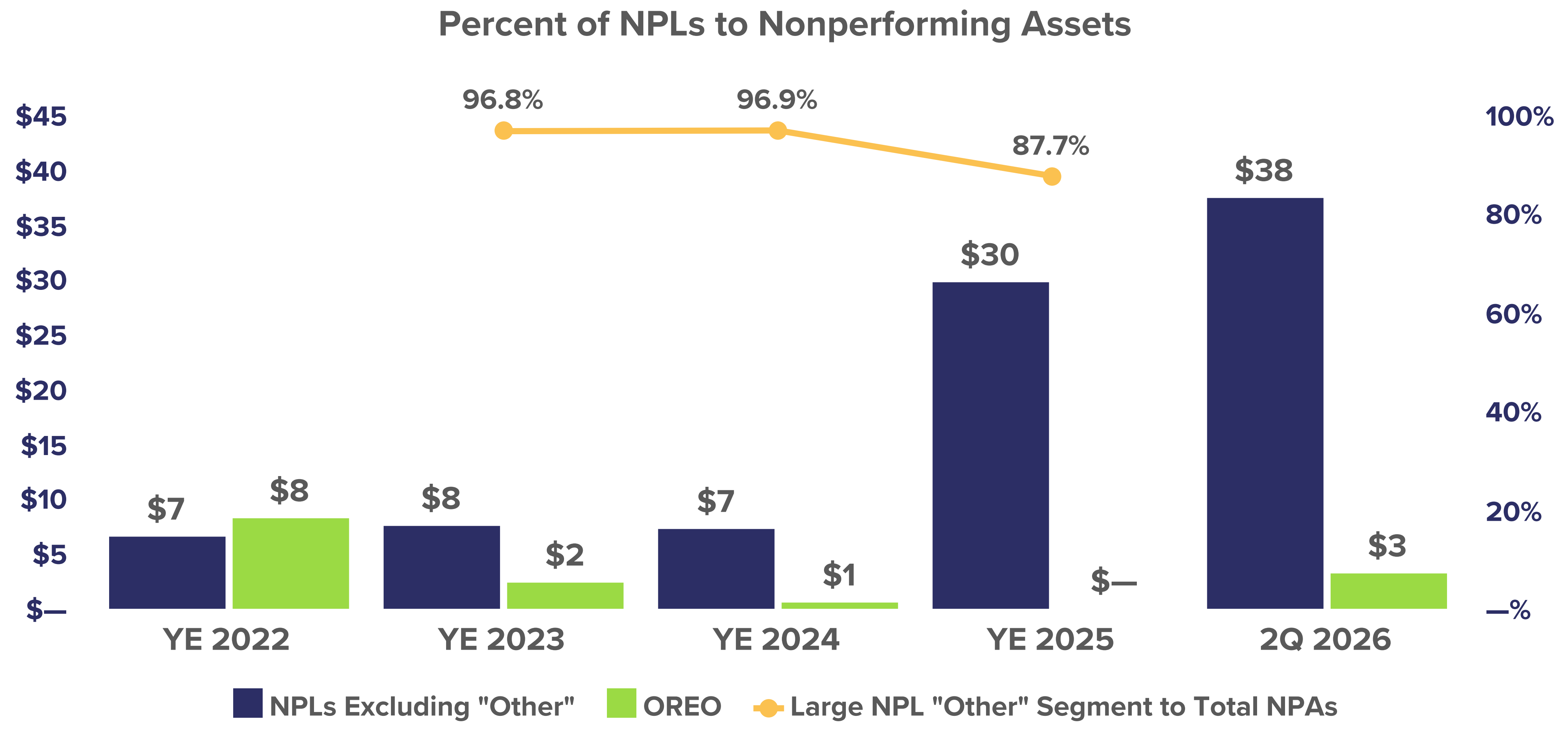
SECTION 03

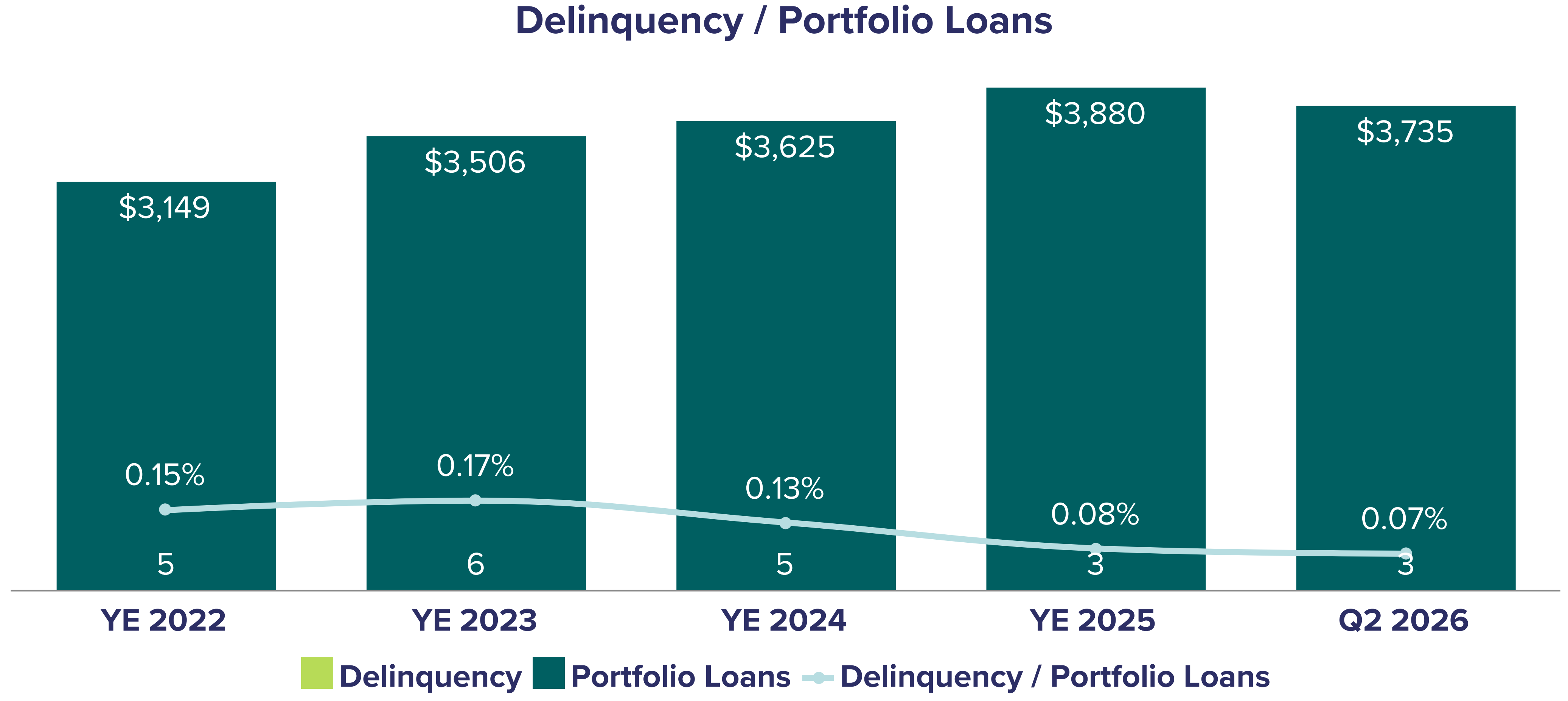
Asset Quality

Asset Quality

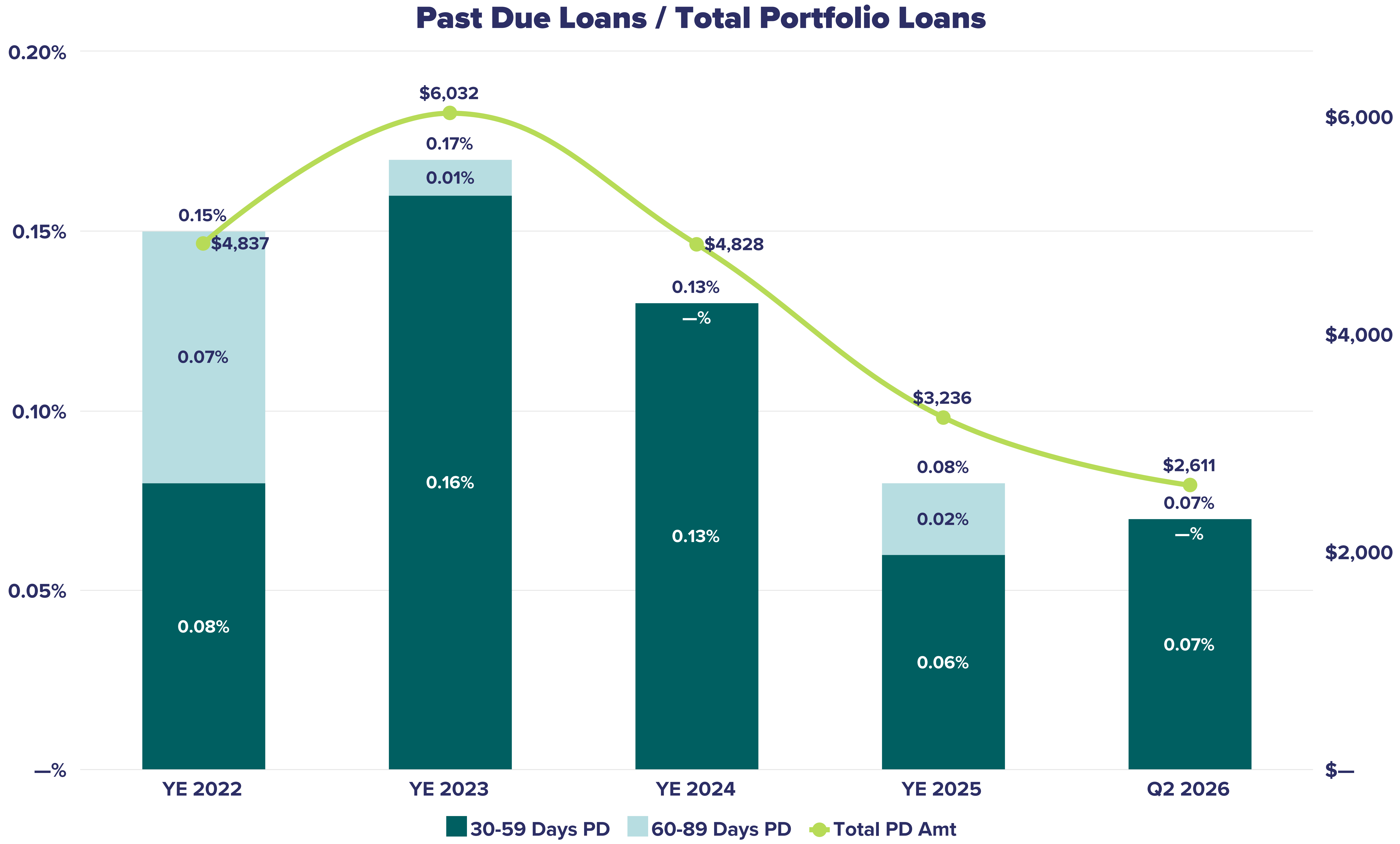








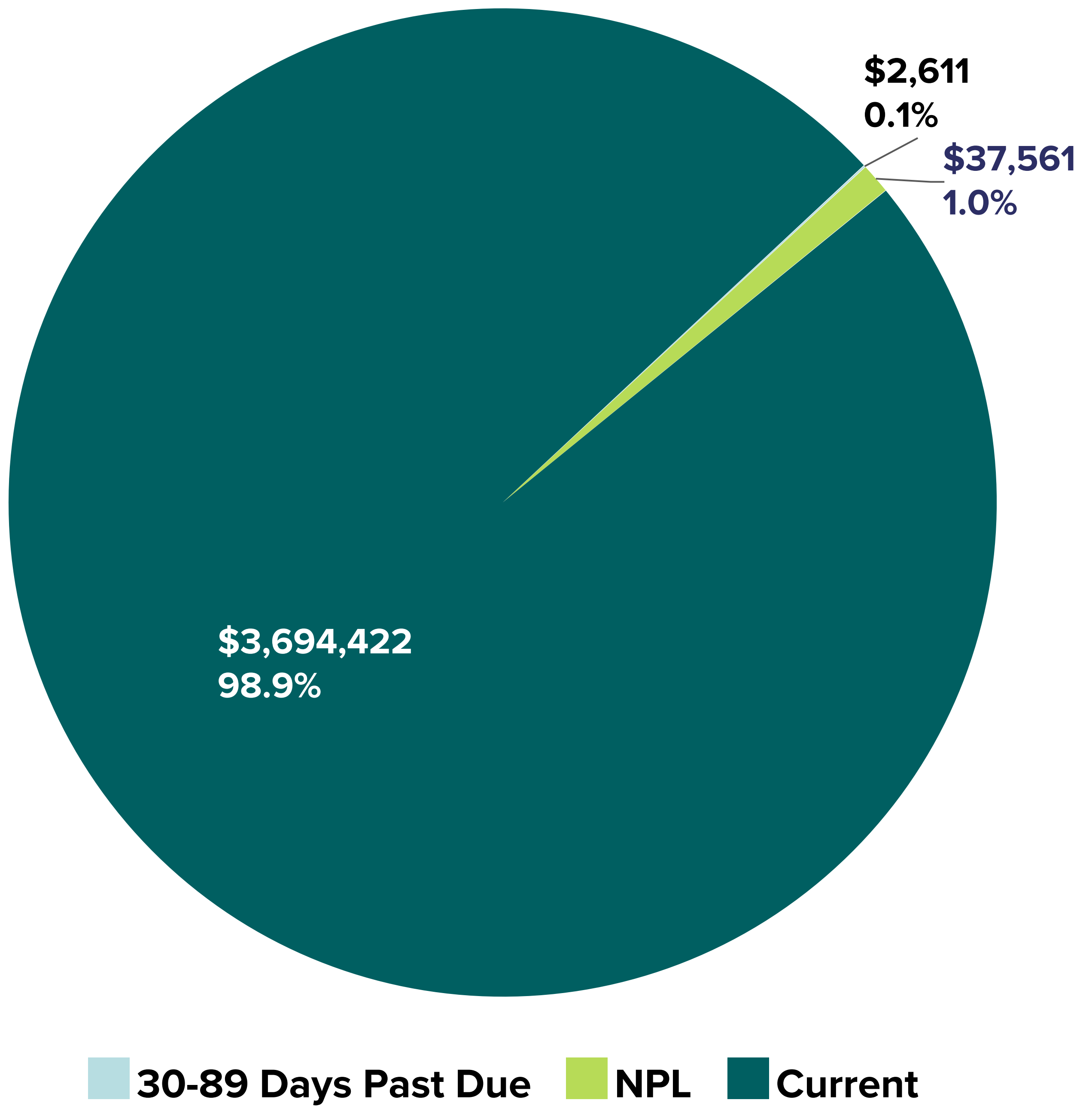
Delinquency Trends



$'s in thousands

Delinquency Trends

Delinquency Trends



June 30, 2026

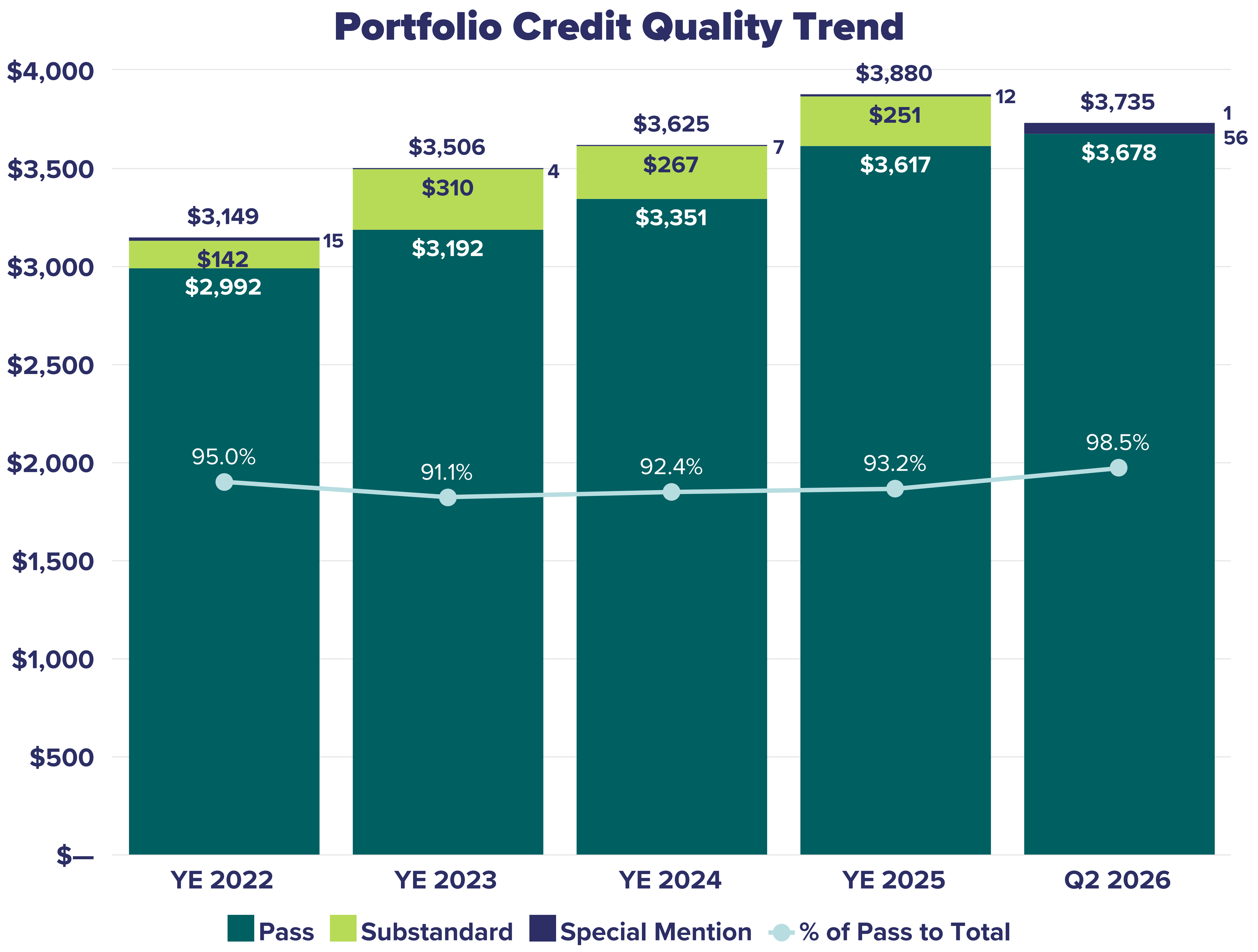
$ in thousands	Current	30-89 Days Past Due	NPL	Total Portfolio Loans
Commercial Real Estate	$ 2,121,800	$ —	$ 21,562	$ 2,143,362
Commercial and Industrial	248,796	90	13,546	262,432
Residential Mortgages	810,101	2,337	1,945	814,383
Other Consumer	24,934	148	72	25,154
Construction	488,791	36	436	489,263
Total	**$ 3,694,422**	**$ 2,611**	**$ 37,561**	**$ 3,734,594**

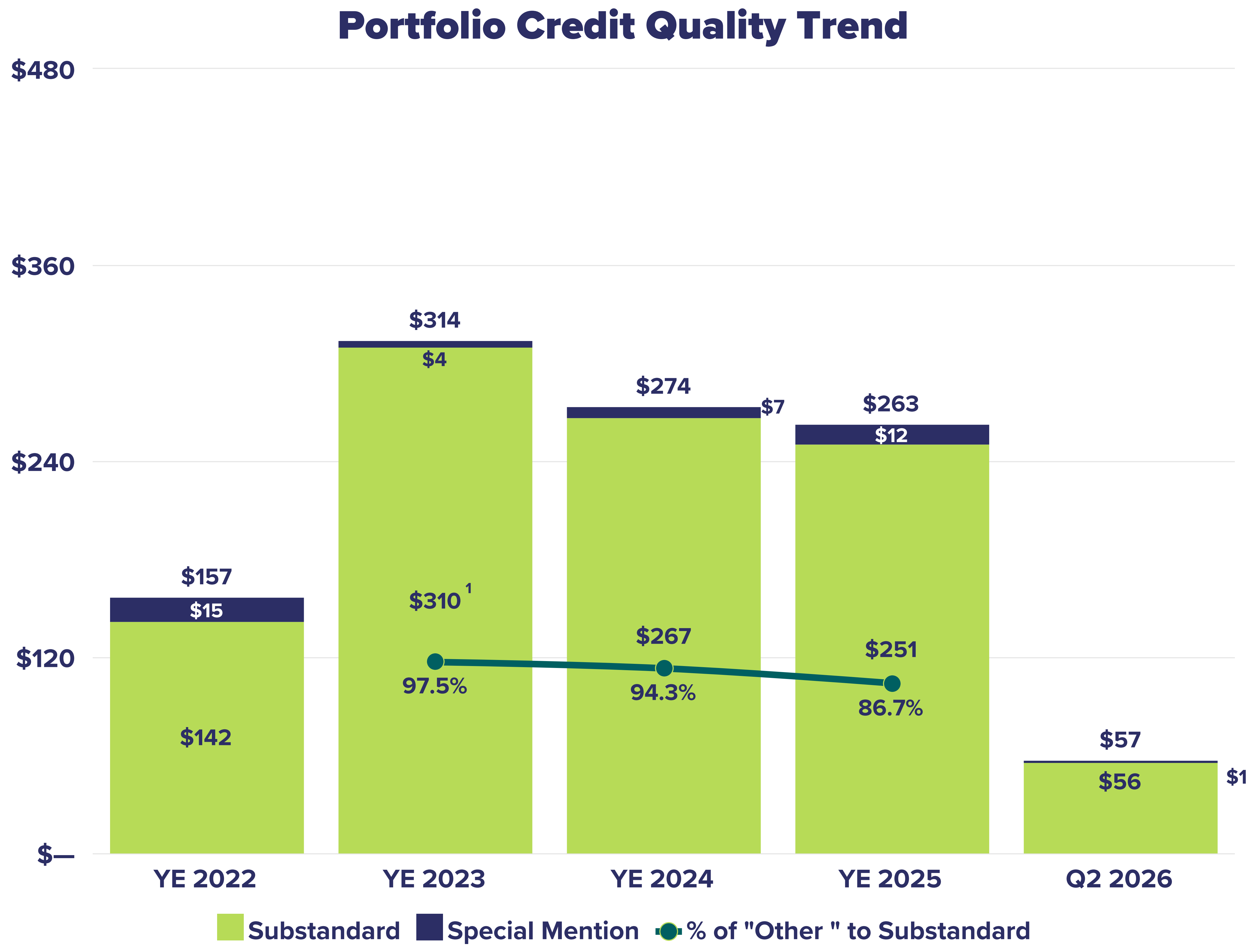
Nonperforming Relationships

$ in thousands	Nonaccrual Balance 6/30/2026	Nonaccrual Balance 12/31/2025	Change	Comments
1. CRE	$ 13,974	$ 14,321	$ (347)	Office Building
2. C&I	13,444	—	13,444	Motor Vehicle Towing Co.
3. CRE	7,552	9,495	(1,943)	Commercial Warehouse Property
4. Construction	402	—	402	Residential Mortgage Loan
5. Residential Mortgage	352	—	352	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	**$ 35,724**	**$ 240,769**	**$ (205,045)**	
Total Nonaccrual Loans	$ 37,561	$ 243,982	$ (206,421)	
Top 5 Nonaccrual Loans / Total Nonaccrual Loans	95.11%	98.68%	(3.57)%	
Total Portfolio Loans	$ 3,734,594	$ 3,879,560	$ (144,966)	
Total Nonaccrual Loans / Total Portfolio Loans	1.01%	6.29%	(5.28)%	

[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.

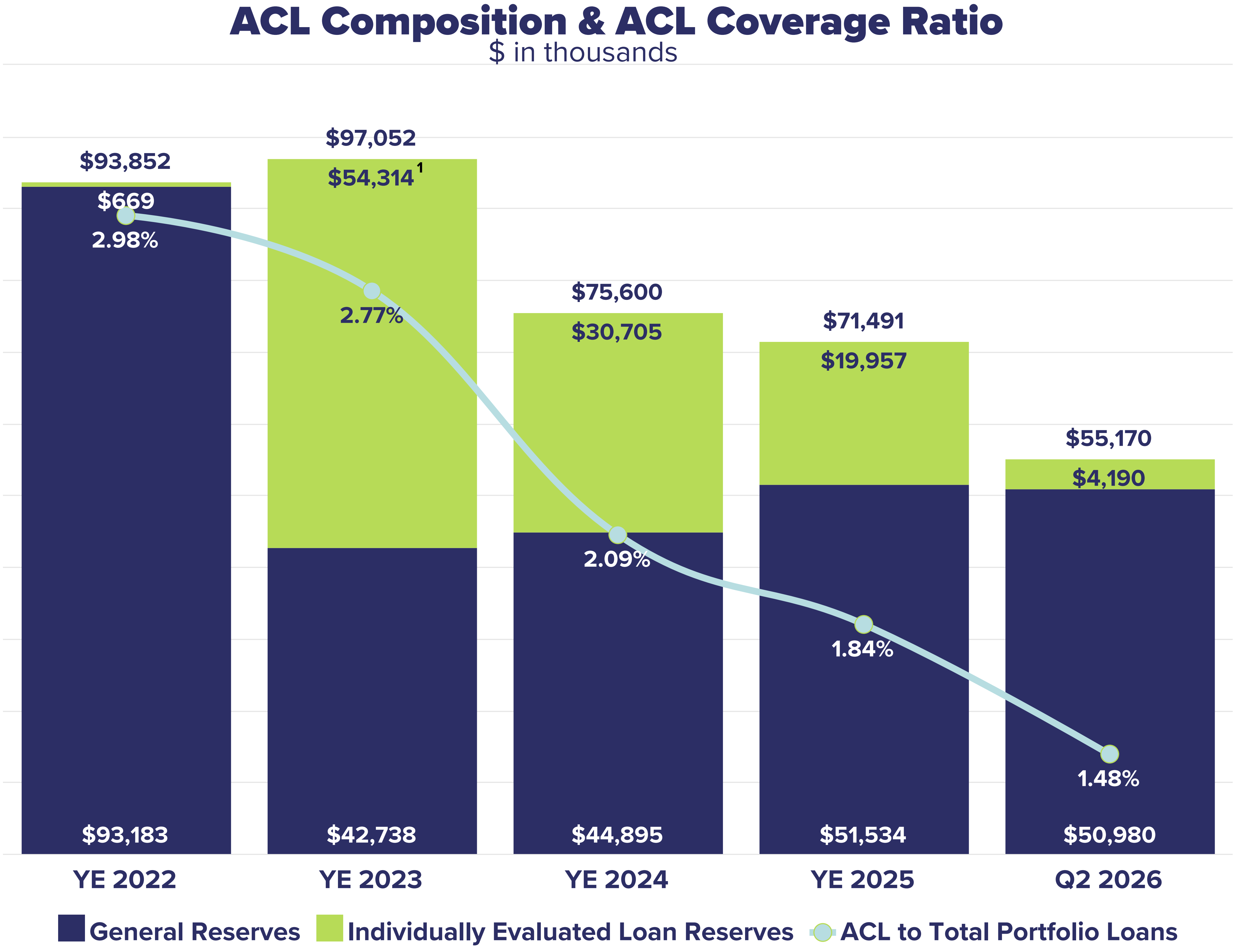
Loan Portfolio - Risk Ratings

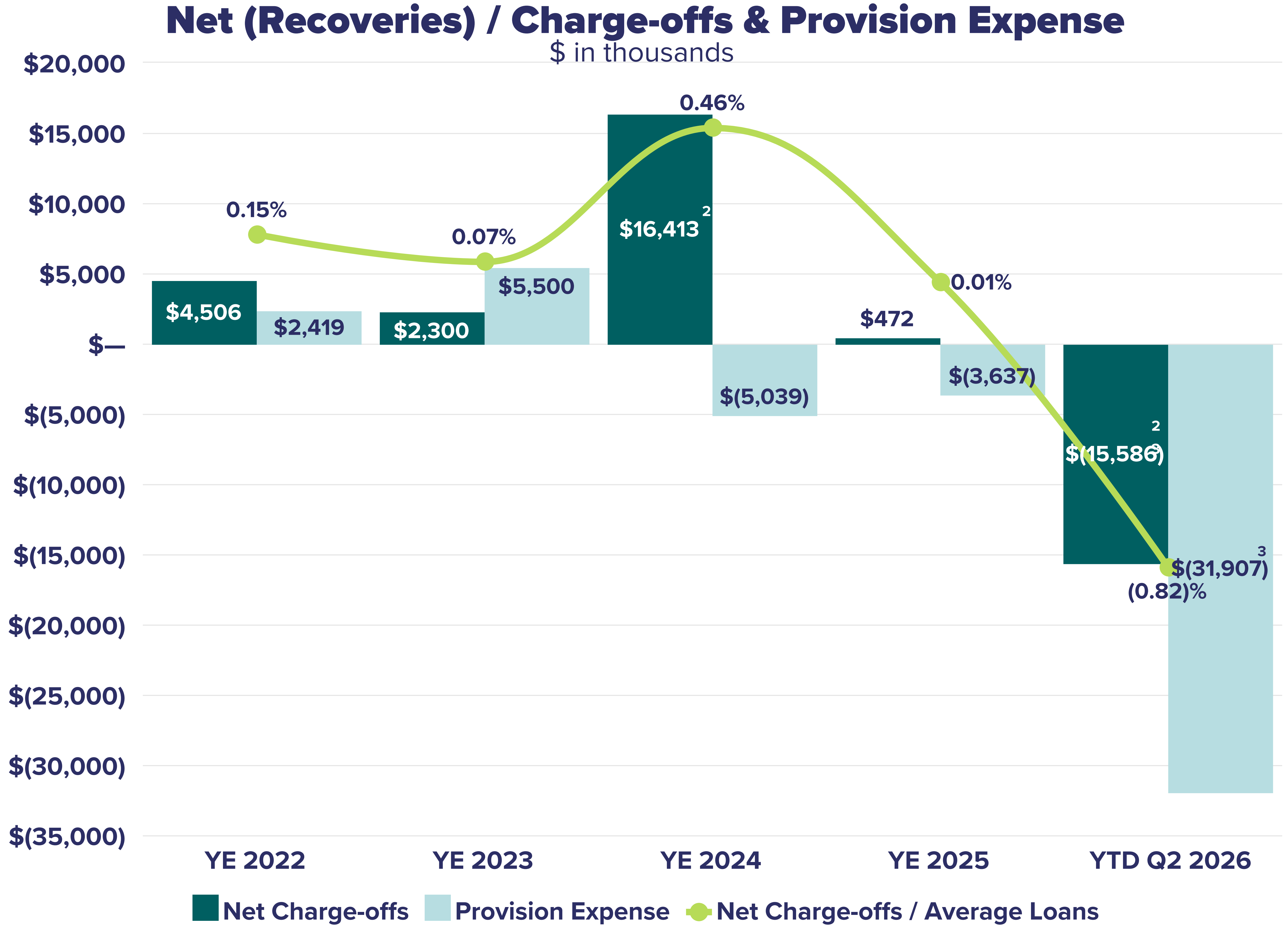




[1] The Company placed $301.9 million of commercial loans in the Other segment of the Company's loan portfolio, relating to the Bank's largest lending relationship during the second quarter of 2023, which was resolved and sold on March 26, 2026.
$ in millions

Net Charge-offs & Provision Expense





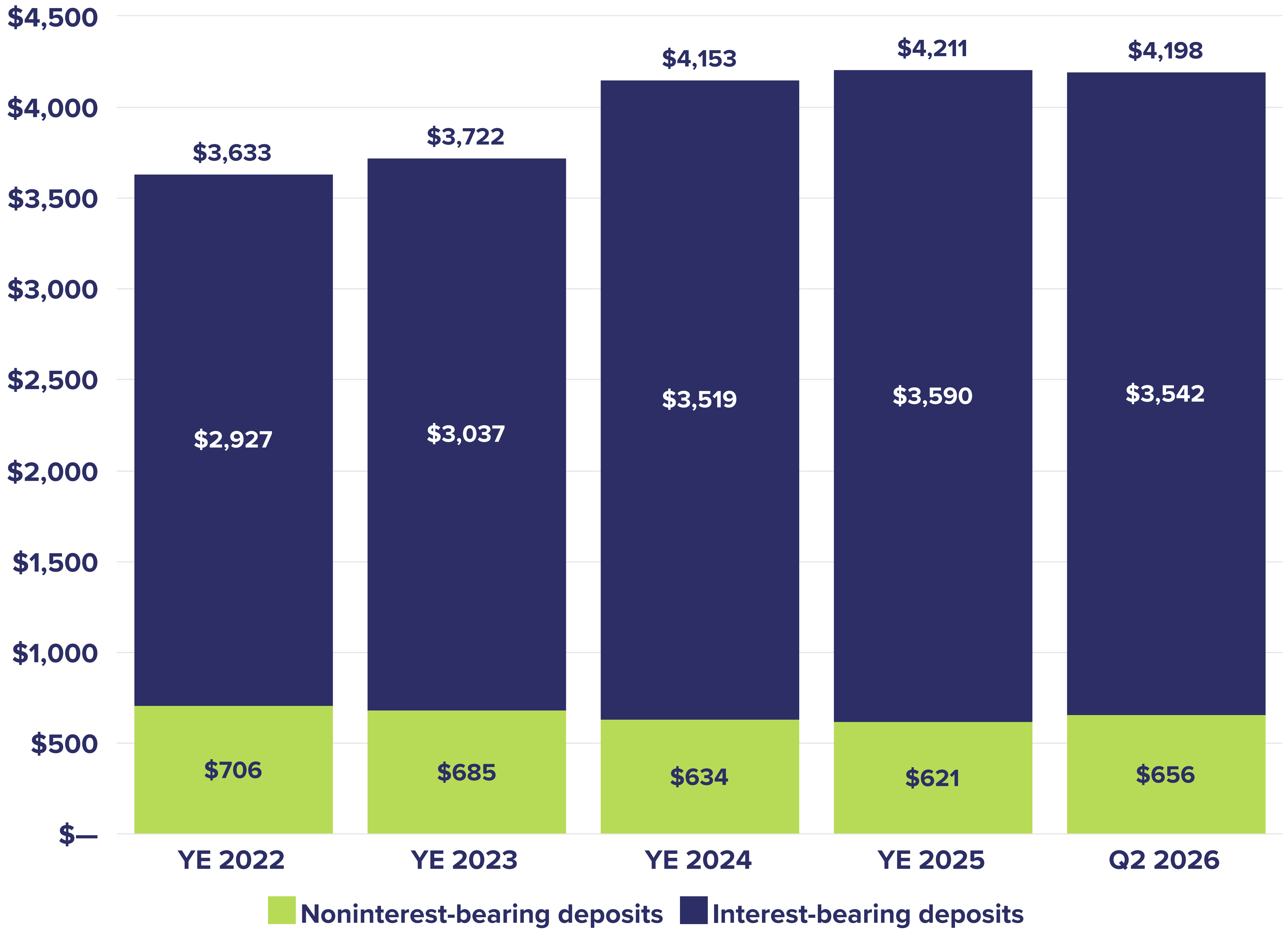
[1] The individually evaluated loans increased $53.6 million during the second quarter of 2023 due to our largest lending relationship, that was previously reserved in general reserves within the Other segment, moved to nonperforming status and is currently individually evaluated.
[2] YTD Net charge-offs 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 the first quarter of 2026.
[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.

SECTION 04

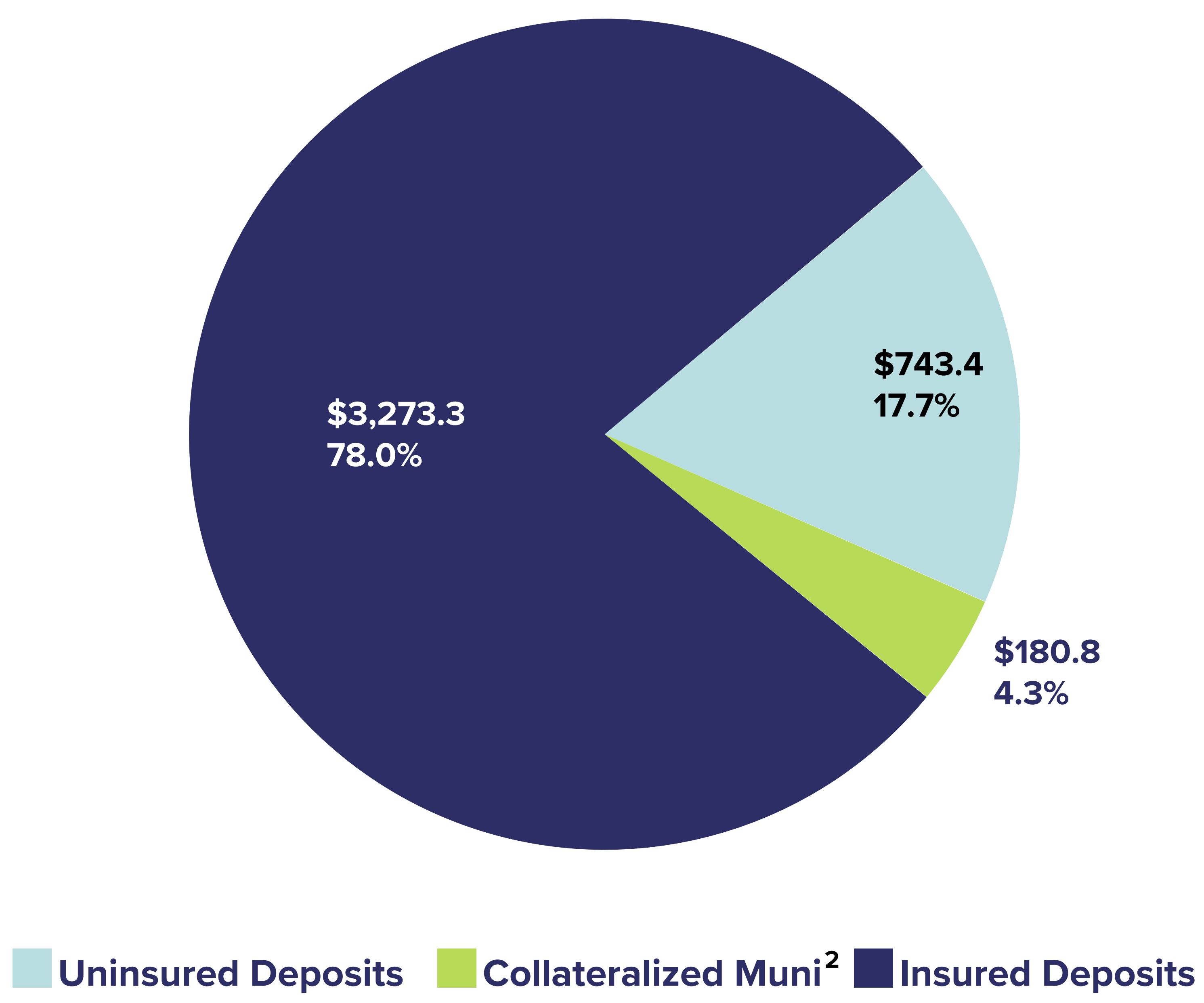
Deposit Mix

Deposits

Total Deposit Composition[1]



Insured/Uninsured Deposits

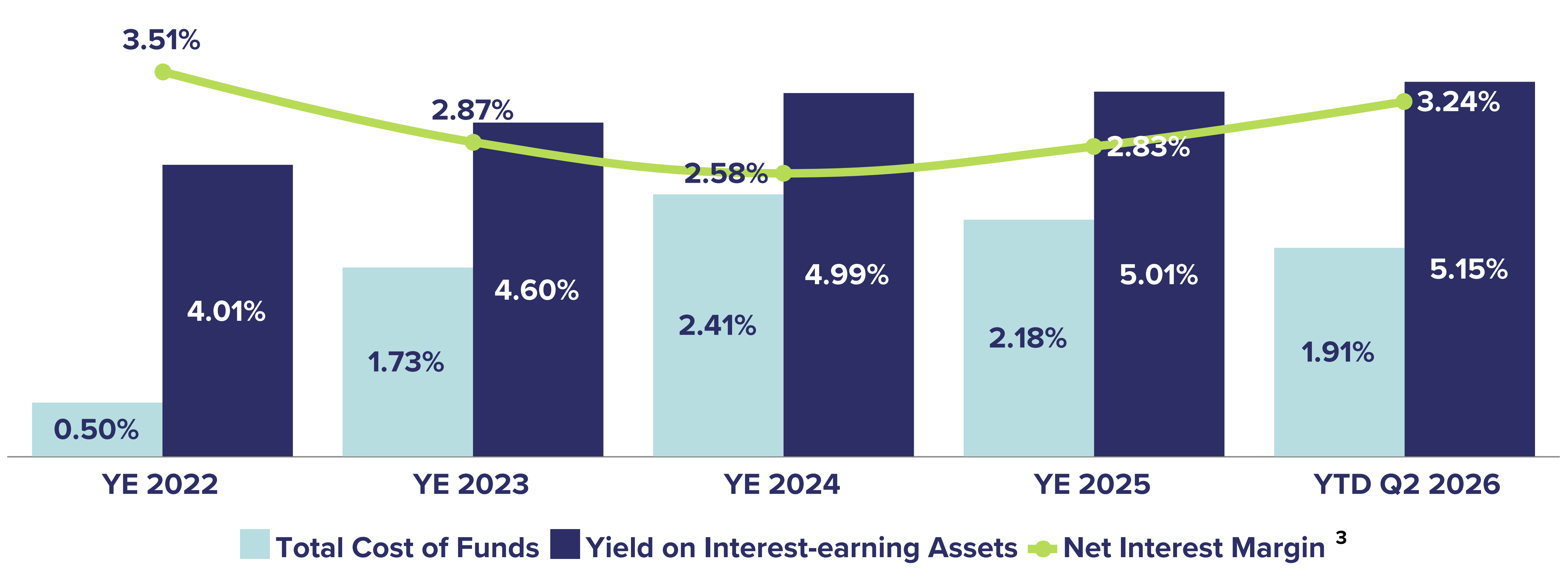


- Well-diversified deposit base of 114,790 customers
  - average commercial deposit account balance is $48.9K
  - average retail deposit account balance is $17.1K
- Deposit mix of 79.1% Consumer / 20.9% Business
- Partnership with IntraFi for available coverage over $250K FDIC insured limit.

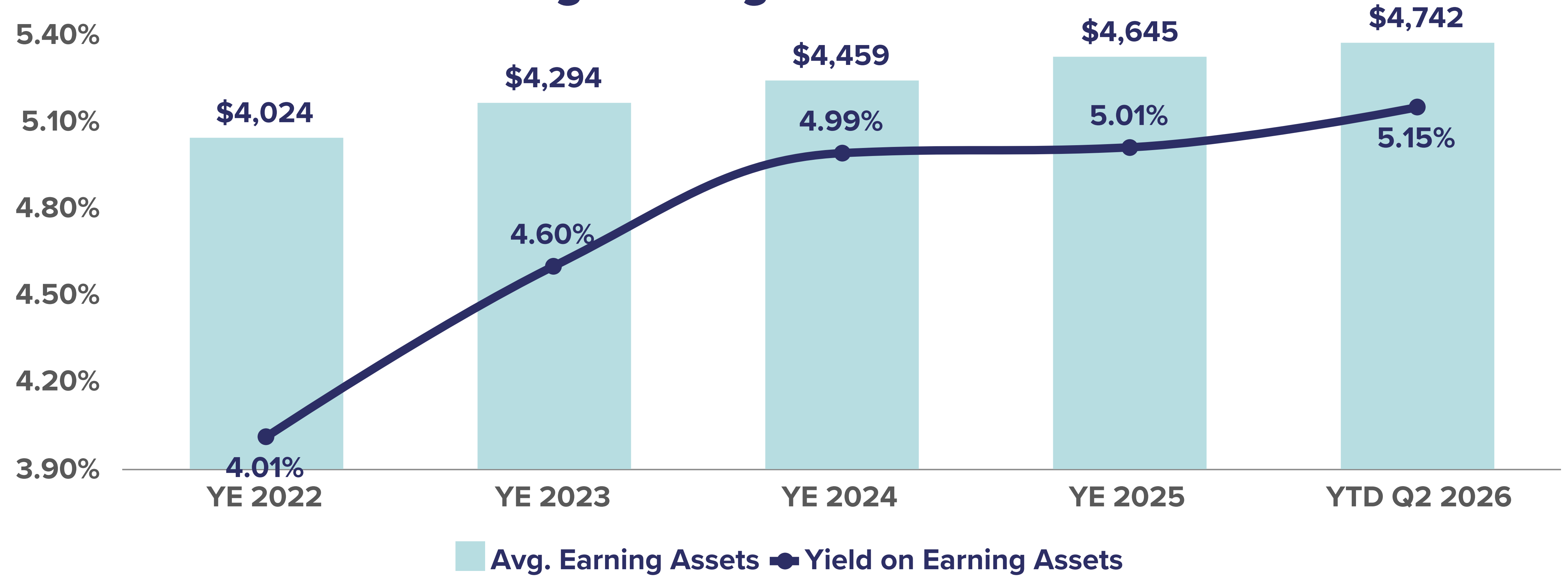
[1] Period end balances, $ in millions
[2] Collateralized Muni deposits are FDIC insured up to $250,000. All balances in excess of $250,000 are fully collateralized with eligible securities

Net Interest Income

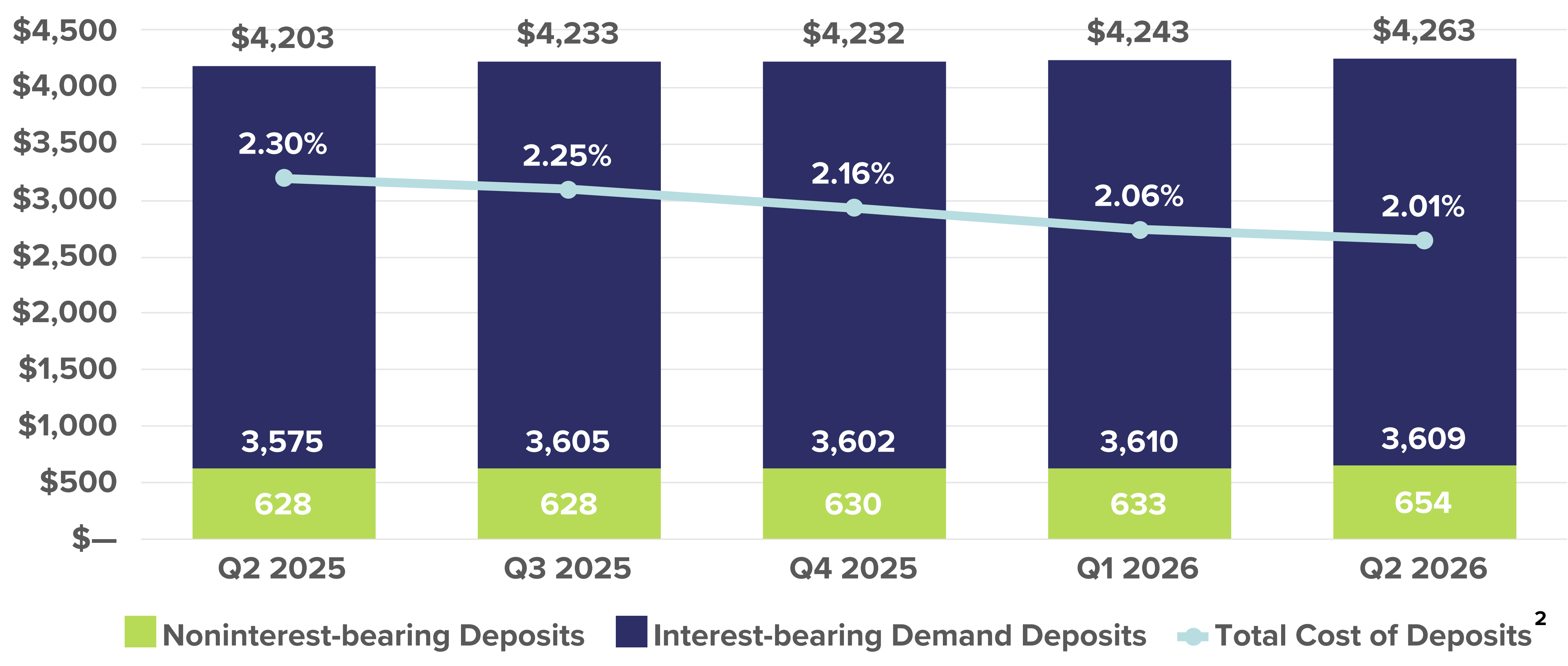
Net Interest Income & NIM



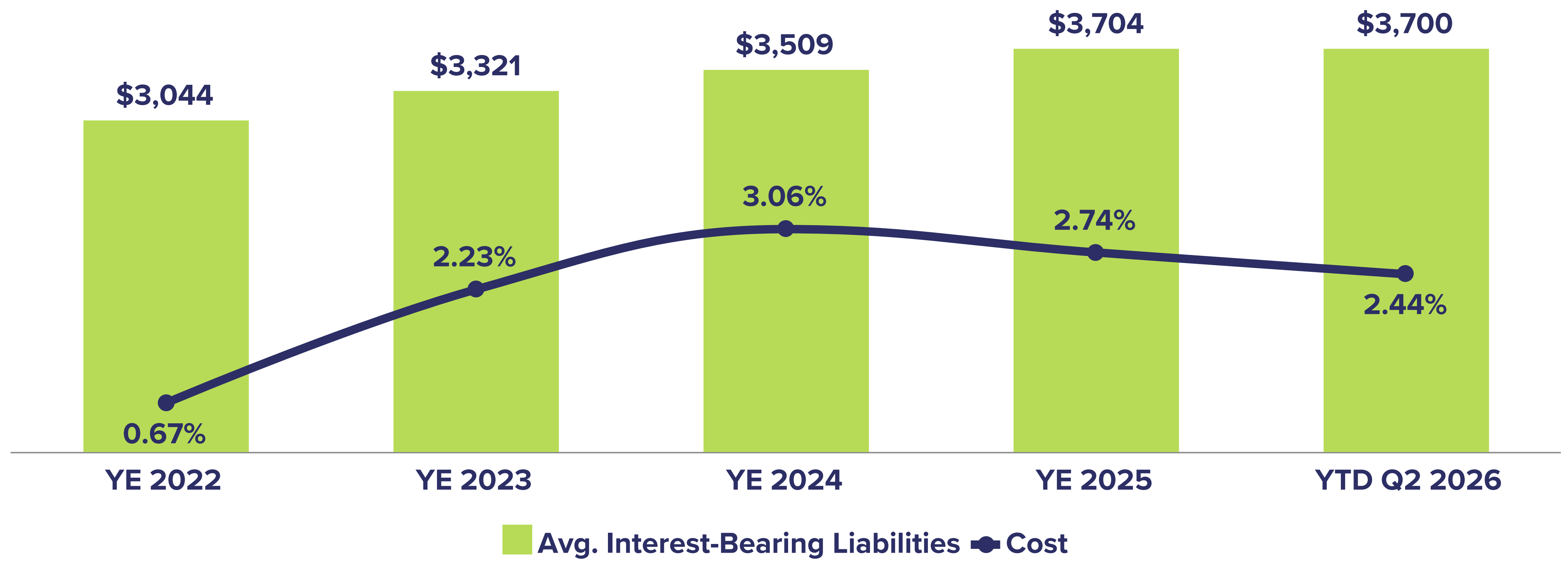
Avg. Earning Assets & Yield



Total Deposits and Cost of Deposits[1]



Avg. Interest-Bearing Liabilities & Costs



Carter Bankshares, Inc.

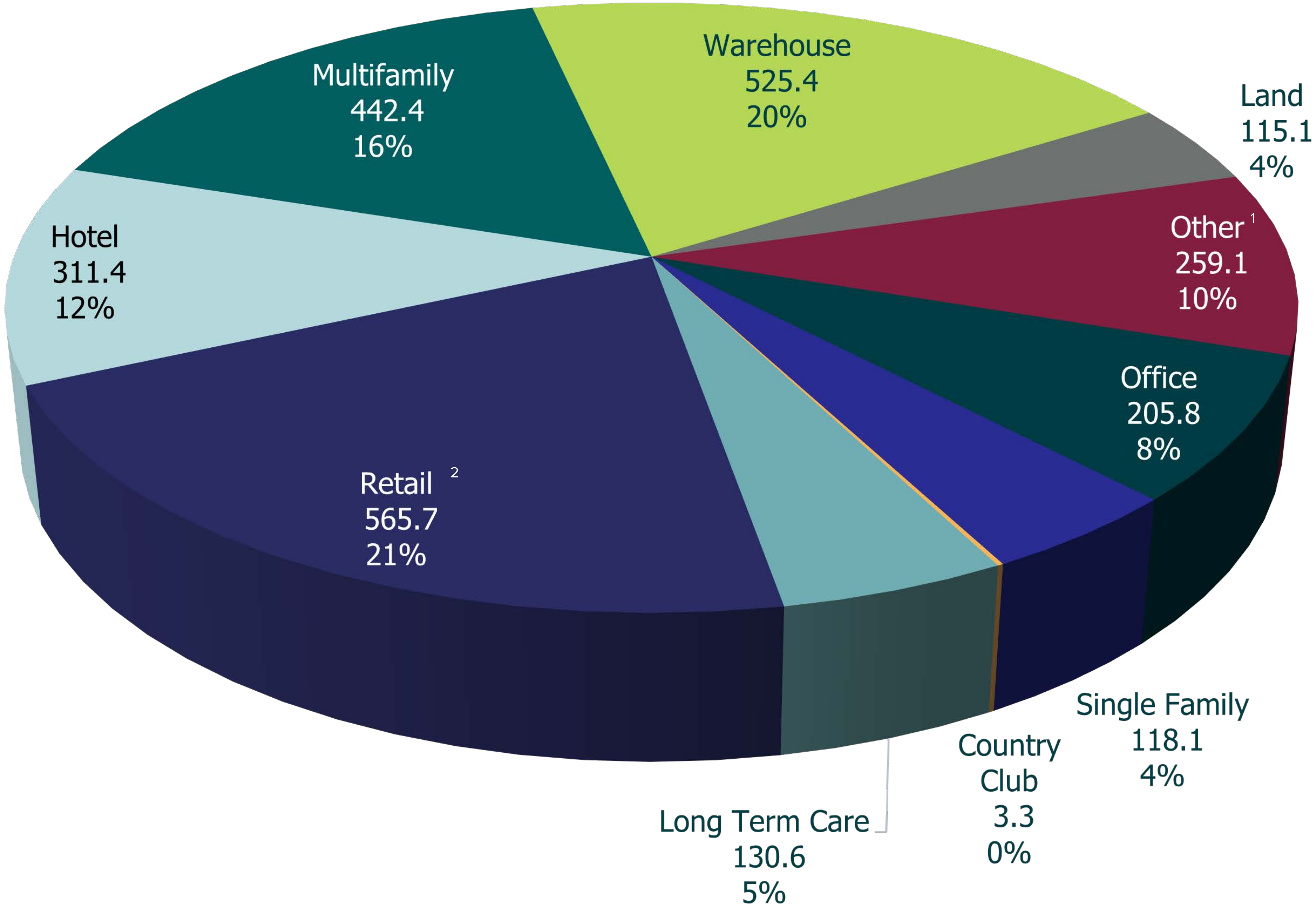
[1] Average balances, $ in millions
[2] Cost of Funds incorporates the free funds contribution with the rate on total interest-bearing liabilities to illustrate the impact of noninterest-bearing liabilities on the overall cost of funds.
[3] Computed on a fully taxable equivalent basis (FTE) using 21%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

SECTION 05

Commercial Loans

CRE Segment Overview

Total CRE: $2,676.9



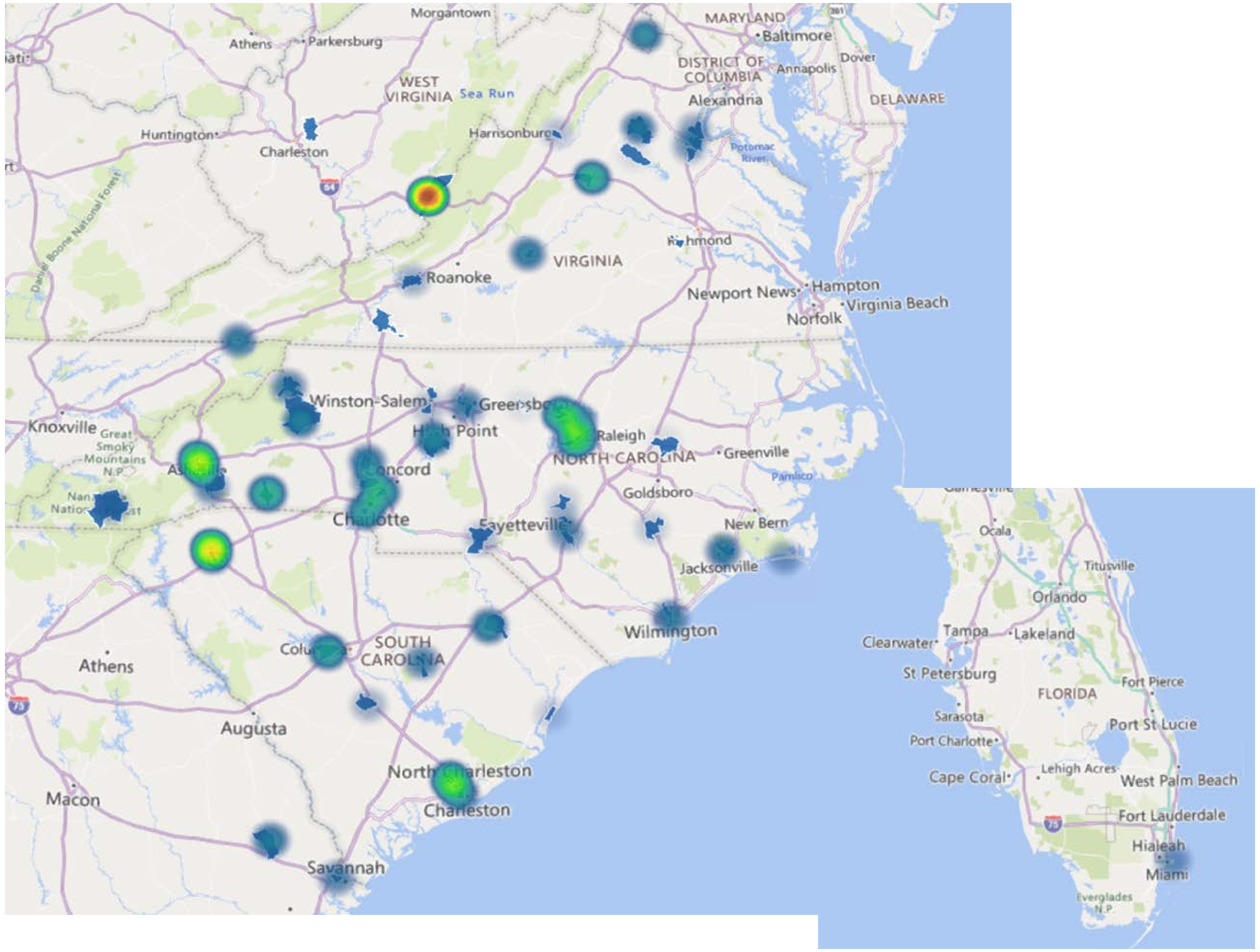
[1] Other CRE & Other Commercial Segments include, but are not limited to, Special / Limited Use, Church, Mobile Home Park, Gas Station, Self-Storage Facilities & Auto Shops
[2] Includes restaurant loans of $36.7 million

Hospitality Metrics

- Total portfolio balance $311.4M
- Geographic diversification (see map)
- Mean loan size in portfolio $6.0M[1]
- Median of loans in portfolio $4.1M[1]
- The largest loan in portfolio $20.0M[1]
- 22.60% are under construction[1]
- Top 10 borrowers make up 38.89% of the total hospitality commitment[1]
- No delinquent loans in the hospitality portfolio[1]
- There are 0.01%* loans in the hospitality portfolio that are adversely classified or NPL[1]
- 92.64% of hospitality portfolio is funded[1]

AVERAGE

4.53	51.8%	$108K
RISK RATING	LTV	DEBT/KEY



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

Hospitality Metrics

Category		Hospitality Portfolio Balance	Percentage of Total Balance		Hospitality Commitment Balance	Weighted Avg. Commitment LTV		Avg. GL Balance Size		Avg. of Debt per Key - Total Commitment
Hilton	$	126,507	40.6%	$	170,011	54.7%	$	7,442	$	112
IHG		65,726	21.1%		65,726	44.5%		5,477		72
Marriott		48,708	15.7%		65,391	56.4%		8,118		133
Independent		25,234	8.1%		25,234	50.9%		4,206		220
Wyndham		21,686	7.0%		21,686	54.9%		2,169		38
Radisson		9,904	3.2%		9,904	47.3%		2,476		34
Best Western		5,072	1.6%		5,072	38.2%		1,691		18
Choice		4,453	1.4%		4,453	42.3%		1,484		25
Upscale Independent/Boutique		4,076	1.3%		4,075	—%		4,076		204
Hospitality Totals	**$**	**311,366**	**100.0%**	**$**	**371,552**	**51.8%**	**$**	**4,126**	**$**	**108**

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	$	233,028	74.8%	$	273,581	51.1%	$	5,826	$	115
South Carolina		32,879	10.6%		42,621	57.2%		4,110		74
Virginia		31,911	10.3%		41,803	53.1%		3,191		119
Georgia		9,746	3.1%		9,745	51.5%		4,873		57
West Virginia		3,802	1.2%		3,802	27.6%		1,901		26
Hospitality Totals	**$**	**311,366**	**100.0%**	**$**	**371,552**	**51.8%**	**$**	**3,980**	**$**	**108**

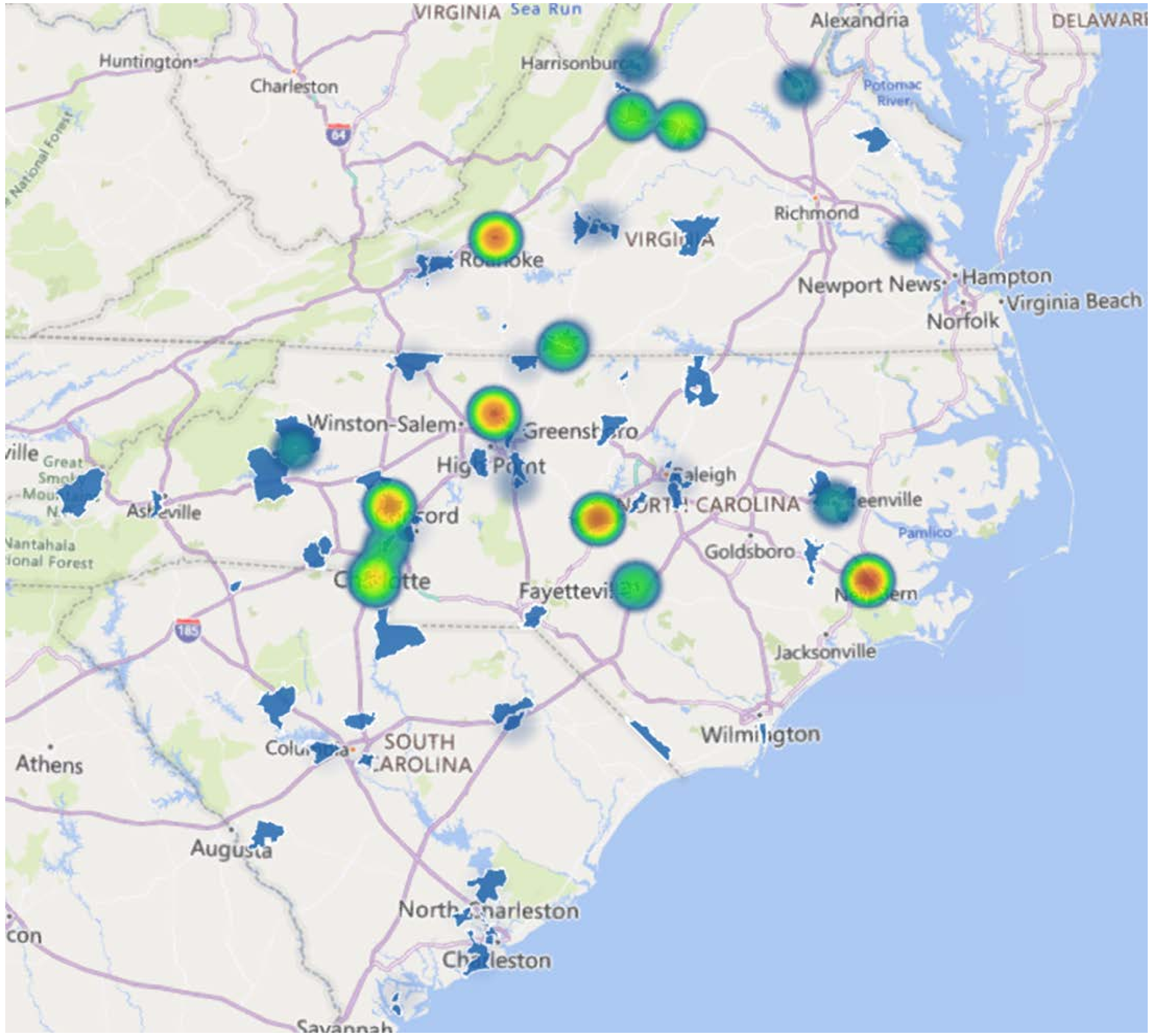
$ in thousands

Multifamily Metrics

- Total portfolio balance $442.4M
- Geographic diversification (see map)
- Mean loan size in portfolio $4.1M[1]
- Median of loans in portfolio $6.5M[1]
- The largest loan in portfolio $26.0M[1]
- 35.14% are under construction[1]
- Top 10 borrowers make up 50.39% 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]
- 3.89% of the portfolio is considered adversely classified[1]
- 91.92% of portfolio is funded[1]

AVERAGE

4.82	49.5%	$120
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	$	379,731	85.8%	$	482,888	49.2%	$	5,202	$	120
Student		48,460	11.0%		48,460	56.4%		6,381		149
Participations in Affordable Housing		14,163	3.2%		14,163	35.0%		301		27
Other[1]		—	—%		25	—%		—		—
Multifamily Totals	**$**	**442,354**	**100.0%**	**$**	**545,536**	**49.5%**	**$**	**2,971**	**$**	**120**

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	$	195,955	44.3%	$	282,941	49.5%	$	3,379	$	138
Virginia		154,686	35.0%		157,877	48.3%		3,867		78
South Carolina		43,253	9.8%		56,258	46.6%		1,881		126
Student Housing										
Virginia		45,729	10.3%		45,729	56.7%		5,716		157
North Carolina		2,731	0.6%		2,731	51.4%		1,365		16
Multifamily Totals	**$**	**442,354**	**100.0%**	**$**	**545,536**	**49.5%**	**$**	**3,242**	**$**	**120**

$ in thousands

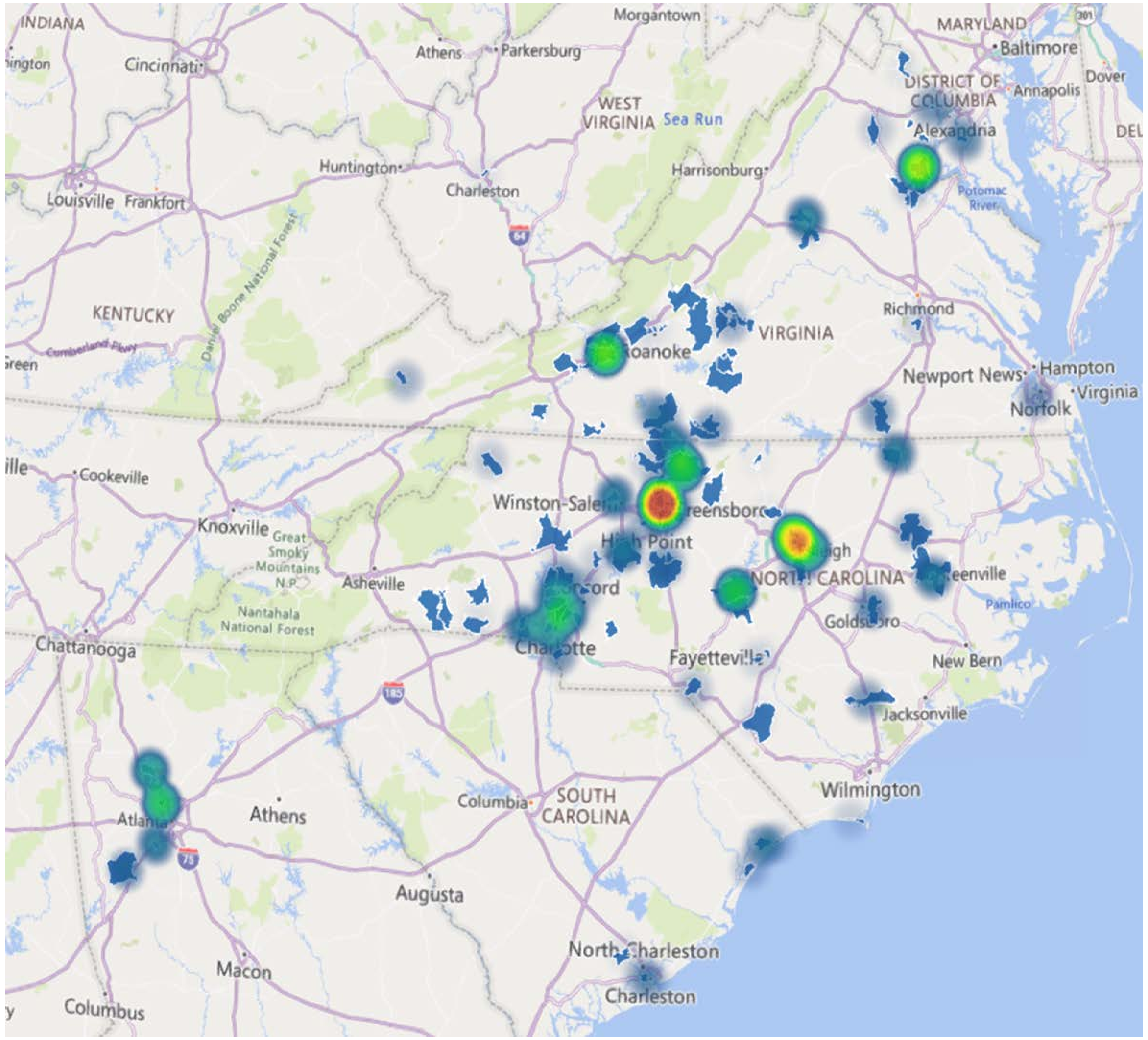
[1] The Other category consists of multifamily properties for which we do not have the data.

Retail Metrics

- Total portfolio balance $529.0M**
- Geographic diversification (see map)
- Mean loan size in portfolio $3.0M[1]
- Median of loans in portfolio $1.4M[1]
- The largest loan in portfolio $27M[1]
- 10.01% are under construction[1]
- Top 10 borrowers make up 40.41% of the total retail commitment[1]
- There are no delinquent loans in the portfolio
- Less than 0.01% of this portfolio are considered adversely classified[1]
- Less than 0.01% are in NPL status[1]
- 93.53% of retail portfolio is funded[1]

AVERAGE

4.37	23.4%	$148
RISK RATING	LTV	DEBT/SQ FT



** Excludes restaurant loans of $36.7 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	$ 251,750	47.6%	$ 269,346	25.8%	$ 4,750	$ 130
Unanchored Strip Centers	153,461	29.0%	171,417	30.2%	2,398	166
Outparcels/Single Tenant	86,570	16.4%	94,289	13.6%	1,353	187
Power Centers[2]	33,755	6.4%	34,416	0.9%	8,439	94
Big Box	3,445	0.6%	3,445	—%	1,148	45
Retail Totals[1]	**$ 528,981**	**100.0%**	**$ 572,913**	**23.4%**	**$ 3,617**	**$ 148**

Category	Retail Portfolio Balance	Percentage of Total Balance	Retail Commitment Balance	Weighted Avg. Commitment LTV	Avg. GL Balance Size
North Carolina	$ 320,123	60.5%	$ 356,877	22.8%	$ 3,078
Virginia	113,424	21.4%	114,730	21.2%	1,922
South Carolina	38,991	7.4%	44,863	37.7%	2,599
Georgia	20,078	3.8%	20,078	16.4%	5,019
Maryland	15,098	2.9%	15,098	53.7%	7,549
Ohio	10,313	1.9%	10,313	—%	10,313
Florida	9,443	1.8%	9,443	—%	9,443
Tennessee	1,170	0.2%	1,170	—%	1,170
West Virginia	341	0.1%	341	—%	340
Retail Totals[1]	**$ 528,981**	**100.0%**	**$ 572,913**	**23.4%**	**$ 4,604**

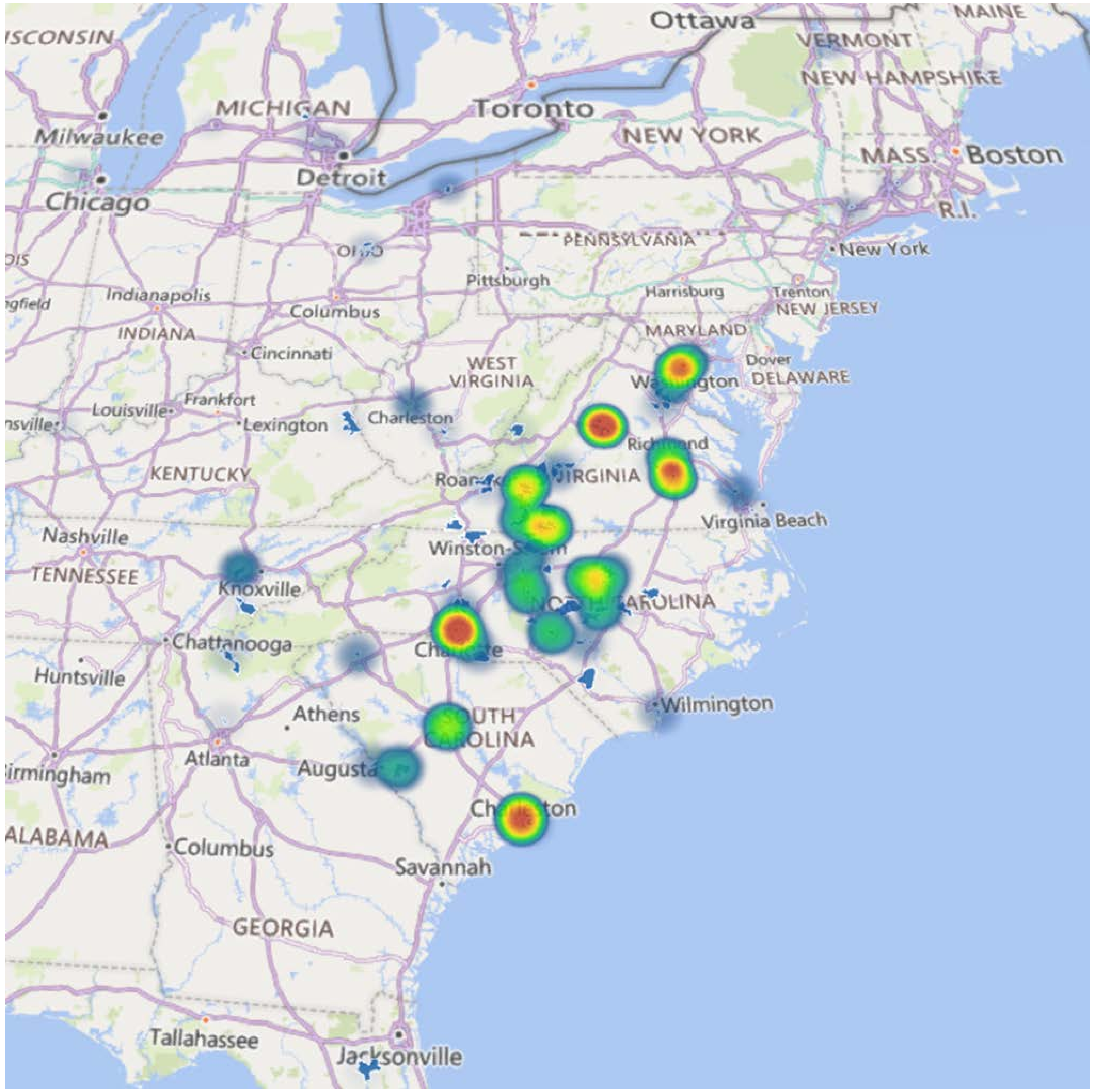
$ in thousands
[1] Excludes restaurant loans of $36.7 million
[2] A Power Center is a large outdoor shopping mall that usually includes three or more "Big Box" stores.

Office Metrics

- Total portfolio balance $205.8M
- Geographic diversification (see map)
- Mean loan size in portfolio $1.9M[1]
- Median of loans in portfolio $517K[1]
- The largest loan in portfolio $23.0M[1]
- 8.37% are under construction[1]
- Top 10 borrowers make up 51.18% of the total office commitment[1]
- There are no delinquent loans in this portfolio
- 6.00% of loans are primarily rated special mention[1]
- 5.79% are in NPL status[1]
- 91.48% of office portfolio is funded[1]

AVERAGE

4.64	$139
RISK RATING	DEBT/SQ FT



[1] Commitment Level

Office Metrics

Category		Office Portfolio Balance	Percentage of Total Balance		Office Commitment Balance		Avg. GL Balance Size		Avg. of Debt per Square Ft- Total Commitment
General Office Space	$	104,521	50.8%	$	110,333	$	1,515	$	153
Medical Offices		43,936	21.3%		45,707		1,997		111
Daycare Offices		27,242	13.2%		32,812		2,724		216
Government Offices		20,728	10.1%		20,728		6,909		70
Veterinary Offices		8,146	4.0%		15,539		429		110
Education Offices		883	0.4%		15,750		442		97
Law Offices		380	0.2%		380		95		37
Office Totals		**205,836**	**100.0%**		**241,249**		**2,016**		**139**

Category		Office Portfolio Balance	Percentage of Total Balance		Office Commitment Balance		Avg. GL Balance Size		Avg. of Debt per Square Ft- Total Commitment
Virginia	$	86,519	42.0%	$	88,950	$	1,881	$	108
North Carolina		59,838	29.1%		84,156		1,088		149
South Carolina		42,090	20.5%		46,951		6,013		185
Georgia		4,476	2.2%		8,279		746		156
Maryland		6,496	3.2%		6,496		6,496		119
Ohio		1,838	0.9%		1,838		919		102
Connecticut		1,119	0.5%		1,119		559		88
Michigan		1,112	0.5%		1,112		371		94
Vermont		888	0.4%		888		444		158
Illinois		502	0.2%		502		502		125
Maine		355	0.2%		355		355		149
Kentucky		222	0.1%		222		222		71
Florida		191	0.1%		191		191		73
Tennessee		190	0.1%		190		190		52
Office Totals	**$**	**205,836**	**100.0%**	**$**	**241,249**	**$**	**1,427**	**$**	**139**

$ in thousands

SECTION 06

Non-GAAP Reconciliation

Non-GAAP Statement

Statements in this exhibit include non-GAAP financial measures and should be read along with the accompanying tables in our definitions and reconciliations of GAAP to non-GAAP financial measures. Management uses, and this exhibit references, the adjusted 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.

		Quarter-to-Date
Adjusted Book Value (Non-GAAP)		**Q2 2026**
(Dollars in Thousands)		
Adjusted Book Value (Non-GAAP)		
Total Shareholders' Equity	$	539,146
Add back: AOCL		(32,938)
Total Shareholders' Equity, excluding AOCL (Non-GAAP)	**$**	**572,084**
Common Shares Outstanding, at End of Period		22,162,213
Book Value (GAAP)	**$**	**24.33**
Adjusted Book Value (Non-GAAP)	**$**	**25.81**

Non-GAAP Reconciliation

Adjusted Return on Average Assets (ROA) (Non-GAAP)	Quarter-to-Date Q2 2026	Quarter-to-Date Q1 2026	Quarter-to-Date Q2 2025	Year-to-Date June 30, 2026	Year-to-Date June 30, 2025
(Dollars in Thousands)					
Adjusted Net Income (Non-GAAP)*	$ 11,598	$ 8,629	$ 9,312	$ 20,227	$ 16,554
Adjusted Net Income (Non-GAAP) (YTD annualized)	46,519	34,995	37,351	40,789	33,382
Average Assets	$ 4,857,022	$ 4,878,272	$ 4,760,938	$ 4,867,589	$ 4,718,639
Adjusted ROA (Non-GAAP)	**0.96%**	**0.72%**	**0.78%**	**0.84%**	**0.71%**

Adjusted Return on Average Shareholders' Equity (ROE) (Non-GAAP)	Quarter-to-Date Q2 2026	Quarter-to-Date Q1 2026	Quarter-to-Date Q2 2025	Year-to-Date June 30, 2026	Year-to-Date June 30, 2025
(Dollars in Thousands)					
Adjusted Net Income (Non-GAAP)*	$ 11,598	$ 8,629	$ 9,312	$ 20,227	$ 16,554
Adjusted Net Income (Non-GAAP) (YTD annualized)	46,519	34,995	37,351	40,789	33,382
Average Shareholders' Equity	$ 526,910	$ 434,472	$ 403,840	$ 480,946	$ 397,707
Adjusted ROE (Non-GAAP)	**8.83%**	**8.05%**	**9.25%**	**8.48%**	**8.39%**

[4]Loan Growth (Non-GAAP)	Year-to-Date June 30, 2026	Year-to-Date June 30, 2025
(Dollars in Thousands)		
Portfolio Loans	$ 3,734,594	$ 3,747,121
Less: Loans Related to the Transaction		(238,723)
Adjusted Loans (Non-GAAP)		$ 3,508,398
Loan Growth (Non-GAAP) $	**$ 226,196**	
Portfolio Loan Growth (GAAP)	**(0.33)%**	
Loan Growth (Non-GAAP) %	**6.45%**	

*See Non-GAAP reconciliation for adjusted net income, slide 53.

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)	**Q2 2026**	**Q1 2026**	**Q2 2025**	**06/30/26**	**06/30/25**
(Dollars in Thousands)					
Interest Income (FTE) (Non-GAAP)					
Interest and Dividend Income (GAAP)	$ 61,491	$ 59,185	$ 57,747	$ 120,676	$ 113,754
Tax Equivalent Adjustment [3]	237	154	171	391	349
Interest and Dividend Income (FTE) (Non-GAAP)	**61,728**	**59,339**	**57,918**	**121,067**	**114,103**
Average Earning Assets	$ 4,736,054	$ 4,748,330	$ 4,634,635	$ 4,742,159	$ 4,594,591
Yield on Interest-earning Assets (GAAP)	**5.21%**	**5.05%**	**5.00%**	**5.13%**	**4.99%**
Yield on Interest-earning Assets (FTE) (Non-GAAP)	**5.23%**	**5.07%**	**5.01%**	**5.15%**	**5.01%**
Net Interest Income (GAAP)	$ 39,950	$ 35,934	$ 32,359	$ 75,884	$ 62,497
Tax Equivalent Adjustment [3]	237	154	171	391	349
Net Interest Income (FTE) (Non-GAAP)	**40,187**	**36,088**	**32,530**	**76,275**	**62,846**
Average Earning Assets	$ 4,736,054	$ 4,748,330	$ 4,634,635	$ 4,742,159	$ 4,594,591
Net Interest Margin (GAAP)	**3.38%**	**3.07%**	**2.80%**	**3.23%**	**2.74%**
Net Interest Margin (FTE) (Non-GAAP)	**3.40%**	**3.08%**	**2.82%**	**3.24%**	**2.76%**

[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, losses on sales and write-downs of OREO, net, 1035 exchange fee on BOLI, acquisition costs, severance pay, contingent liability, the losses (gains) 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)	**Q2 2026**	**Q1 2026**	**Q2 2025**	**06/30/26**	**06/30/25**
(Dollars in Thousands)					
Noninterest Expense	**$ 29,986**	**$ 31,012**	**$ 29,304**	**$ 60,998**	**$ 57,346**
Less: Losses on sales and write-downs of Branch Premises, net	(105)	(1)	(60)	(106)	(57)
Less: Losses on Sales and write-downs of OREO, net	(1,326)	(569)	(262)	(1,895)	(343)
Less: 1035 Exchange fee on BOLI	—	—	(252)	—	(527)
Less: Acquisition Costs	—	—	(386)	—	(386)
Less: Severance Pay	—	—	(40)	—	(40)
Less: Contingent Liability	—	—	(38)	—	(38)
Adjusted Noninterest Expense (Non-GAAP)	**28,555**	**30,442**	**28,266**	**58,997**	**55,955**
Net Interest Income	**$ 39,950**	**$ 35,934**	**$ 32,359**	**$ 75,884**	**$ 62,497**
Plus: Taxable Equivalent Adjustment[3]	237	154	171	391	349
Net Interest Income (FTE) (Non-GAAP)	**40,187**	**36,088**	**32,530**	**76,275**	**62,846**
Less: Losses (Gains) on Sales of Securities, net	12,531	(80)	—	12,451	—
Less: Equity Security Unrealized Fair Value Loss (Gain)	71	45	(22)	116	(159)
Gain on BOLI death benefit[5]	—	—	—	—	(1,882)
Less: Gain on the Insurance Transaction	(35,949)	—	—	(35,949)	—
Less: Gain on the Loan Sale Transaction	—	(65,000)	—	(65,000)	—
Less: FHLB Early Prepayment Credit	—	(130)	—	(130)	—
Plus: Noninterest Income	28,730	70,974	4,908	99,704	11,809
Net Interest Income (FTE) (Non-GAAP) plus Adjusted Noninterest Income	**45,570**	**41,897**	**37,416**	**87,467**	**72,614**
Efficiency Ratio (GAAP)	**43.66%**	**29.01%**	**78.63%**	**34.74%**	**77.18%**
Adjusted Efficiency Ratio (Non-GAAP)	**62.66%**	**72.66%**	**75.55%**	**67.45%**	**77.06%**

[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 (gains) on sales of securities, net, equity security unrealized fair value loss (gain), losses on sales and write-downs of bank premises, net, losses on sales and write-downs of OREO, net, 1035 exchange fee on BOLI, acquisition costs, gain on BOLI death benefit, FHLB early prepayment credit, severance pay and contingent liability. 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)	**Q2 2026**	**Q1 2026**	**Q2 2025**	**6/30/2026**	**6/30/2025**
(Dollars in Thousands)					
Net Income	**$ 28,911**	**$ 85,757**	**$ 8,510**	**$ 114,668**	**$ 17,463**
Less: Gain on the Insurance Transaction	(35,949)	—	—	(35,949)	—
Less: Gain on the Loan Sale Transaction	—	(65,000)	—	(65,000)	—
Specific Reserves Released Related to the Loan Sale Transaction	—	(18,035)	—	(18,035)	—
Net Recoveries Related to the Loan Sale Transaction	—	(15,000)	—	(15,000)	—
Gains on Sales of Securities, net	12,531	(80)	—	12,451	—
Equity Security Unrealized Fair Value Loss (Gain)	71	45	(22)	116	(159)
Losses (Gains) on Sales and Write-downs of Bank Premises, net	105	1	60	106	57
Losses (Gains) on Sales and Write-downs of OREO, net	1,326	569	262	1,895	343
1035 Exchange fee on BOLI	—	—	252	—	527
Acquisition Costs	—	—	386	—	386
Gain on BOLI death benefit	—	—	—	—	(1,882)
Less: FHLB Early Prepayment Credit	—	(130)	—	(130)	—
Severance Pay	—	—	40	—	40
Contingent Liability	—	—	38	—	38
Total Tax Effect	4,603	20,502	(214)	25,105	(259)
Adjusted Net Income (Non-GAAP)	**$ 11,598**	**$ 8,629**	**$ 9,312**	**$ 20,227**	**$ 16,554**
Average Shares Outstanding - diluted	21,839	21,847	22,806	21,842	22,839
Adjusted Earnings Per Common Share (diluted) (Non-GAAP)	**$ 0.53**	**$ 0.40**	**$ 0.41**	**$ 0.93**	**$ 0.72**