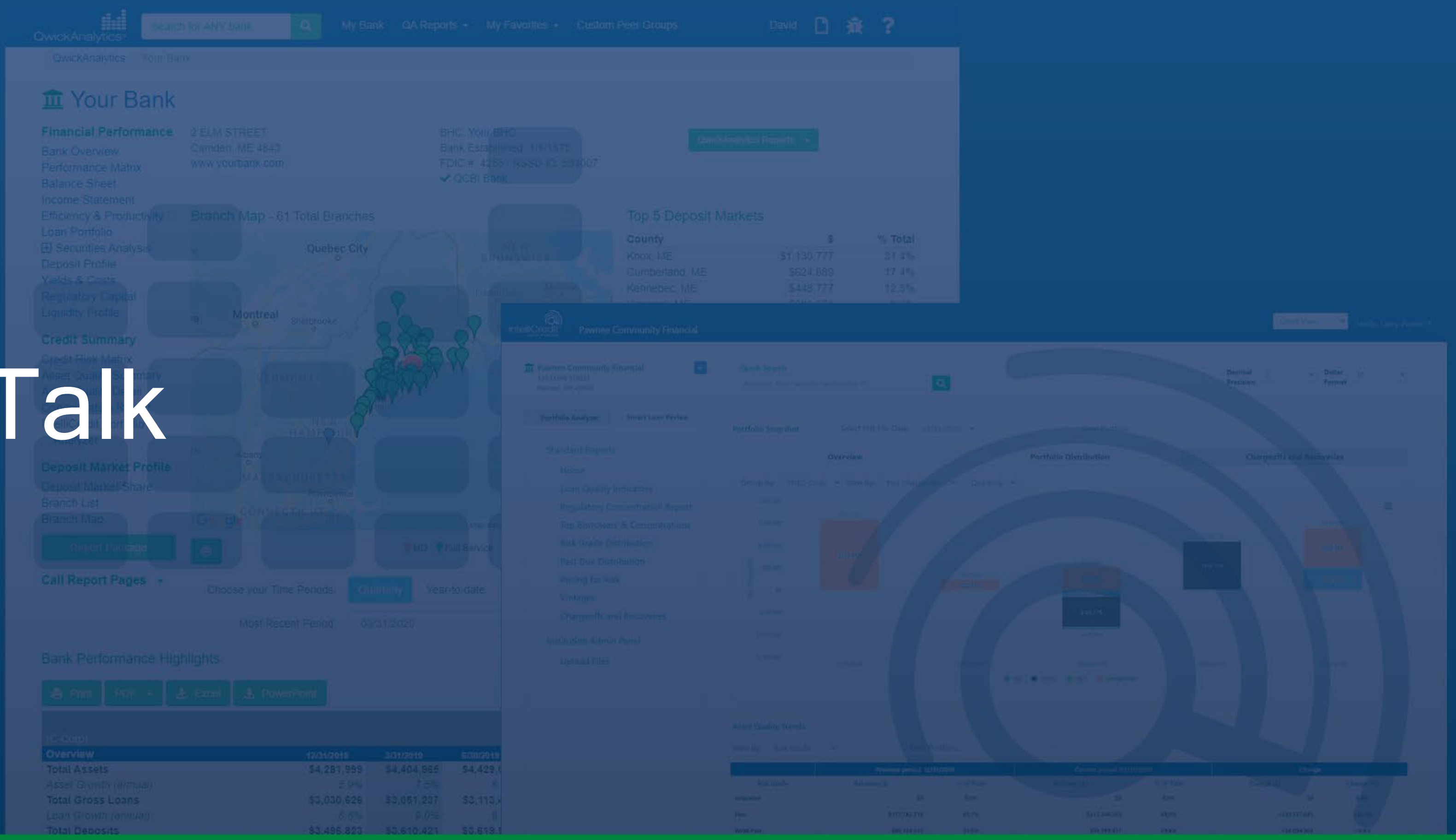

Saltmarsh BankTalk

September 7th, 2025

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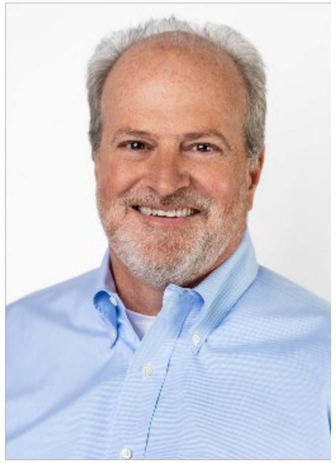
Today’s Speakers



Shawn O’Brien
President
QwickRate

- Leads the strategy for the premier non-brokered CD marketplace and accompanying products
- Serves on the Board of Directors - National Bank of St. Anne
- Former Owner and President of QR Lending
- Co-founder of QwickAnalytics

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Agenda

- Revisit OCC Spring Risk Perspective & Fed Expectations
- Q2 2025 QwickAnalytics Bank Index (QCBI) Data
- How to Think About Top Performance?
- Q2 2025 QCBI 10% Performers Compared to Remaining Bank Universe
- Q2 Deposit Campaign Response Rates
- M&A Data
- Questions

2025 Steady As She Goes. . .

- **Solid Bank Performance in the face of rising uncertainty**
  - Consumer Sentiment
  - Higher Interest Rates
  - Geopolitical Risks

- Net Interest Margins improved as lower fed funds rates helped funding costs

OCC Semi-Annual Risk Perspective

- **Commercial Credit Risk is growing.**
  - Commercial credit risk is increasing, driven by growing geopolitical risk, sustained higher interest rates, growing caution among businesses and their customers, and other macroeconomic uncertainty.
- **Retail credit risk remains stable**
  - Despite economic uncertainty. Most consumer borrower segments continue to withstand elevated prices and interest rates.
- **Asset-based liquidity remains stable.**
  - Unrealized investment portfolio losses remain a focus. Deposits were also stable, but deposit competition warrants continued monitoring.

OCC Semi-Annual Risk Perspective

- **Operational risk is elevated.**
  - Banks need to continue to seek opportunities to gain efficiencies and respond to an evolving and increasingly complex operating environment.
  - Failure to upgrade systems and digitize may result in loss of market share to competitors offering faster and cheaper payment alternatives.
  - Criminals continue to exploit traditional payment methods. Fraud schemes commonly target checks, wire transfers, peer-to-peer payment platforms, and insiders.
  - Evolving cyber threats by sophisticated malicious actors continue to target banks and their key service providers, emphasizing the importance of operational resilience.

OCC Semi-Annual Risk Perspective

- **Compliance risk remains elevated.**
  - This is due in part to Bank Secrecy Act/anti-money laundering and consumer compliance risks associated with elevated fraud levels; account access concerns, and evolving business models.
  - Banks will need to continue to investigate new technologies/services/engagement tools to attract/retain/benefit their customers.

OCC Semi-Annual Risk Perspective

- Global economic growth is expected to slow
- While Inflation will likely accelerate in the near term (3.6% annual rate) it should resume falling into the end of 2026
- By Q4 2026 inflation is expected to fall to 2.2%
- Bank profitability should continue to be stable, but banks will need to navigate interest rates and the political uncertainty.
- Banks should continue to be beneficiaries of lower interest rates.

Federal Reserve Current Expectations

- Economic growth is expected to slow, but remain positive.
- Fed Funds Rate of 3.6 by the start or 2026 continuing to fall into 2027.
- Inflation Rate continuing to moderate towards 2%, but not fully reaching the target of 2%.
- This backdrop should continue to be positive for Bank profitability.
- Political Uncertainty, interest rates, changes to growth (Recession) will remain risks.
- Lower rates should continue to benefit Banks.

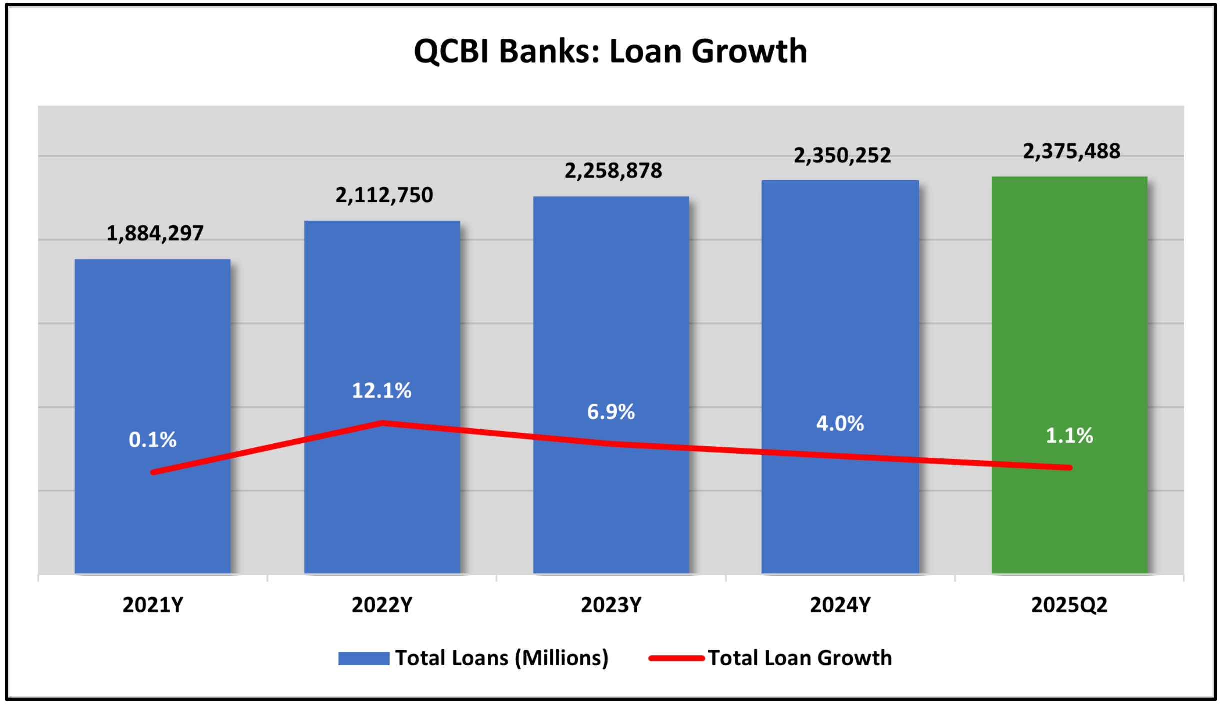
The Outlook Is As Clear as Mud

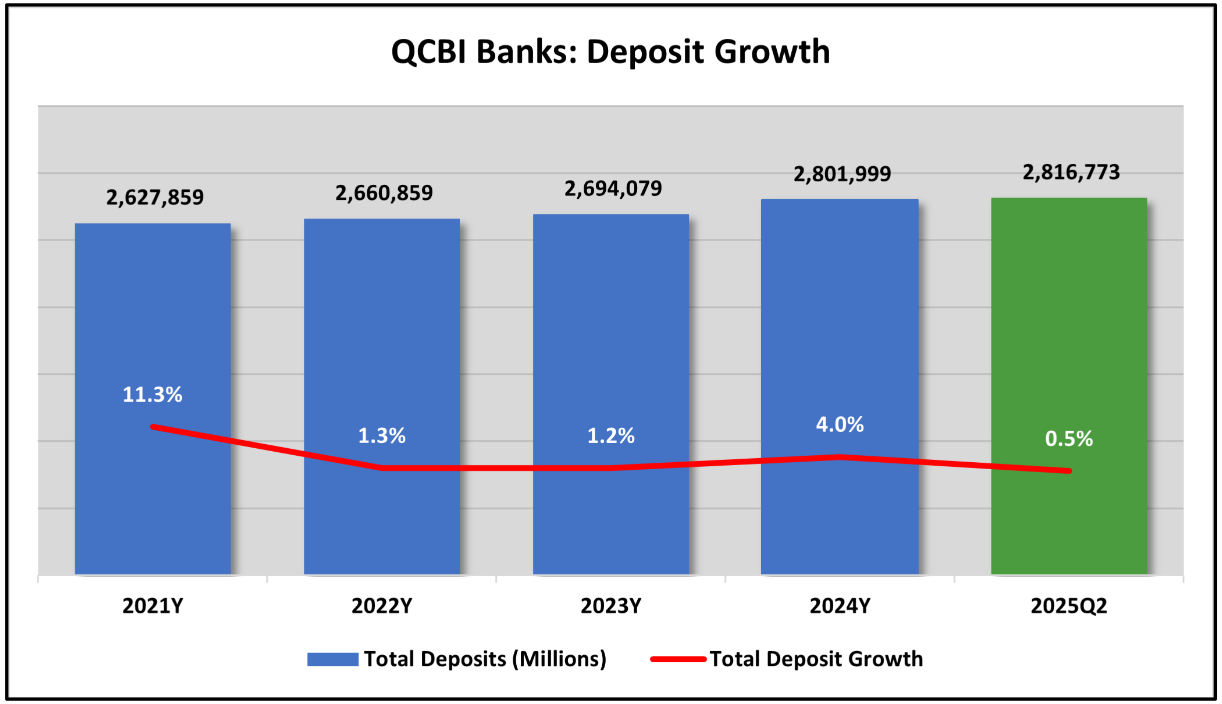
- Are we headed into a Recession or will the economy reignite?
- Evolving Regulatory Environment
- Be Prepared
  - Review lending portfolios for weaknesses or vulnerabilities
  - Ensure liquidity and capital buffers
  - Be proactive versus reactive – lending standards/risk appetite
  - Focus on lending strengths and expertise
  - Maintain disciplined lending standards
  - Use technology to better understand your depositors, borrowers and your data

- .

Let’s Look At What Has Been Happening?

Funding Loan Growth Has Been Manageable

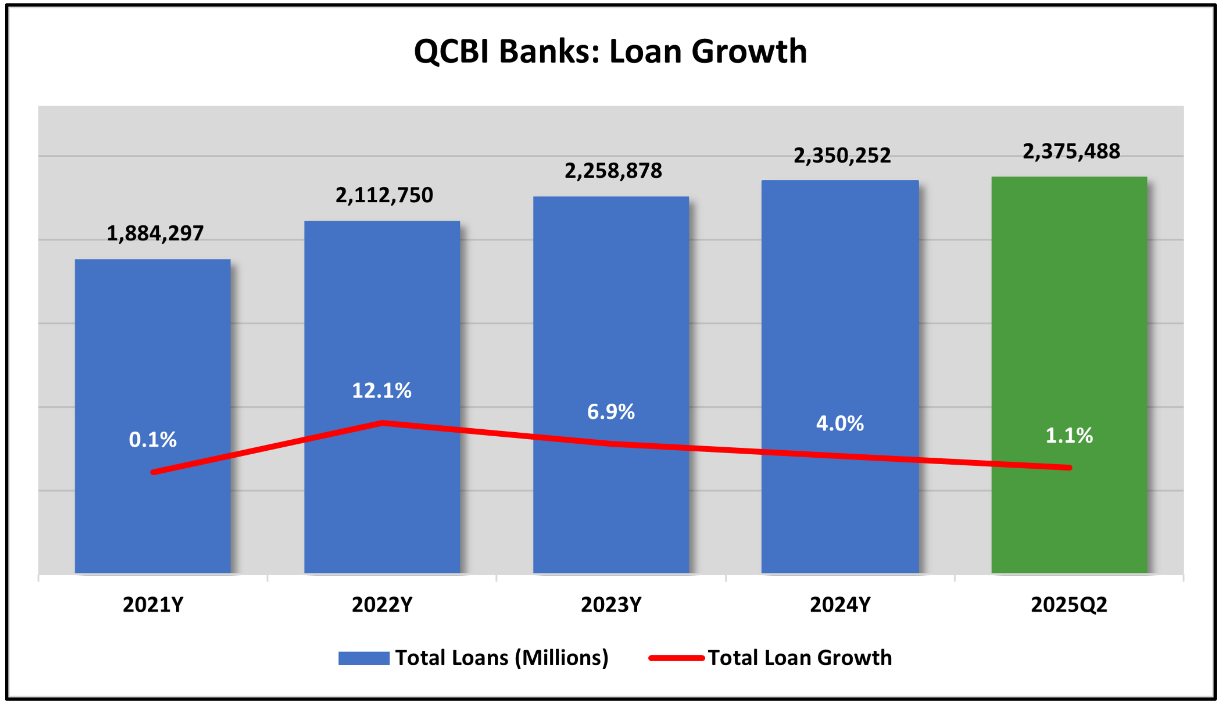


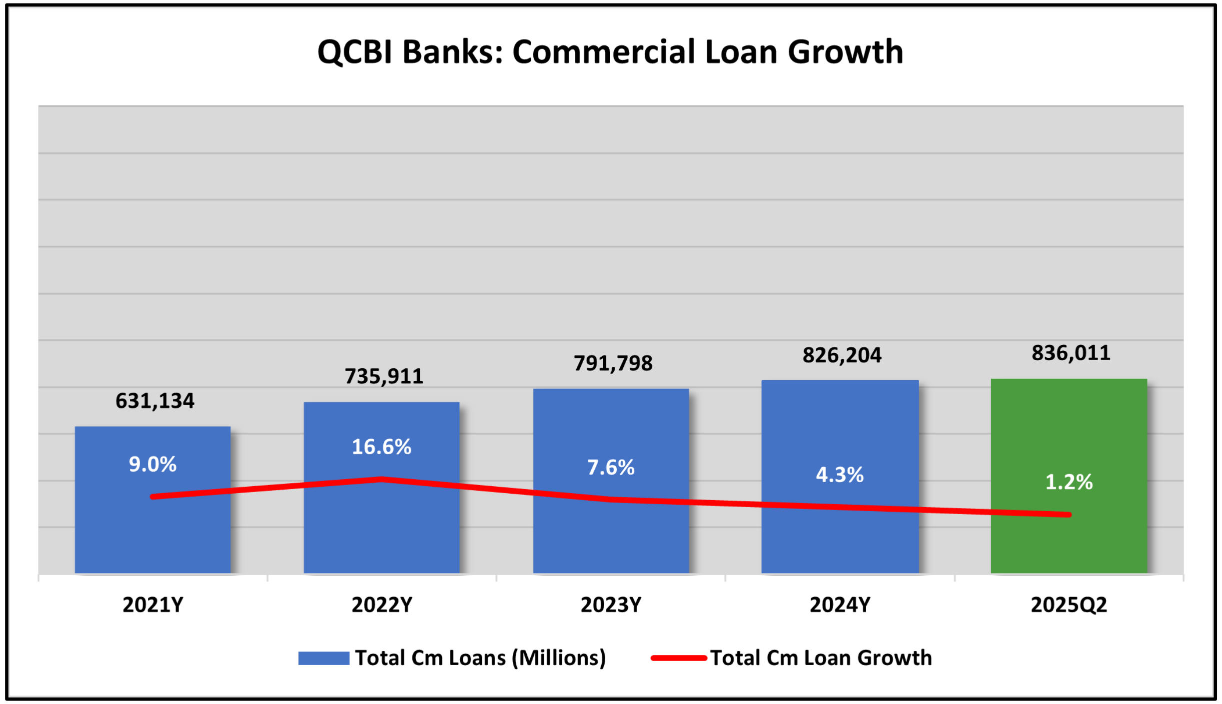


Data as of 6/30/2025
Includes historical banks

Source: QwickAnalytics

Will Loan Growth Re-Accelerate?





Data as of 6/30/2025
Includes historical banks

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Source: QwickAnalytics

At the Median MRQ Most Metrics Showed Improvement

- Net Interest Margin ↑
- Yield on Loans ↑
- Cost of Funds ↑
- Non-Interest Income ↑
- Efficiency Ratio Improved ↑
- Pre-Tax ROAA ↑
- Core Operating Earnings ↑
- ROAA ↑
- ROAE ↑

QwickAnalytics National Performance Trends

Performance Matrix

U.S.
Banks
June 30, 2025

Percentile Rank	10th	20th	30th	40th	50th *(median)*	60th	70th	80th	90th
Growth Trends									
Asset Growth (LTM)	-2.92%	-0.40%	1.13%	2.54%	**3.89%**	5.32%	6.94%	9.46%	13.38%
Loan Growth (LTM)	-3.70%	-0.41%	1.65%	3.28%	**4.97%**	6.56%	8.73%	11.39%	16.19%
Deposit Growth (LTM)	-2.60%	-0.01%	1.61%	3.13%	**4.44%**	6.08%	7.98%	10.44%	15.27%
Performance Trends									
Yield on Loans	5.44%	5.85%	6.11%	6.31%	**6.51%**	6.74%	6.99%	7.30%	7.77%
Cost of Funds	1.11%	1.41%	1.62%	1.80%	**1.97%**	2.14%	2.32%	2.57%	2.97%
Net Interest Margin	2.67%	3.01%	3.25%	3.46%	**3.64%**	3.84%	4.07%	4.34%	4.80%
Noninterest Income (core) / Avg Assets*	0.13%	0.21%	0.27%	0.34%	**0.41%**	0.49%	0.59%	0.73%	0.98%
Efficiency Ratio (core)*	47.0%	52.9%	56.8%	60.2%	**63.7%**	67.6%	72.0%	77.4%	86.6%
Profitability Trends									
Pretax ROAA	0.34%	0.72%	0.97%	1.15%	**1.32%**	1.49%	1.68%	1.93%	2.29%
Core Operating Earnings*	0.45%	0.82%	1.07%	1.26%	**1.44%**	1.61%	1.80%	2.05%	2.43%
Return on Average Assets (a)	0.28%	0.57%	0.76%	0.90%	**1.03%**	1.16%	1.31%	1.50%	1.79%
Return on Average Equity (a)	2.70%	5.69%	7.67%	9.20%	**10.56%**	11.94%	13.32%	15.03%	17.81%
Asset Quality Trends									
Nonperforming Assets / Assets	0.00%	0.07%	0.15%	0.26%	**0.39%**	0.55%	0.76%	1.10%	1.77%
Texas Ratio	0.0%	0.6%	1.4%	2.4%	**3.6%**	5.1%	7.1%	10.0%	16.2%
Reserve / Loans	0.79%	0.94%	1.03%	1.11%	**1.19%**	1.28%	1.38%	1.53%	1.83%
Net Chargeoff Ratio	-0.02%	0.00%	0.00%	0.00%	**0.00%**	0.01%	0.04%	0.09%	0.27%
Capital Trends									
Total Equity / Assets	7.10%	8.14%	8.82%	9.35%	**10.00%**	10.68%	11.56%	12.82%	14.99%
Leverage Ratio	8.72%	9.29%	9.75%	10.22%	**10.79%**	11.40%	12.25%	13.47%	15.61%
Tang Common Equity / Tangible Assets	6.91%	7.86%	8.53%	9.08%	**9.62%**	10.30%	11.20%	12.44%	14.68%

** Core Operating Earnings excludes credit-related & nonrecurring items (loan loss provision, nonrecurring gain/(loss) on the sale of assets (other than loans).*
(a) Tax-affected for all S-Corp status institutions at an assumed tax rate of 21% (35% prior to 3/31/18)

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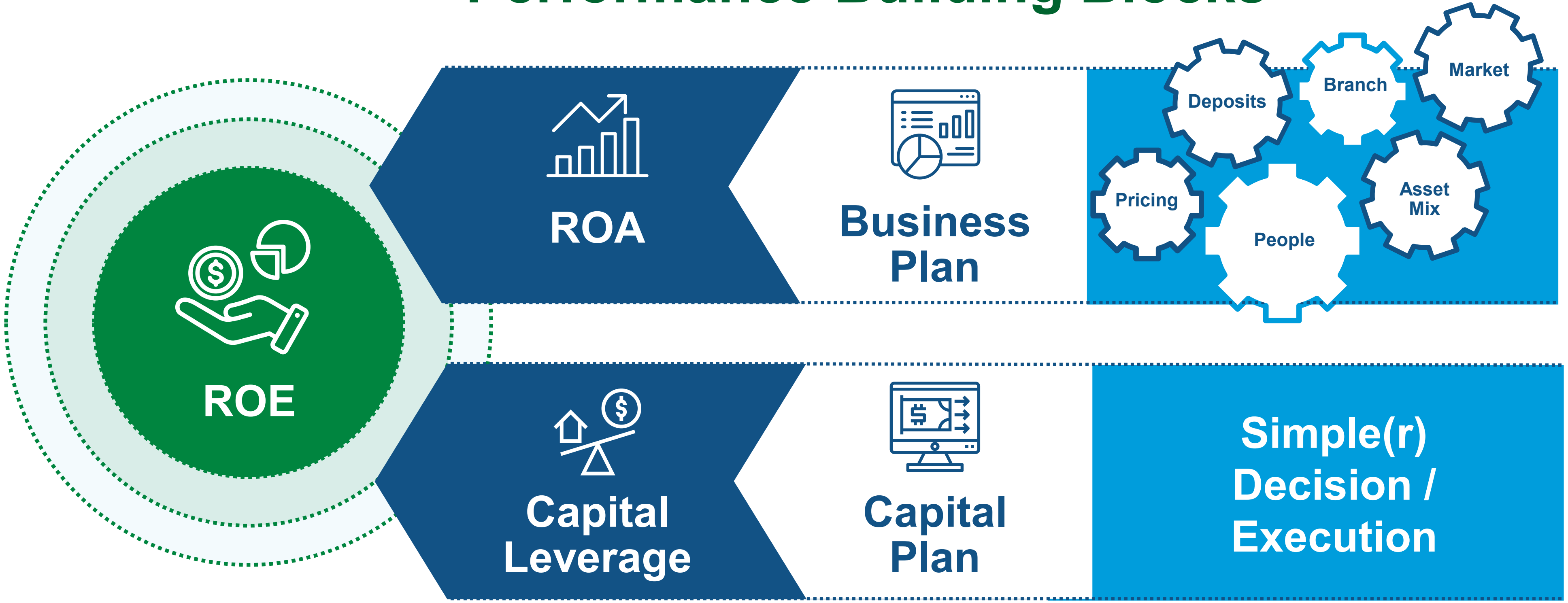
How Do You Think About/Measure Bank Performance?

- **Return on Equity**
- **Return on Assets**
- **Core Operating Earnings**
- **Versus Budget**

ROE Is Often "Noisy"

Performance Building Blocks

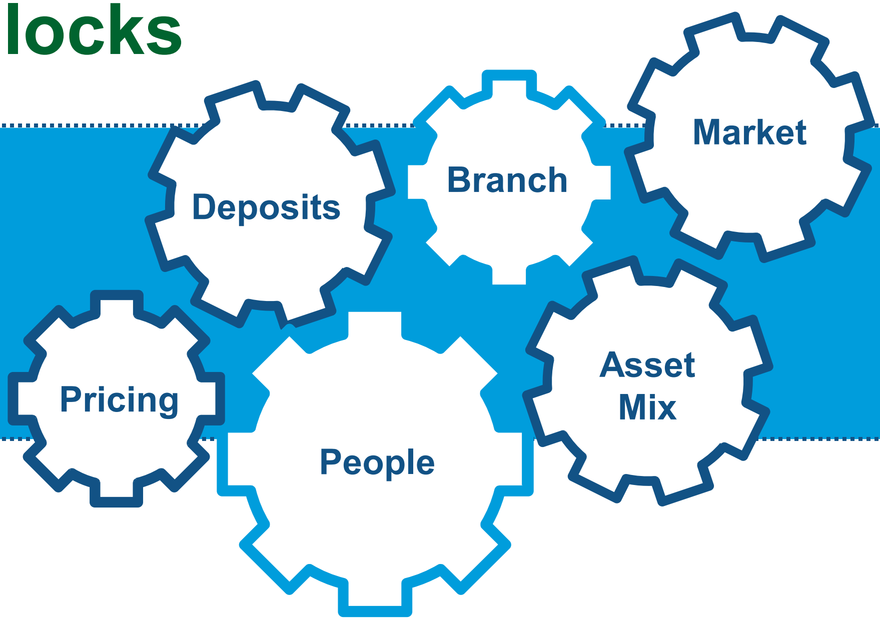


ROA Can Also Be “Noisy”

Performance Building Blocks

ROA

Business Plan



Tax variations

- S-Corp
- Other unusual items (e.g. 4th quarter 2017 tax)

Credit cost fluctuations

We Believe the Best Yardstick To Compare Performance Is Core Operating Earnings / Assets

Core Operating Earnings

(a.k.a. Pre-Tax Pre-Provision, enhanced)

Net Interest Income + **"Core" Non-Interest Income** − **"Core" Non-Interest Expense** = **Core Operating Earnings**

"Core" Non-Interest Income

Excludes:
- Securities G/L
- OREO Costs

"Core" Non-Interest Expense

Excludes:
- Goodwill Write-offs

COE / Assets = The Ultimate "Common Size" Tool!

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Financial Posture: Book of Business

Spread Income

+

Balance Sheet Utilization

- Loans/Deposits
- Earning Assets / Assets

Asset Mix	Funding Mix
• Loans • Investments • Other Earning Assets • Non-Earning Assets	• Deposits • Other Funding • Capital

Yields & Costs

Asset Yields	Funding Costs
• Investments • Loans • Key Types	• Deposits • FHLB • Sub Debt • Preferred

Other Revenue

−

Deposit Related

- Service Charges

Other Lines of Business

- Mortgage
- SBA
- Trust

OH Expenses

Operating Overhead

- Personnel
- Branches / Occupancy
- Other Overhead

Operating Effectiveness

- Assets/Employee
- Revenue/Employee
- Net Operating Ratio
- Deposit/Branch

Market Driven | **Opt-In** | **Universal**

Posture Drives Performance

Two Masters: Return vs Safety

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What Correlates with Top Performance?

R-Squared Correlation		
ROAA VS.	Assets	0.00459
	Loans / Deposits	0.00120
	Loan Mix	
	1-4 Family Resi	0.02301
	Total Commercial	0.00246
	Loan Yield	0.09388
	Deposit Mix	
	Demand	0.03149
	Time	0.02147
	Cost of Deposits	0.01390
	NIM	0.21366
	NII / Assets	0.01219
	NIE / Assets	0.02258
	Eff Ratio	0.56387

R-Squared Correlation		
COE VS.	Assets	0.00815
	Loans / Deposits	0.00530
	Loan Mix	
	1-4 Family Resi	0.05682
	Total Commercial	0.01150
	Loan Yield	0.15822
	Deposit Mix	
	Demand	0.04091
	Time	0.02534
	Cost of Deposits	0.00883
	NIM	0.33375
	NII / Assets	0.02303
	NIE / Assets	0.01419
	Eff Ratio	0.67894

Data as of 6/30/2025

Source: QwickAnalytics

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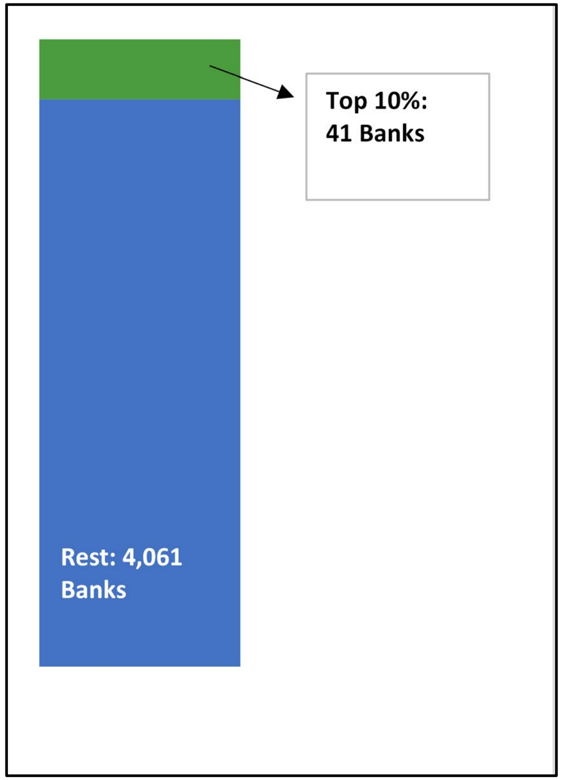
Market Size & Distribution



	National Banks			
	Institutions		**Aggregate Assets**	
Total Assets	**#**	**%**	**$MM**	**%**
Under $300 MM	1,845	45%	$ 276,384	8%
$300MM-$1BB	1,422	35%	$ 783,901	24%
Over $1BB	835	20%	$ 2,272,278	68%
Total	**4,102**	100%	**$ 3,332,562**	100%

Data as of 6/30/2025

Source: QwickAnalytics

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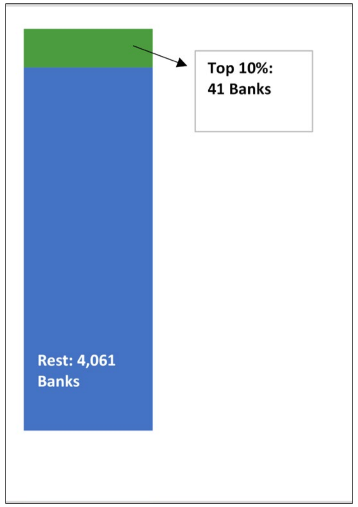
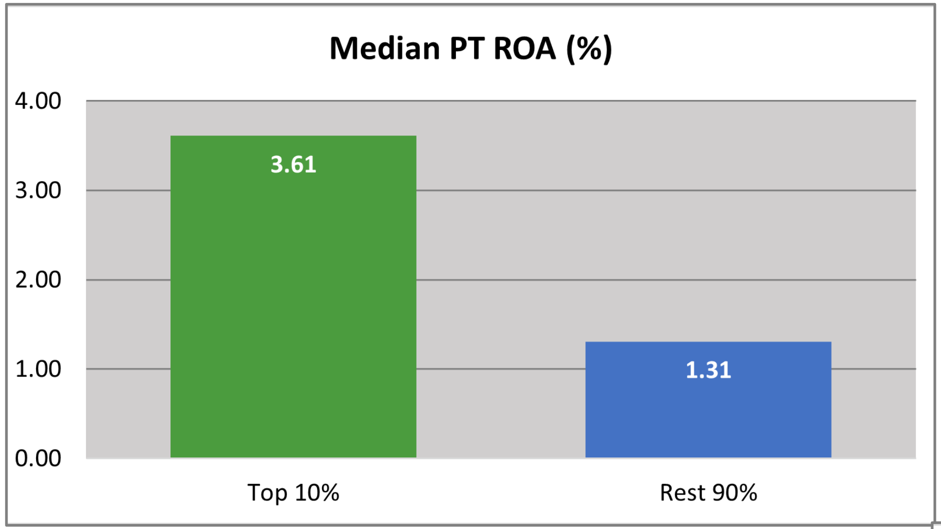
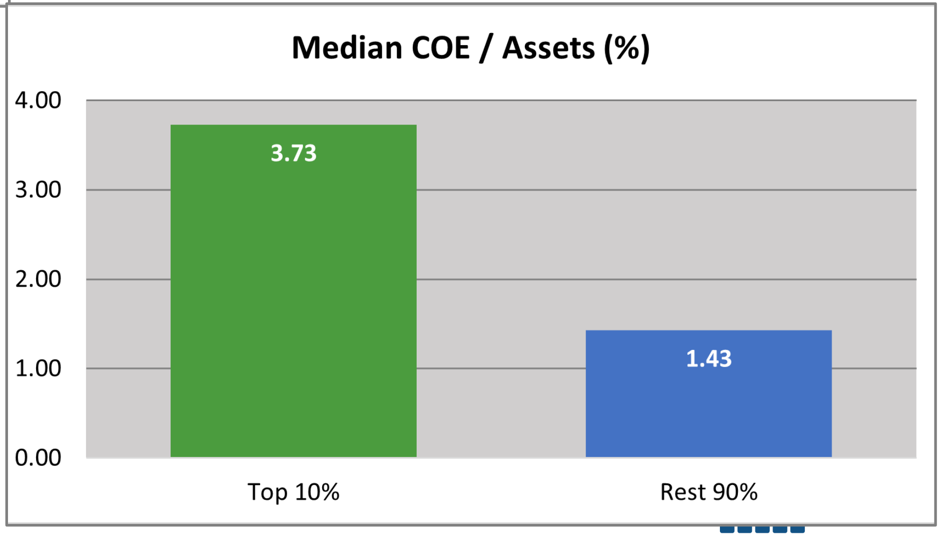
Top 10% Compared To The Remaining 90%





Data as of 6/30/2025 (MRQ)



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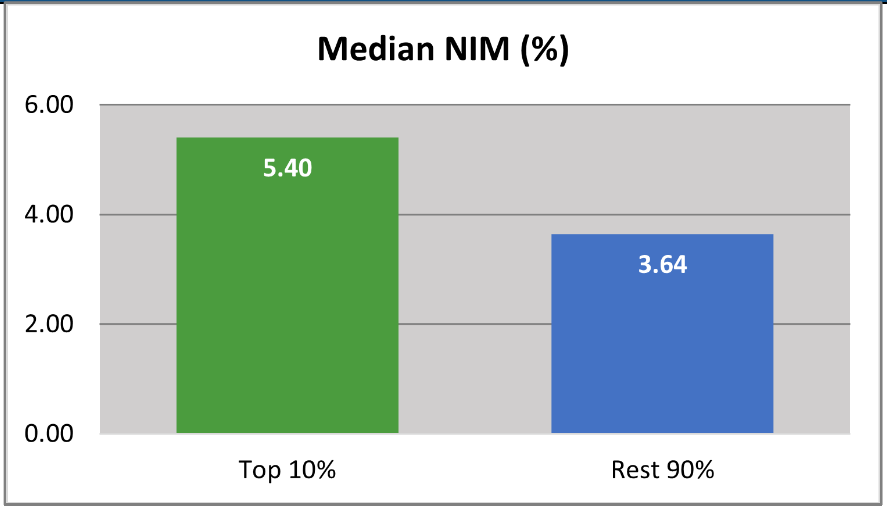
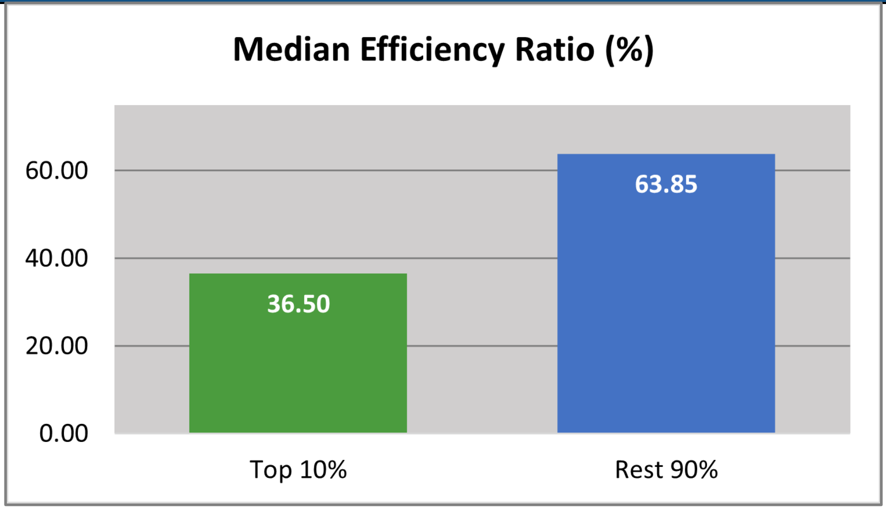
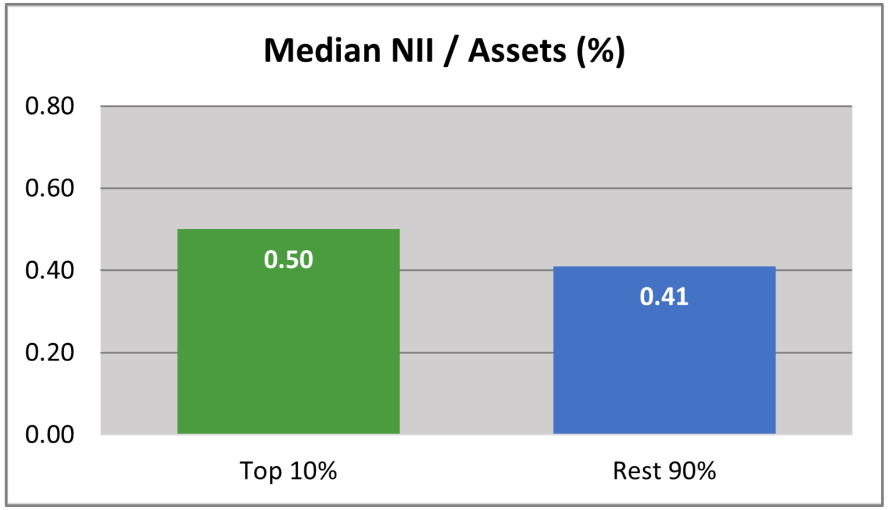
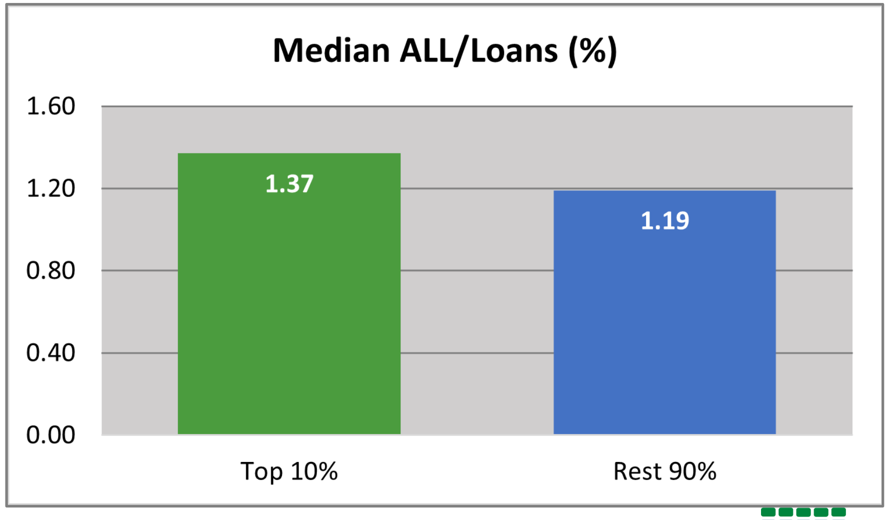
Source: QwickAnalytics

Top Performance









Data as of 6/30/2025

Source: QwickAnalytics

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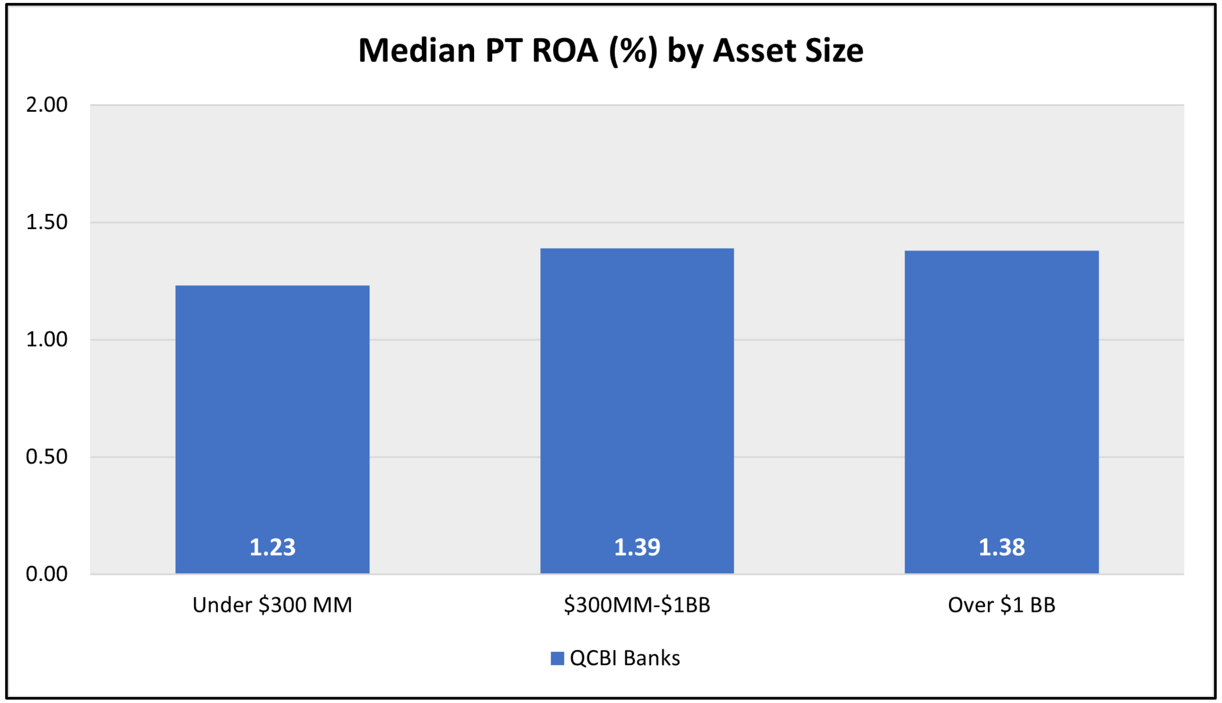
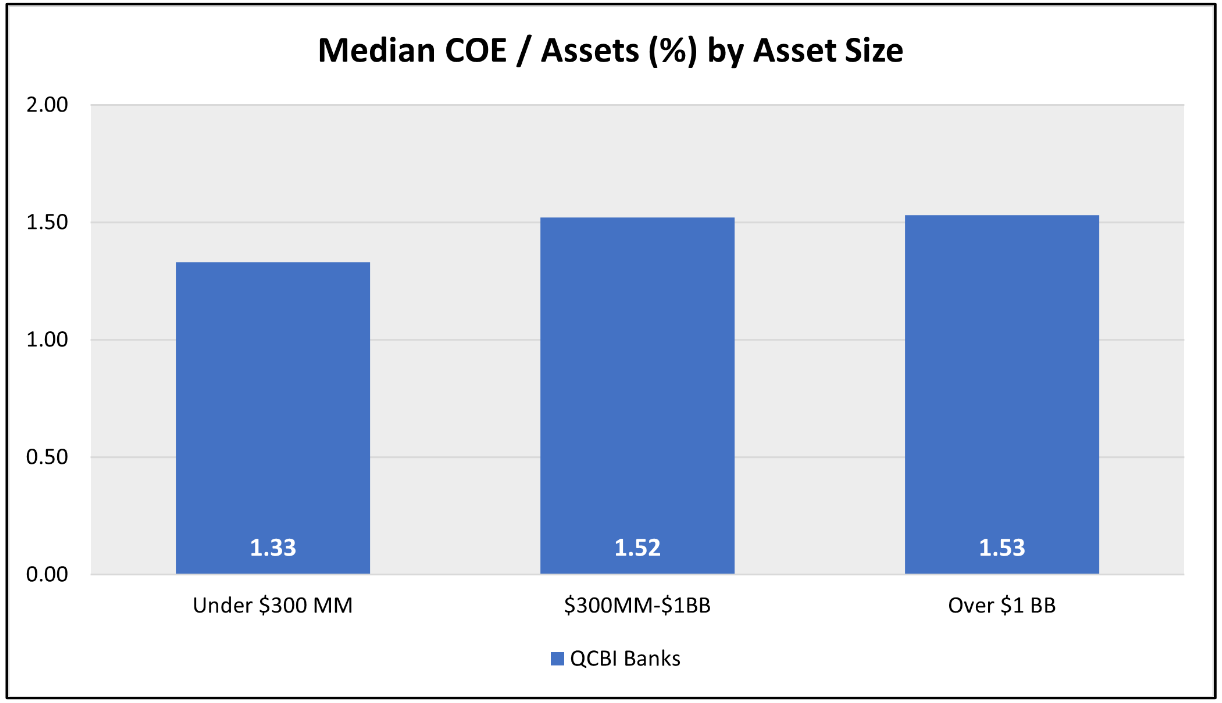
QwickAnalytics Community Bank Index (QCBI) by Asset Size





Data as of 6/30/2025 (MRQ)

Source: QwickAnalytics

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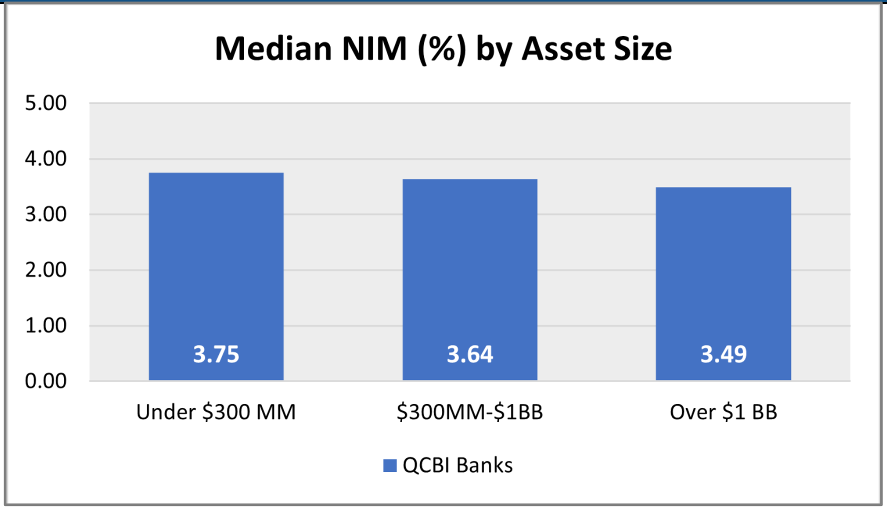
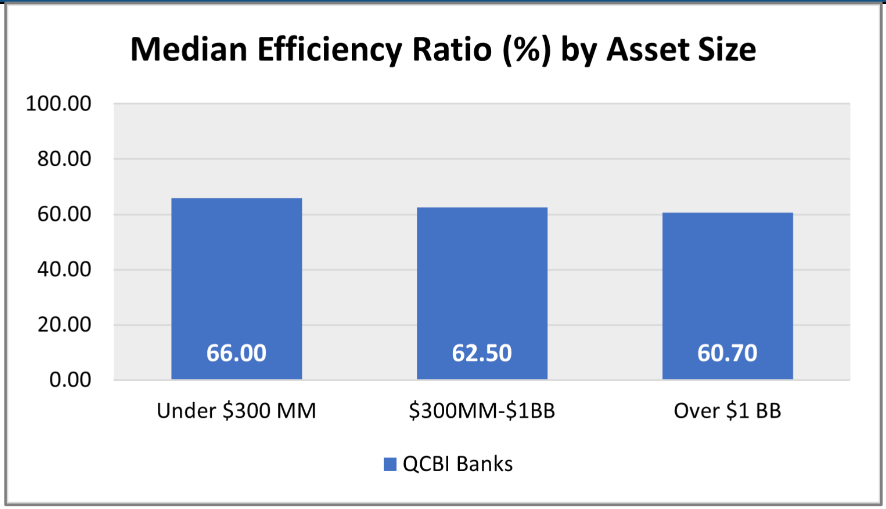
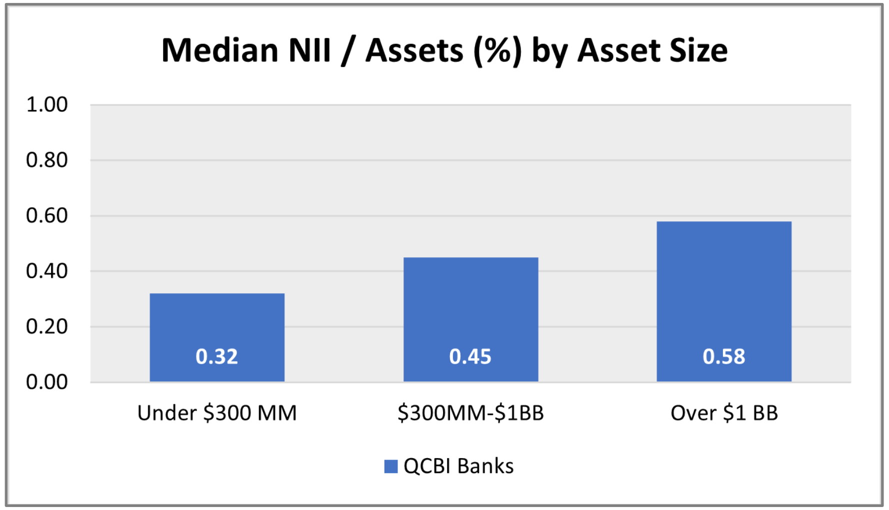
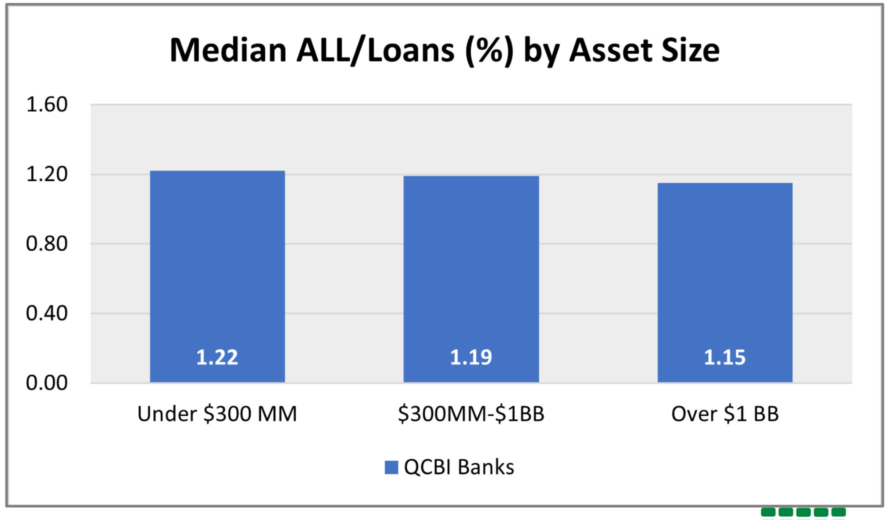
QCBI Banks by Asset Size









Data as of 6/30/2025 (MRQ)

Source: QwickAnalytics

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QCBI Banks: Balance Sheet Posture

	QCBI Banks Under $300MM	QCBI Banks $300MM - $1BB	QCBI Banks Above $1 BB
Median COE / Assets (%)	1.33	1.52	1.53
Median Assets	$ 143,652	$ 509,007	$ 1,948,490
Median Loans / Deposits (%)	73.67	81.30	86.92
Median Loan Mix (%)			
1-4 Family Resi	29.60	27.30	22.60
CRE (NFNR)	15.00	27.50	32.80
C&I	9.70	9.70	10.70
Total Comm'l	27.20	39.10	47.60
Median Loan Yield (%)	6.71	6.49	6.20
Median Deposit Mix (%)			
Demand	23.40	23.90	23.80
Time	33.10	30.20	25.30
Median Cost of Deposits (%)	1.75	1.94	2.09

Data as of 6/30/2025

Source: QwickAnalytics

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QCBI Banks: Secondary Metrics

	QCBI Banks Under $300MM	QCBI Banks $300MM - $1BB	QCBI Banks Above $1 BB
Median COE / Assets (%)	1.33	1.52	1.53
Median NIM	3.75	3.64	3.49
Median NII / Assets	0.32	0.45	0.58
Median NIE / Assets	2.61	2.49	2.37
Median Eff Ratio	66.00	62.50	60.70
Median Pretax ROAA	1.23	1.39	1.38
Median Total Credit Cost / Asset	0.02	0.07	0.10

Data as of 6/30/2025

Source: QwickAnalytics

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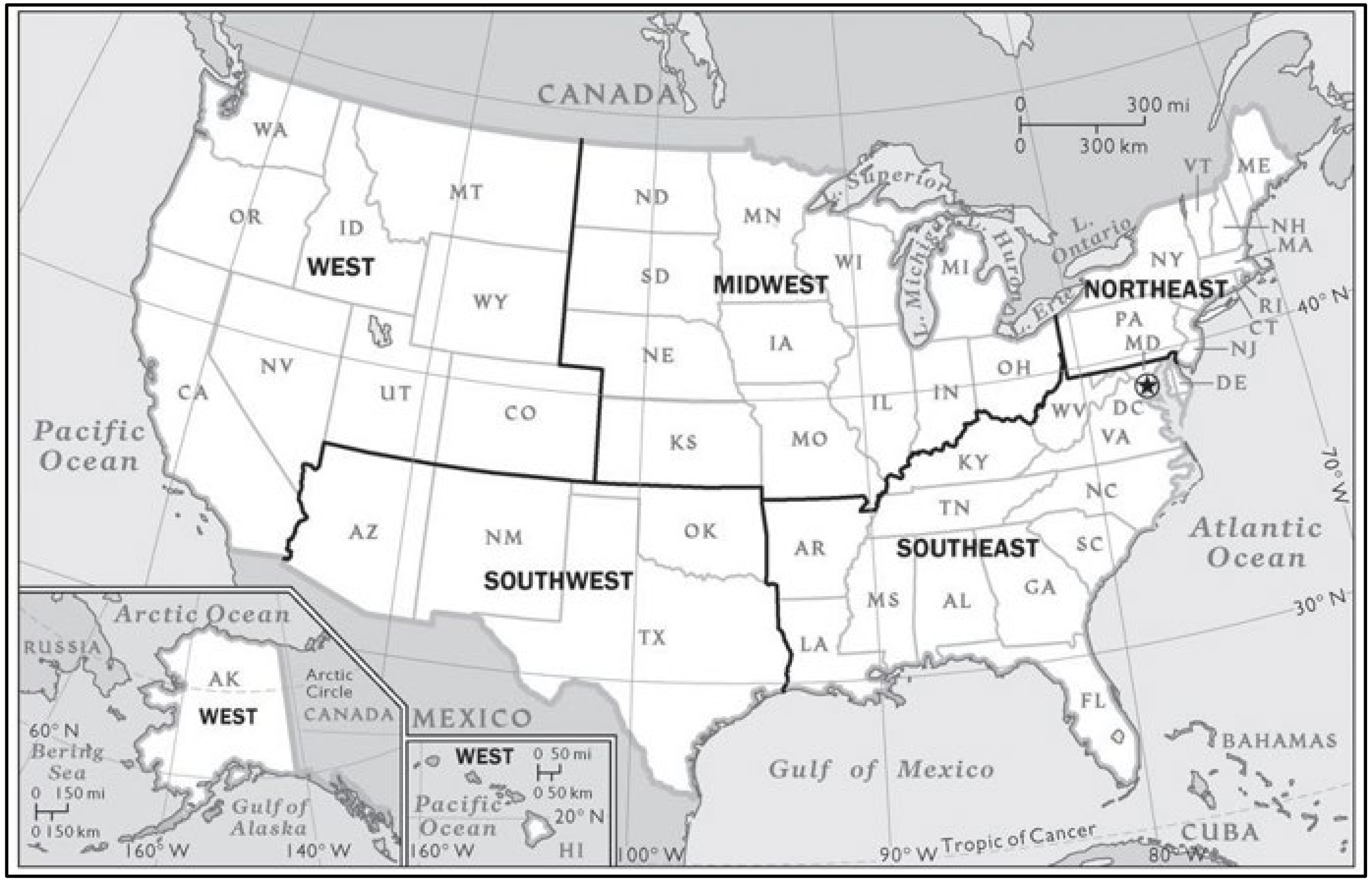
U.S. Regions



Data as of 6/30/2025

- **Five Regions:**
  - Midwest
  - Northeast
  - Southeast
  - Southwest
  - West

Source: QwickAnalytics

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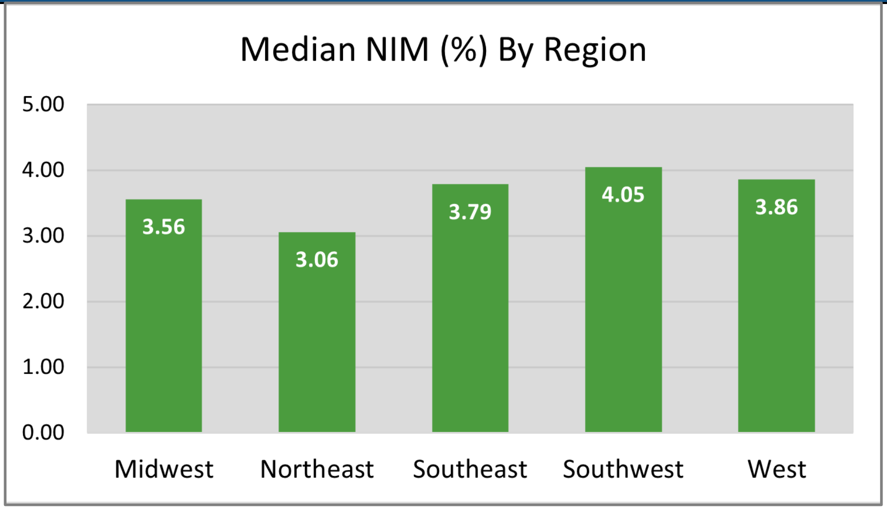
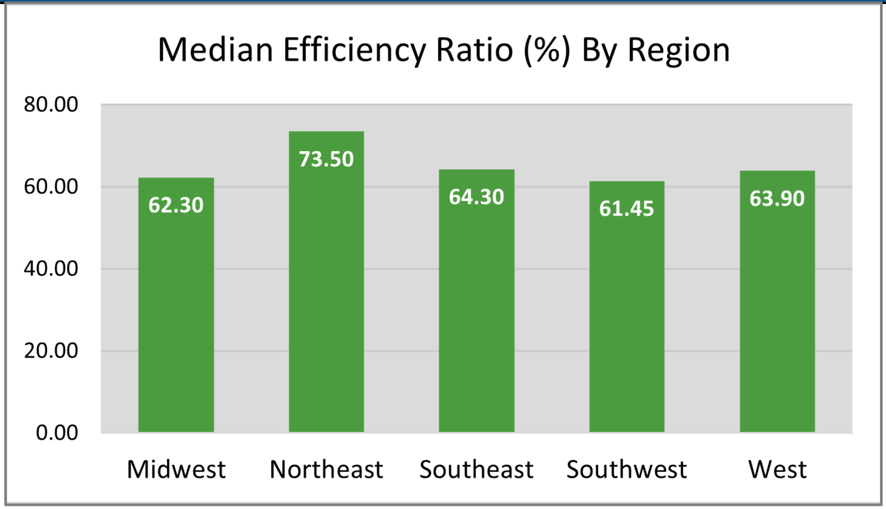
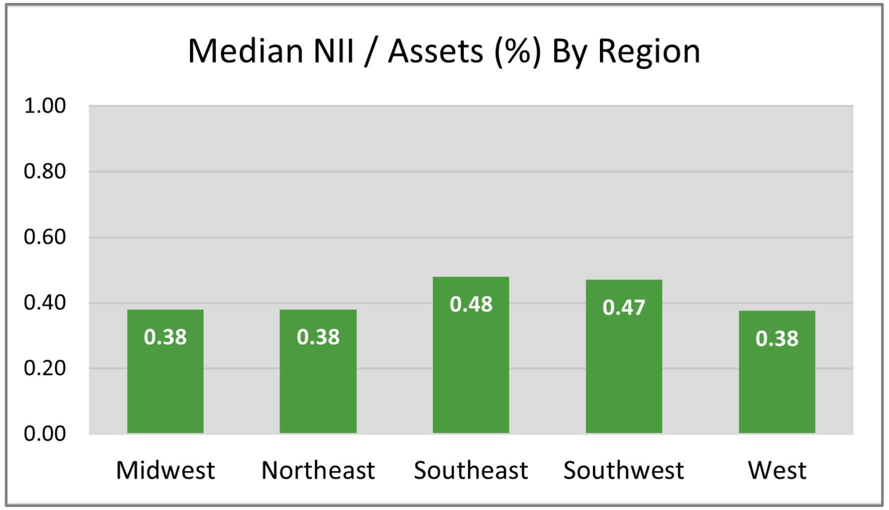
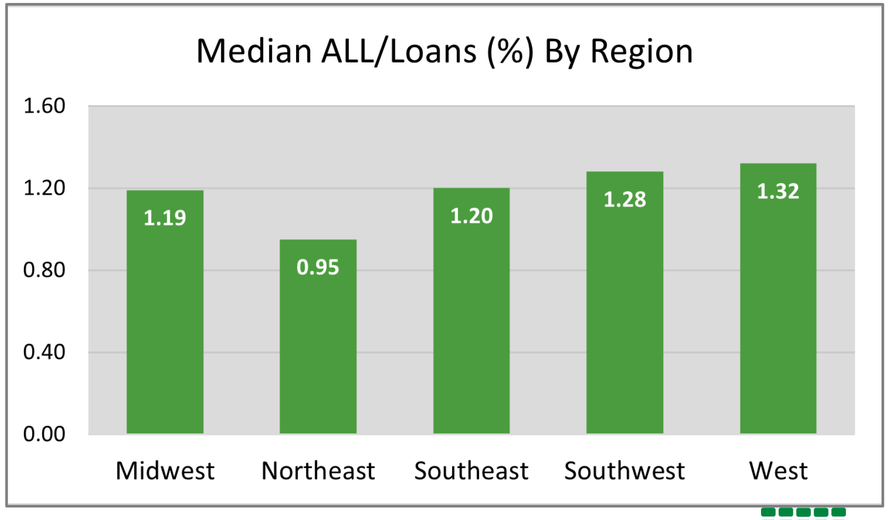
QCBI by Region









Data as of 6/30/2025

Source: QwickAnalytics

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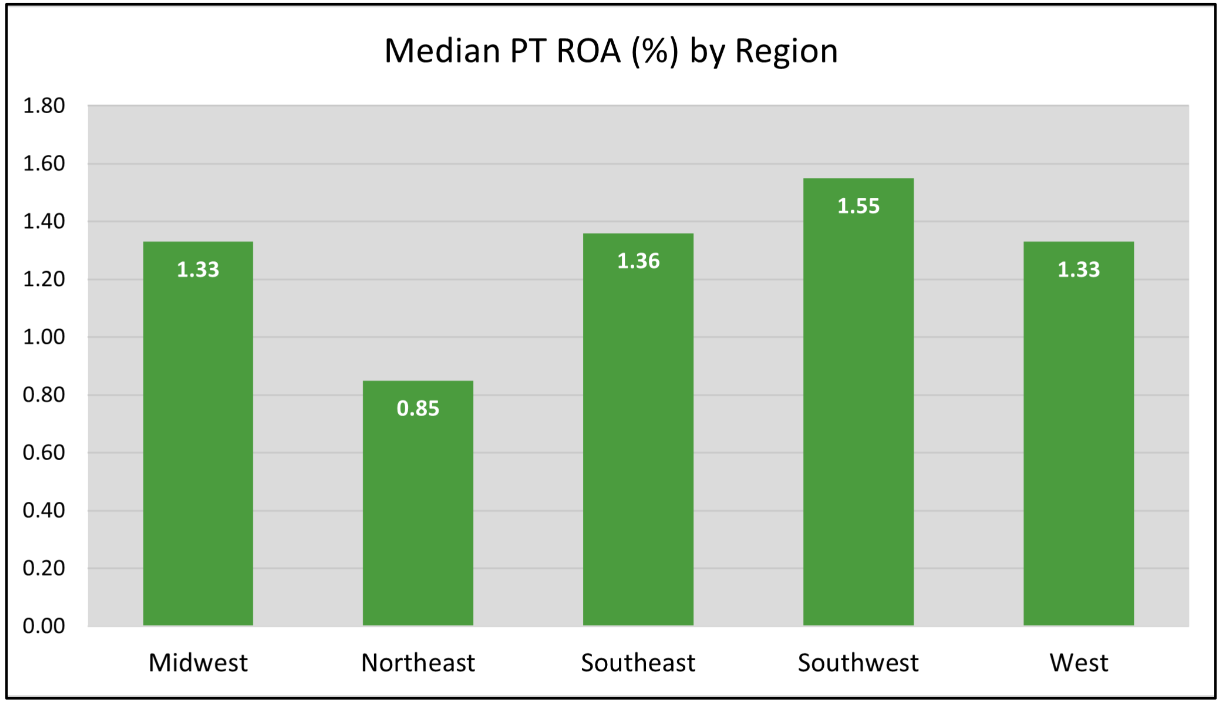
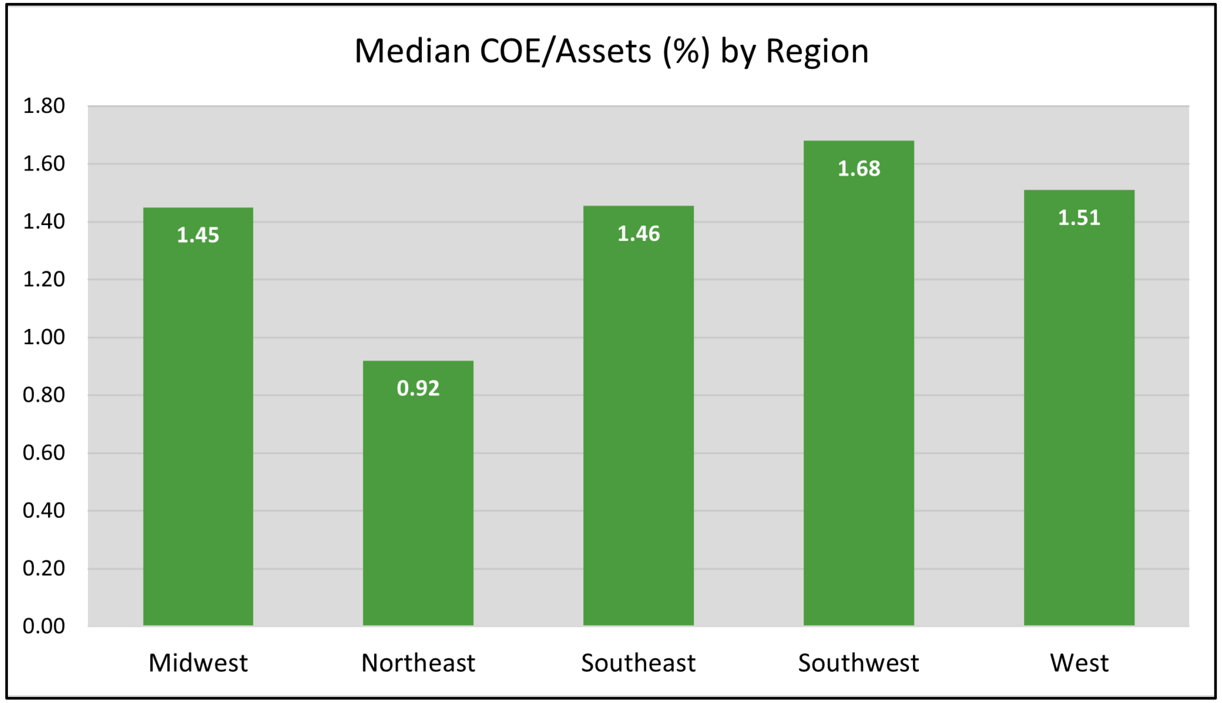
QCBI Banks by Region





Data as of 6/30/2025

Source: QwickAnalytics

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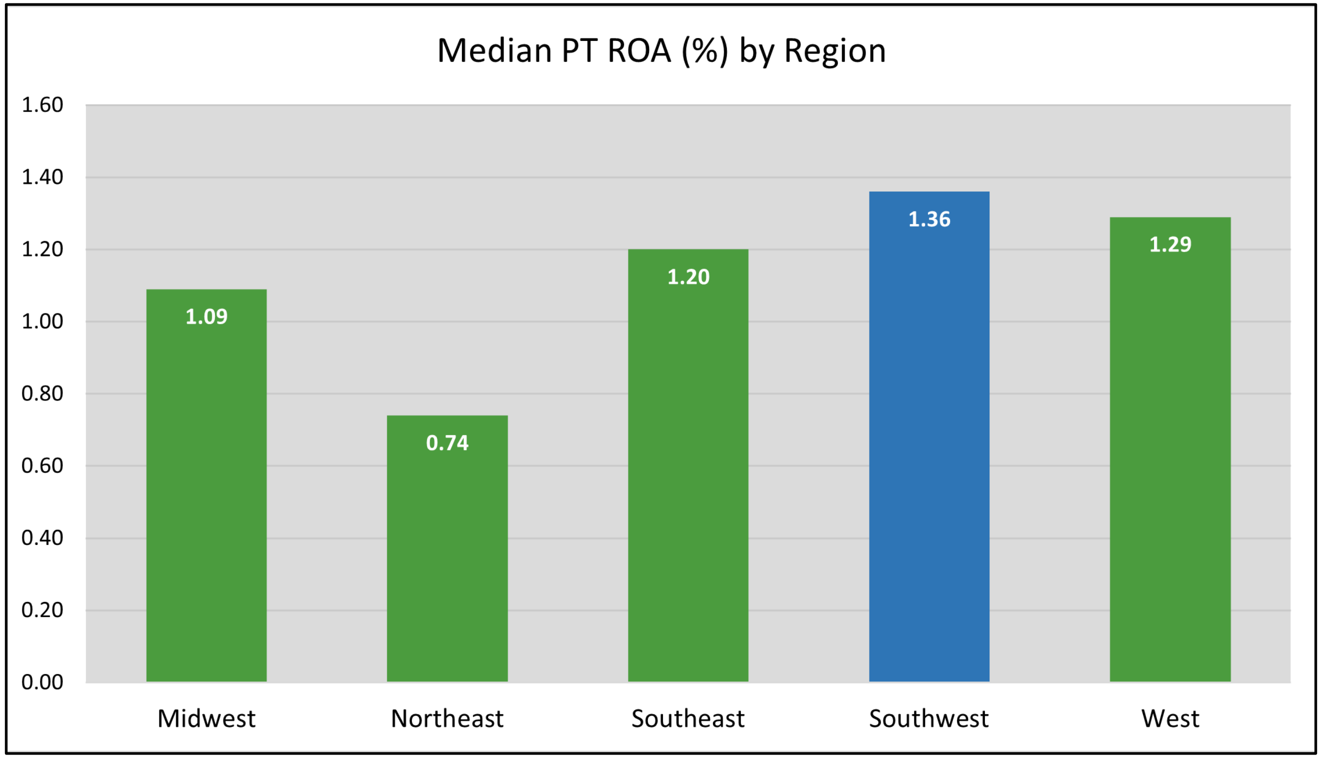
Top Performing Region Over the Past 3 Years?



Data as of 6/30/2025

Top performers ranked by 3-year median PT ROA (%)

Southwest!

Source: QwickAnalytics

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‘25 Credit Landscape & Performance

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Preferred Service
Provider

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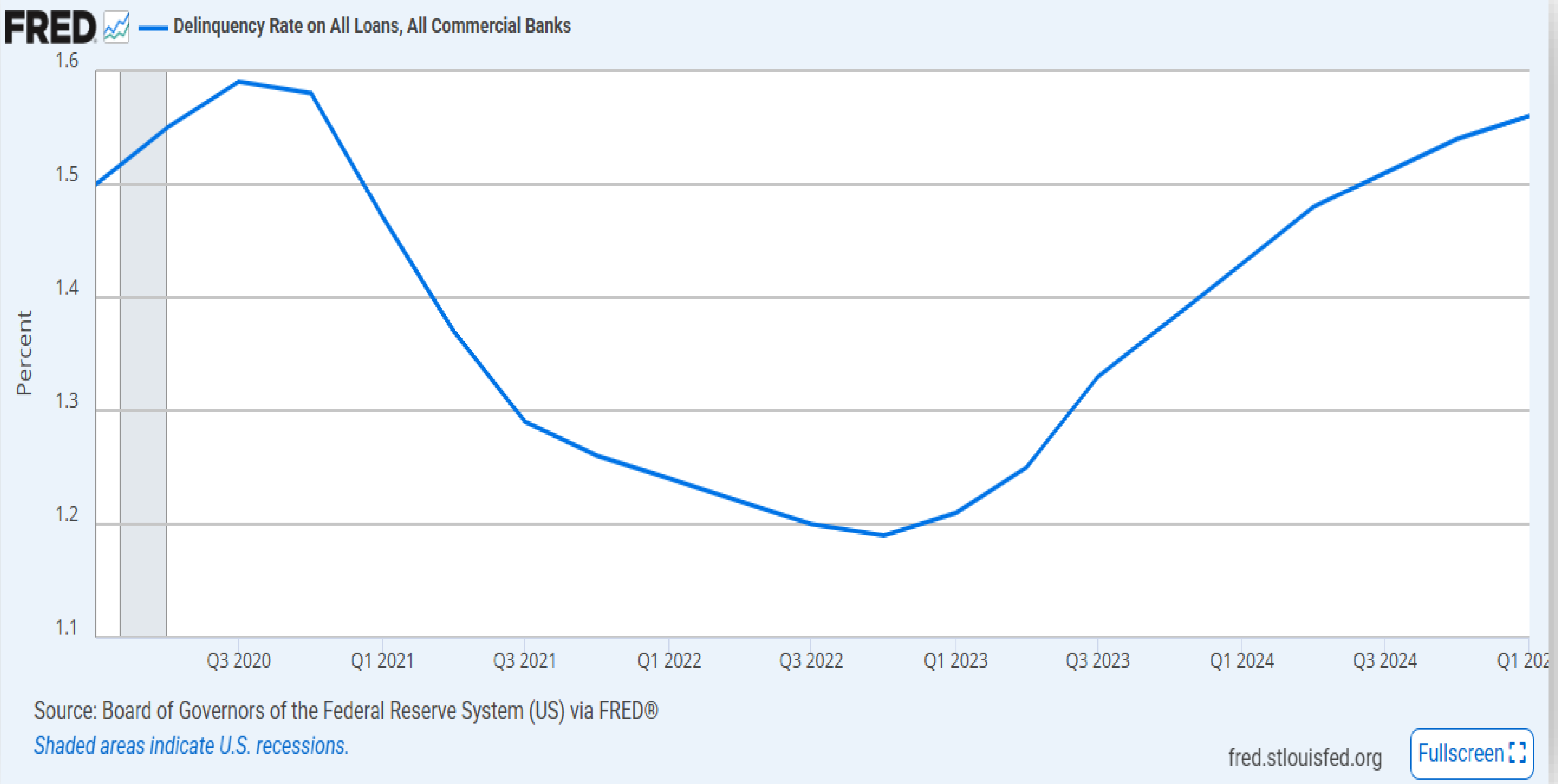
Delinquencies Highest In 5 Years—*Consumers Leading*



30-day Past Dues*

SF Mortgages	1.78
Credit Cards	3.05
Consumer Loans	2.77
CRE Loans	1.69
Business Loans	1.30

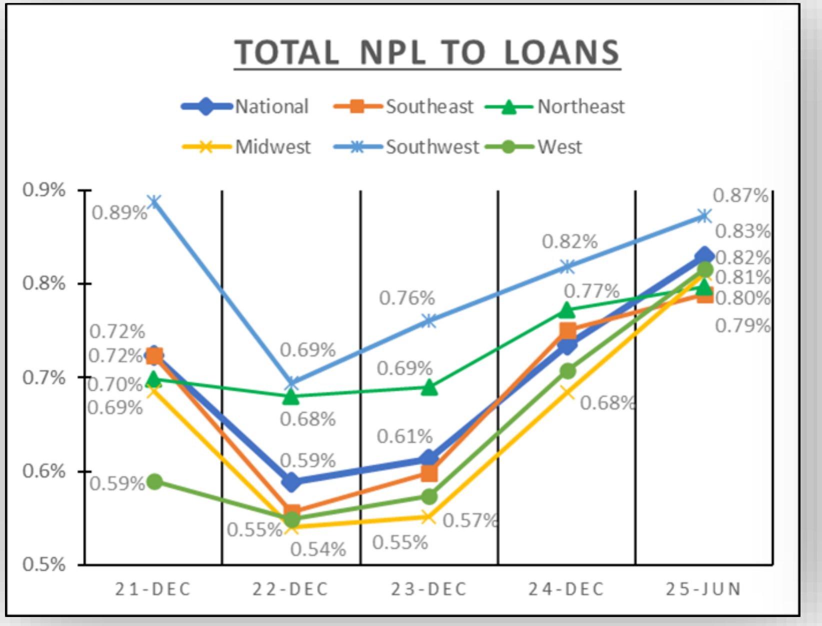
*Q1 '25

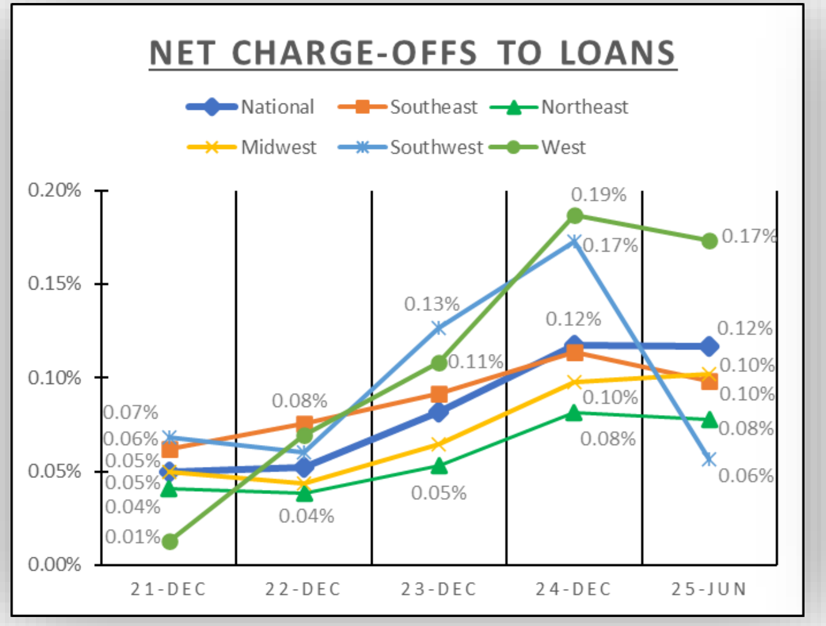
Trifecta of Loan Quality: Banks <$10B

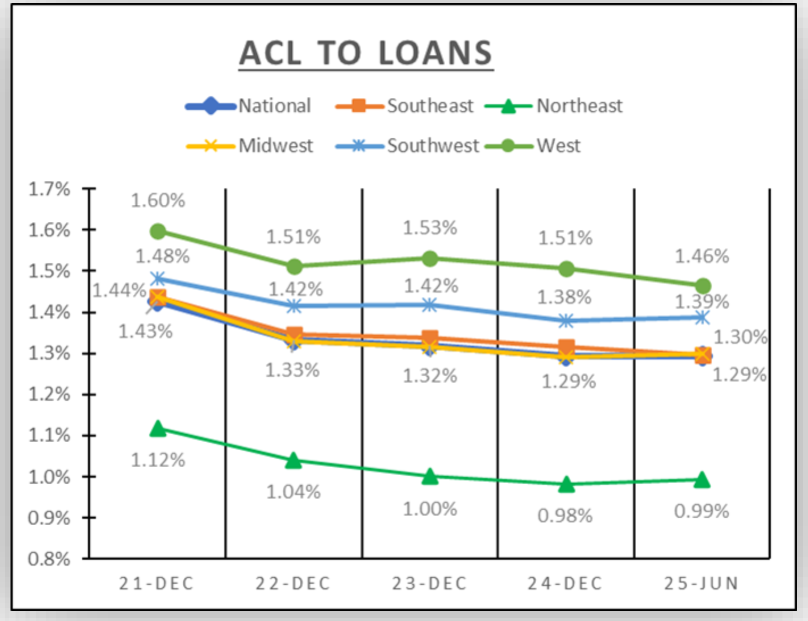
Q2 '25 Call Report Data

QwickAnalytics®

National / Southeast / Northeast / Midwest / Southwest / West







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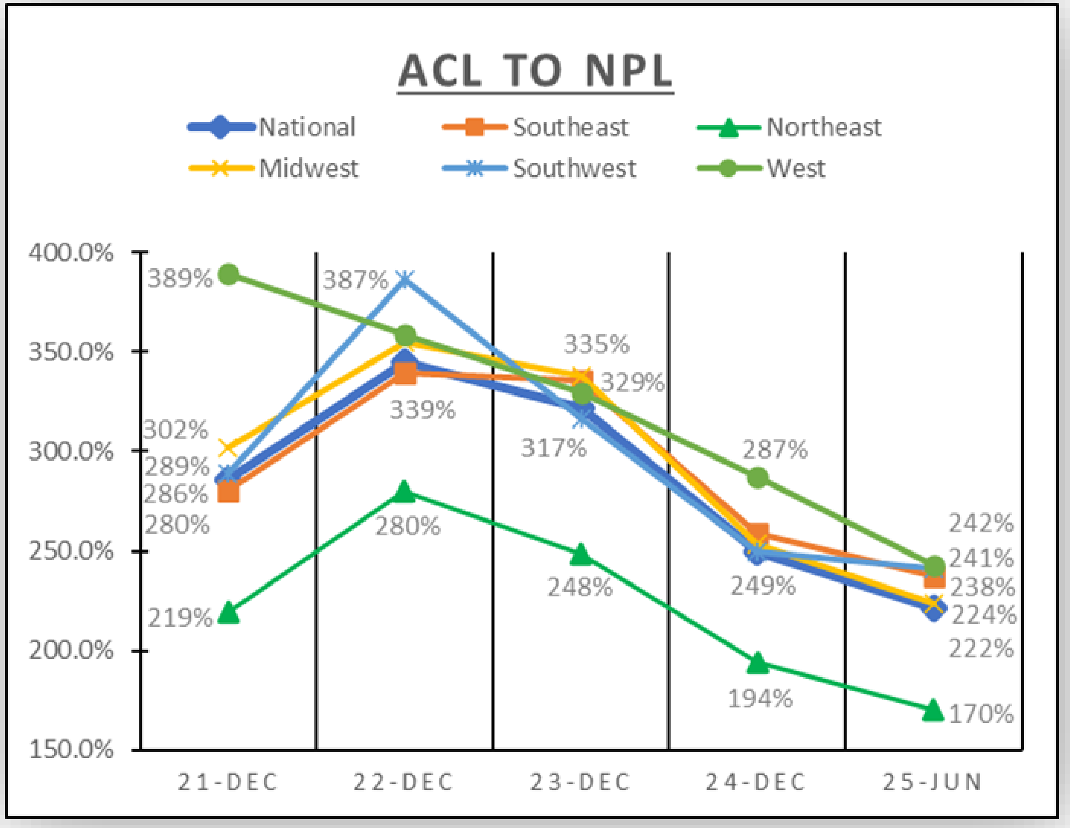
Trifecta of Loan Quality: Banks <$10B



National / Southeast / Northeast / Midwest / Southwest / West

ACL Coverage of NCL's YOY as of Q1 '25:

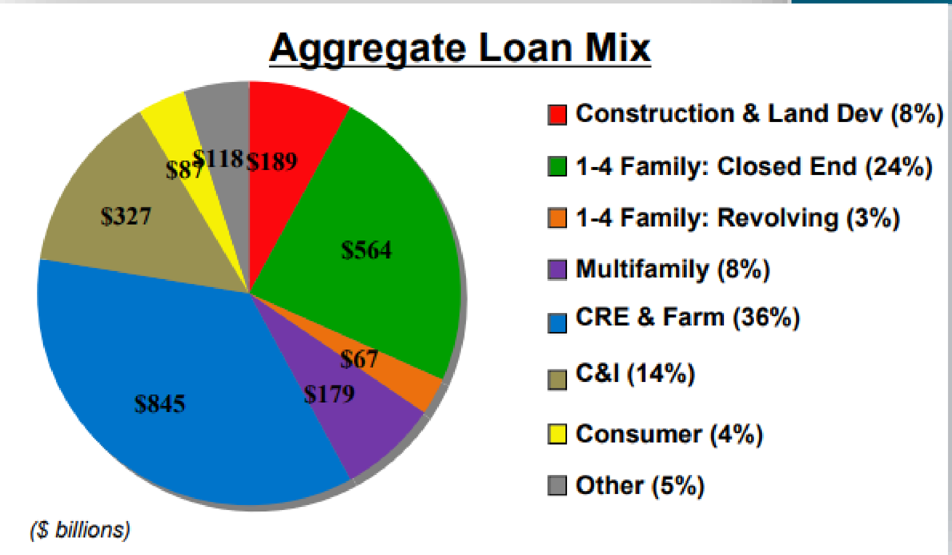
- Community Banks: ↓42%
- All Banks: ↓ 8%

The reserve coverage ratios declined due to non-current loans increasing at pace greater than provisions.

--Source: FDIC

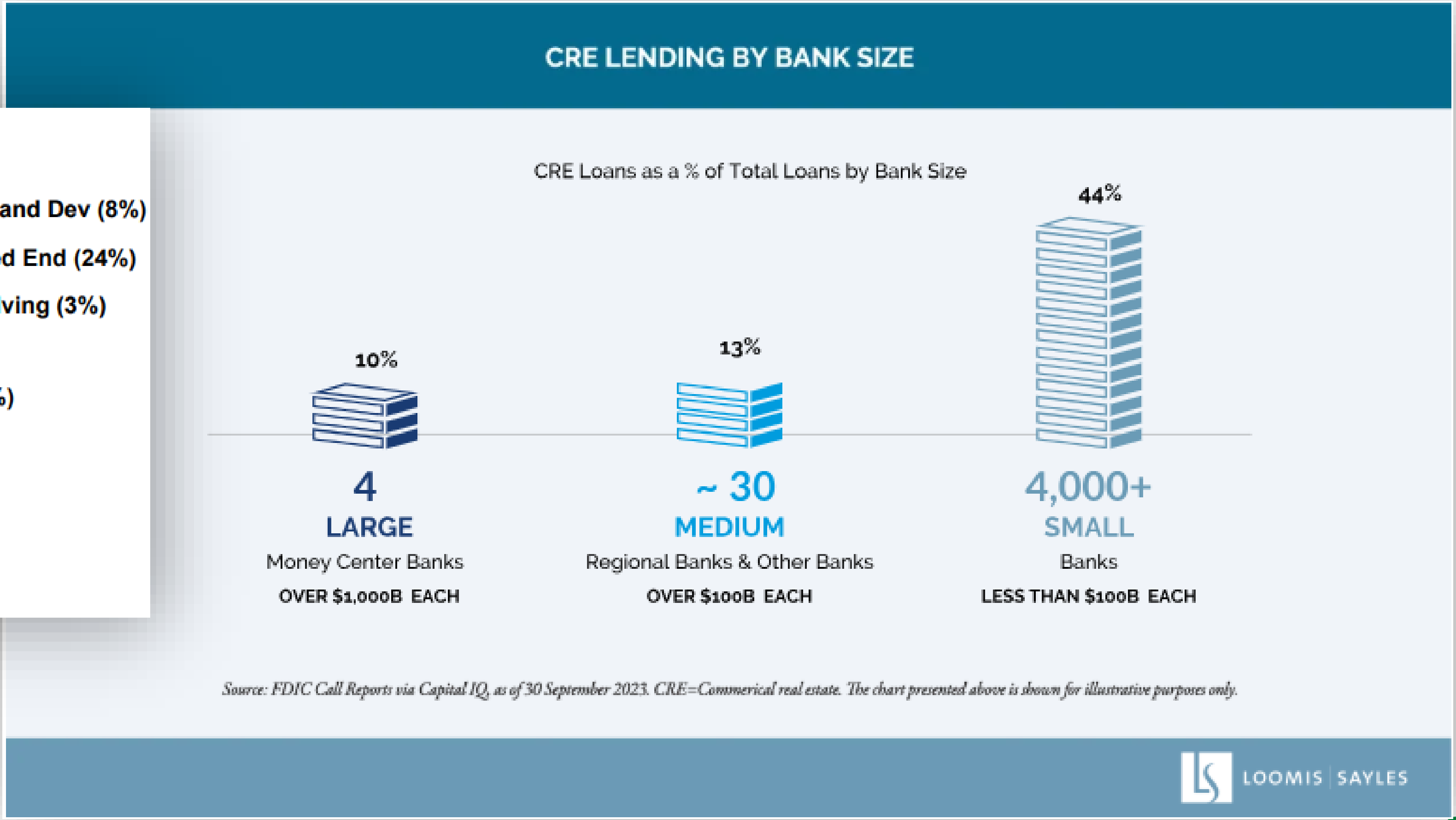
Community And Regional Banks:
CRE Exposure Disproportionately Higher!

QCBI Banks < $10B Q2 '25



79% RE-secured

Per Loomis Sayles



No More Denial. . . CRE Stress Is Growing!

Less Stress	More Stress
Owner-occupied	Multifamily
Datacenters	Office
Healthcare	Hospitality
Smaller retail	Farmland
	Industrial
	Larger retail
	Specialty RE (e.g. Vineyards)
	1-4 family housing ??

IntelliCredit's perspective per:

- Extensive loan reviews
- M&A due diligences
- 30+ conferences LTM
- Regulatory commentaries
- Expert analyses
- Bond trends
- REIT trends

Estimated: $800B CRE loans scheduled to mature in '25!

Q2 Customer Trends Update

Deposit Growth Will Continue To Be Competitive

- **Your best depositors and their deposits are likely to remain targets of other financial institutions/FinTech's.**

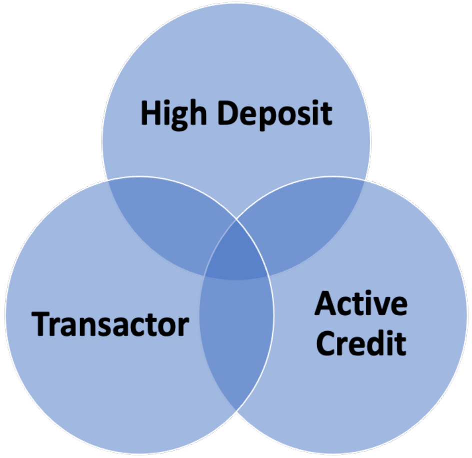
- **What is your Strategy to Grow Deposits?**
  - New customers?
  - Larger wallet share of existing customers?
  - You need Customers and Prospects who have both:
    - Capacity: Do they have available deposits?
    - Propensity: Are they inclined to work with you?

The Infusion Norm™ Databases

Product/Relational Insight

Hundreds of Community/Regional FIs

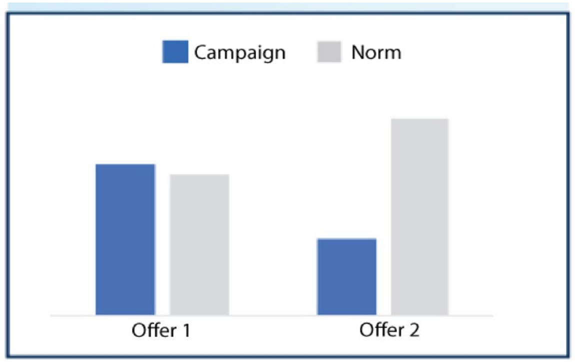
Over 50 million Households



Specific Execution Insight

Thousands of Campaigns

Millions of Response Records



Infusion applies data driven insights drawn from 1st party, 3rd party, and the Infusion Norm™ databases to accelerate progress towards your revenue/NIM growth goals.

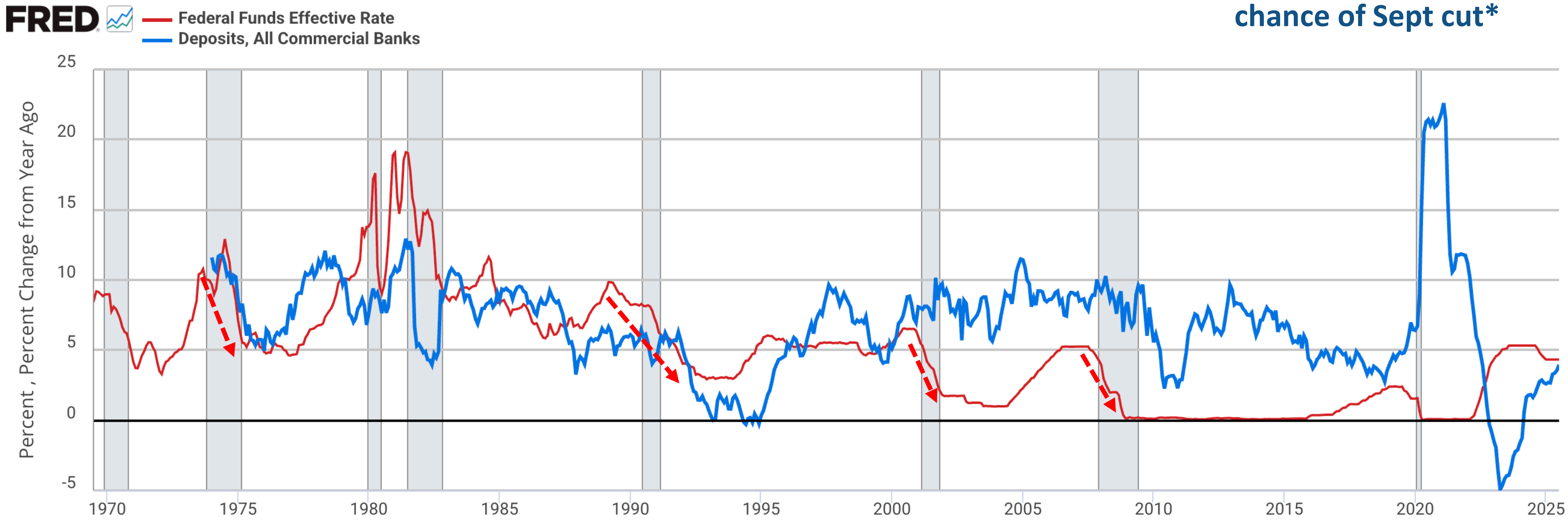
ICBA Preferred Service Provider

QwickAnalytics®

INFUSION

Deposits still grow in declining rate environments

Futures pricing 92% chance of Sept cut*



Source: Board of Governors of the Federal Reserve System (US) via FRED®

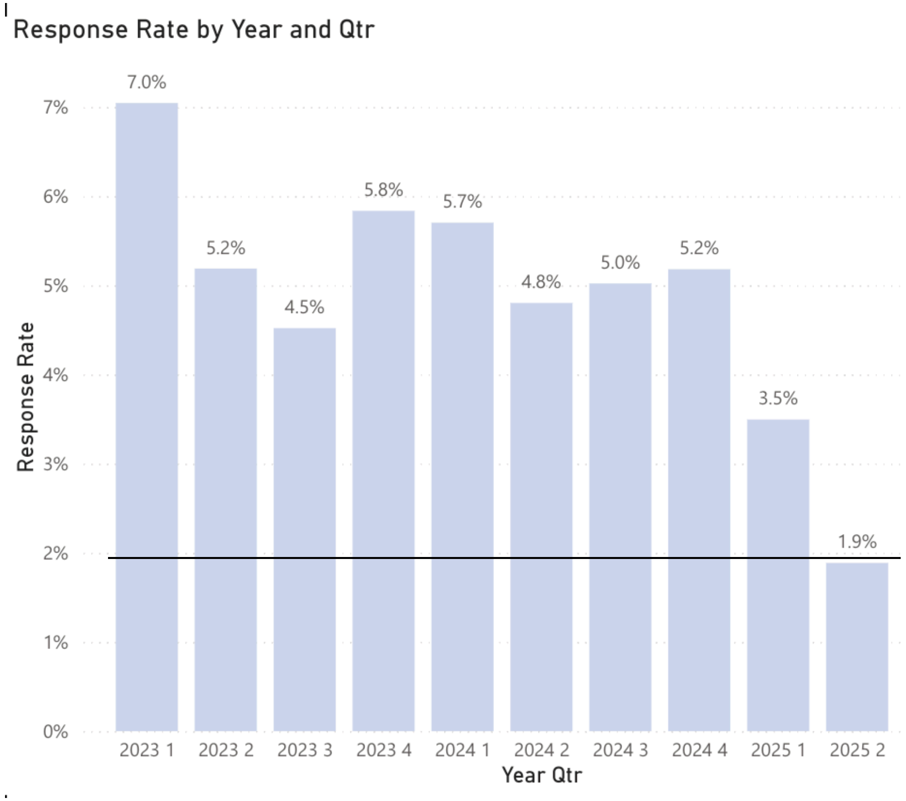
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

Fullscreen

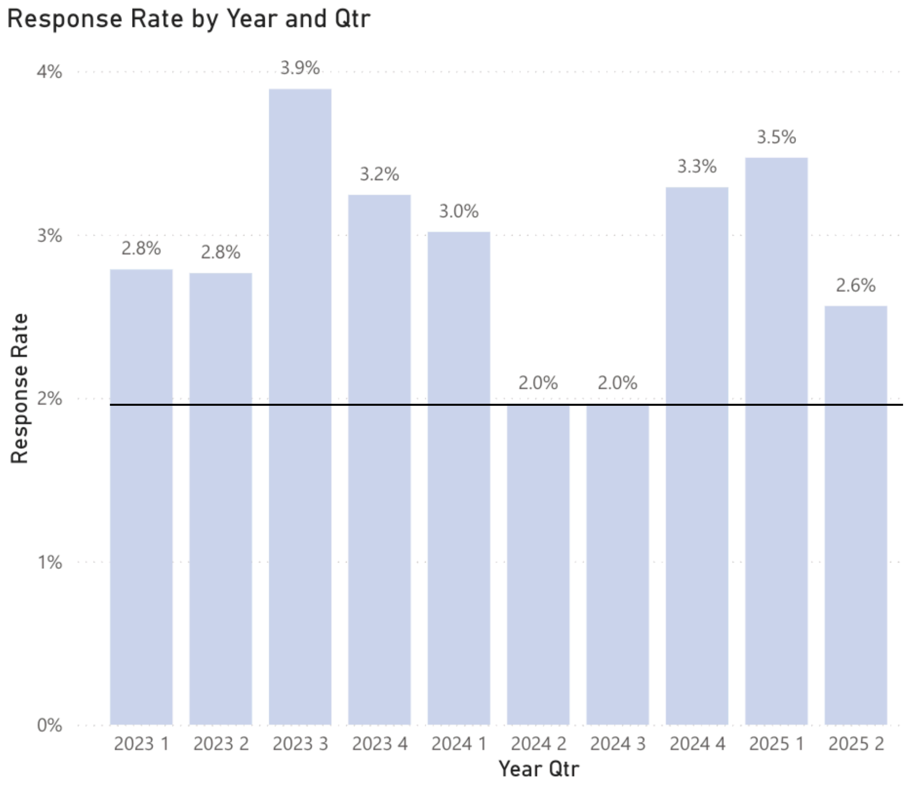
Consumer Deposits Campaign Response Trends

CD/Share Certificates



2% Long Term Average

Money Market/High Yield Savings



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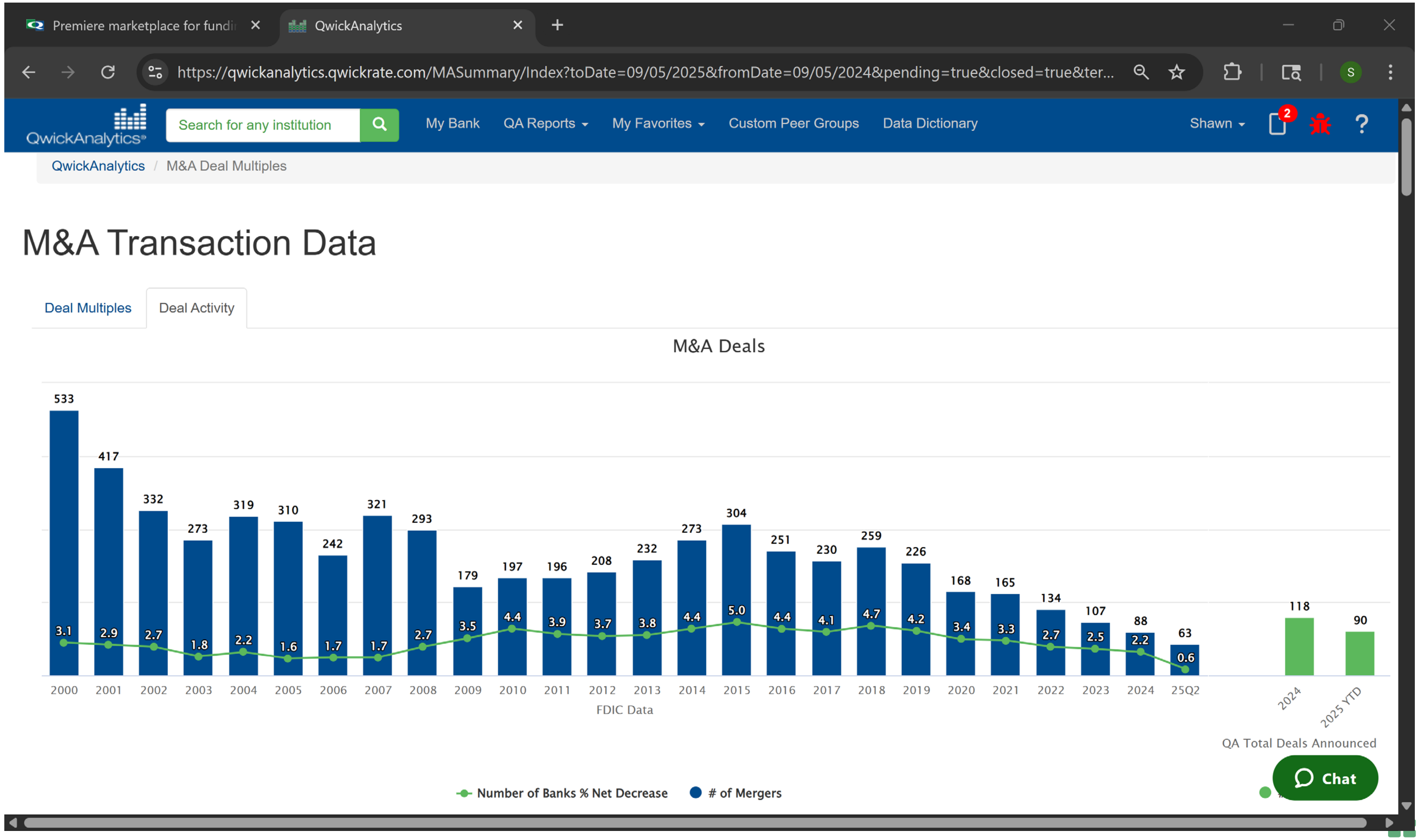
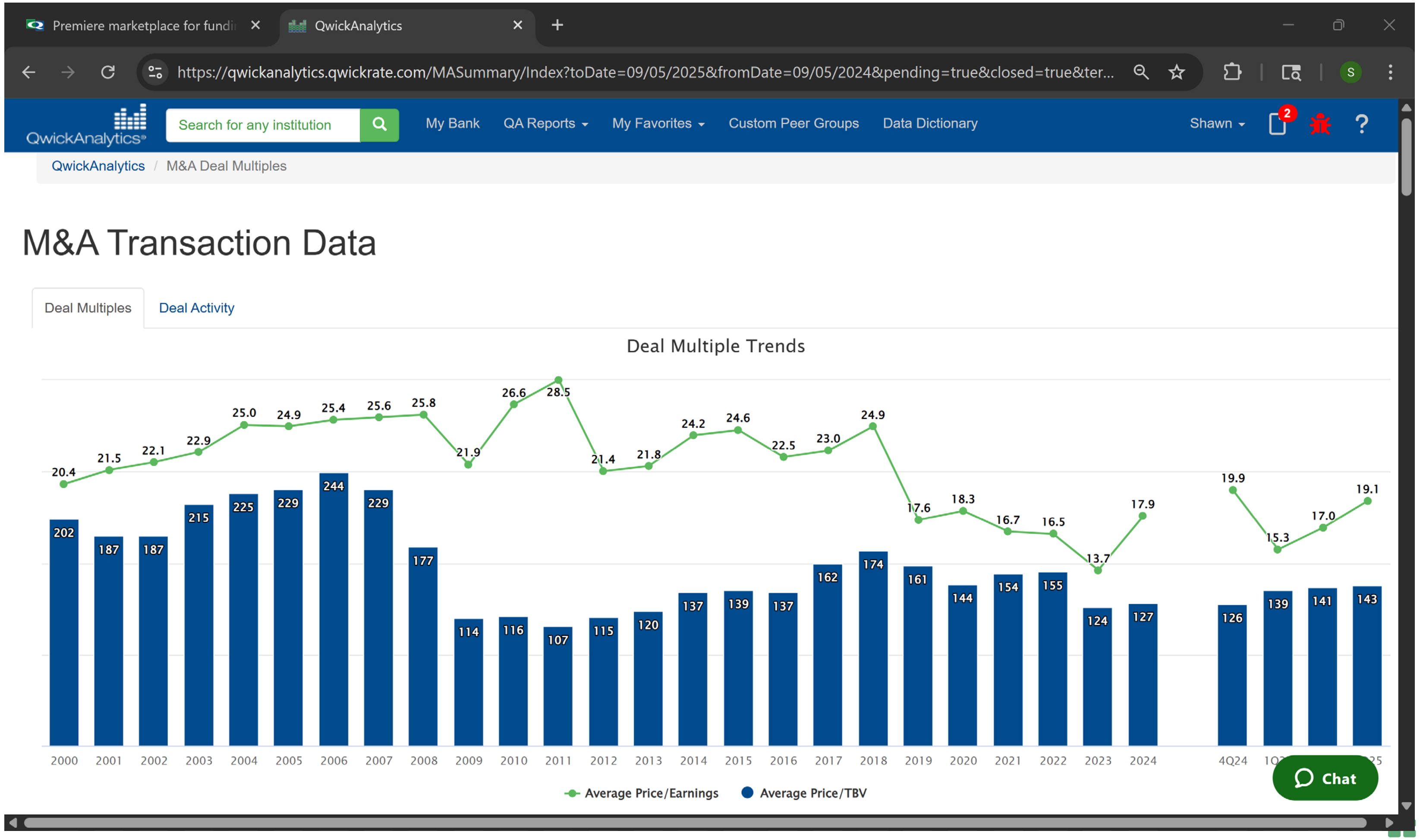
M&A Transaction Data: 90 YTD



M&A Deal Multiples: Average P/E & Average Price to Tangible Book



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Thank you for your time.

Contact us to talk to one of our experts or **schedule a demo.**

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