Planning For Year-End and New Year

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STIFEL

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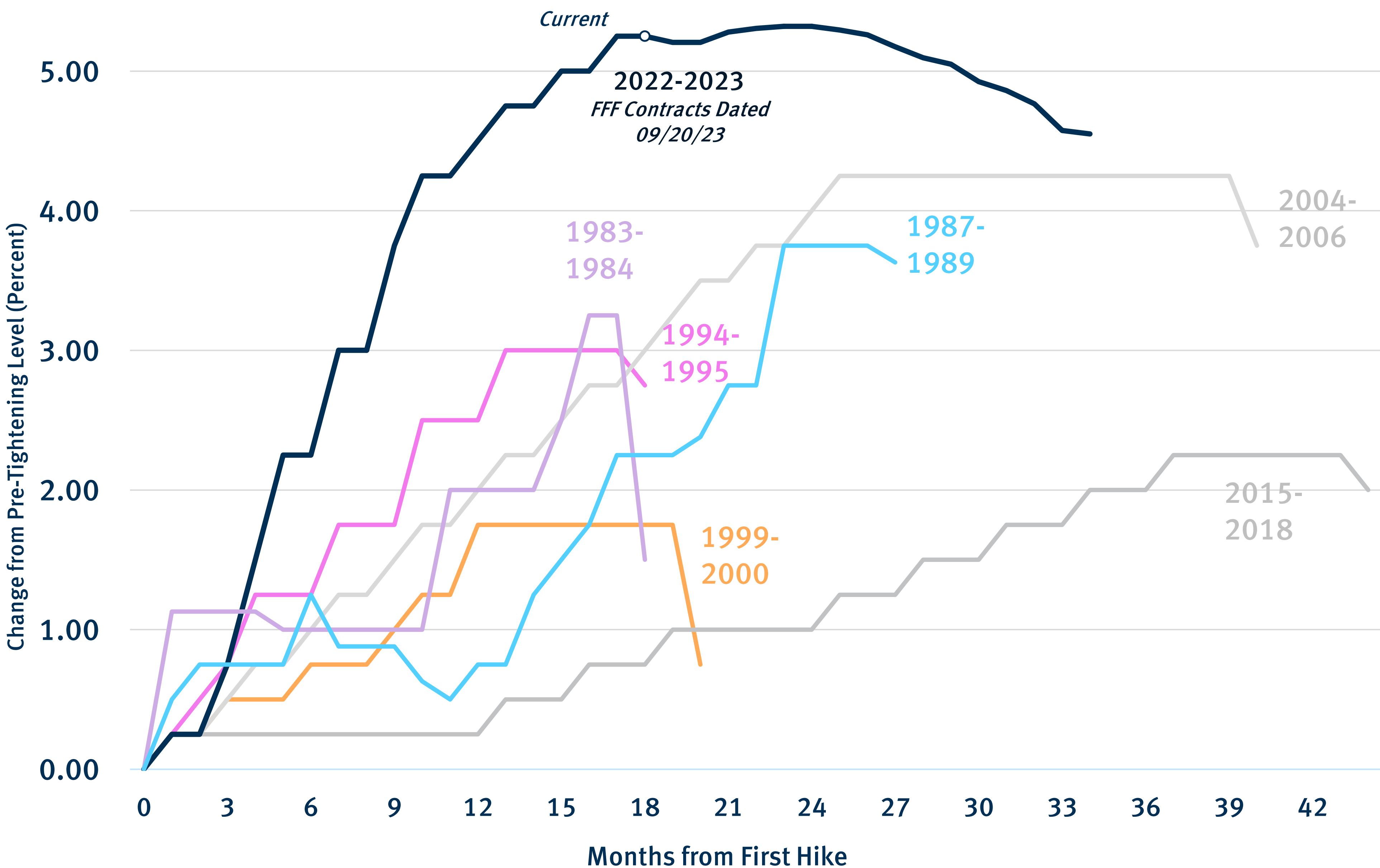
Table of Contents

Cumulative Tightening of Monetary Policy During Rate-Hike Cycles

Markets Now Project a Longer Plateau After Historic Tightening Cycle



1. Data per Bloomberg and Stifel

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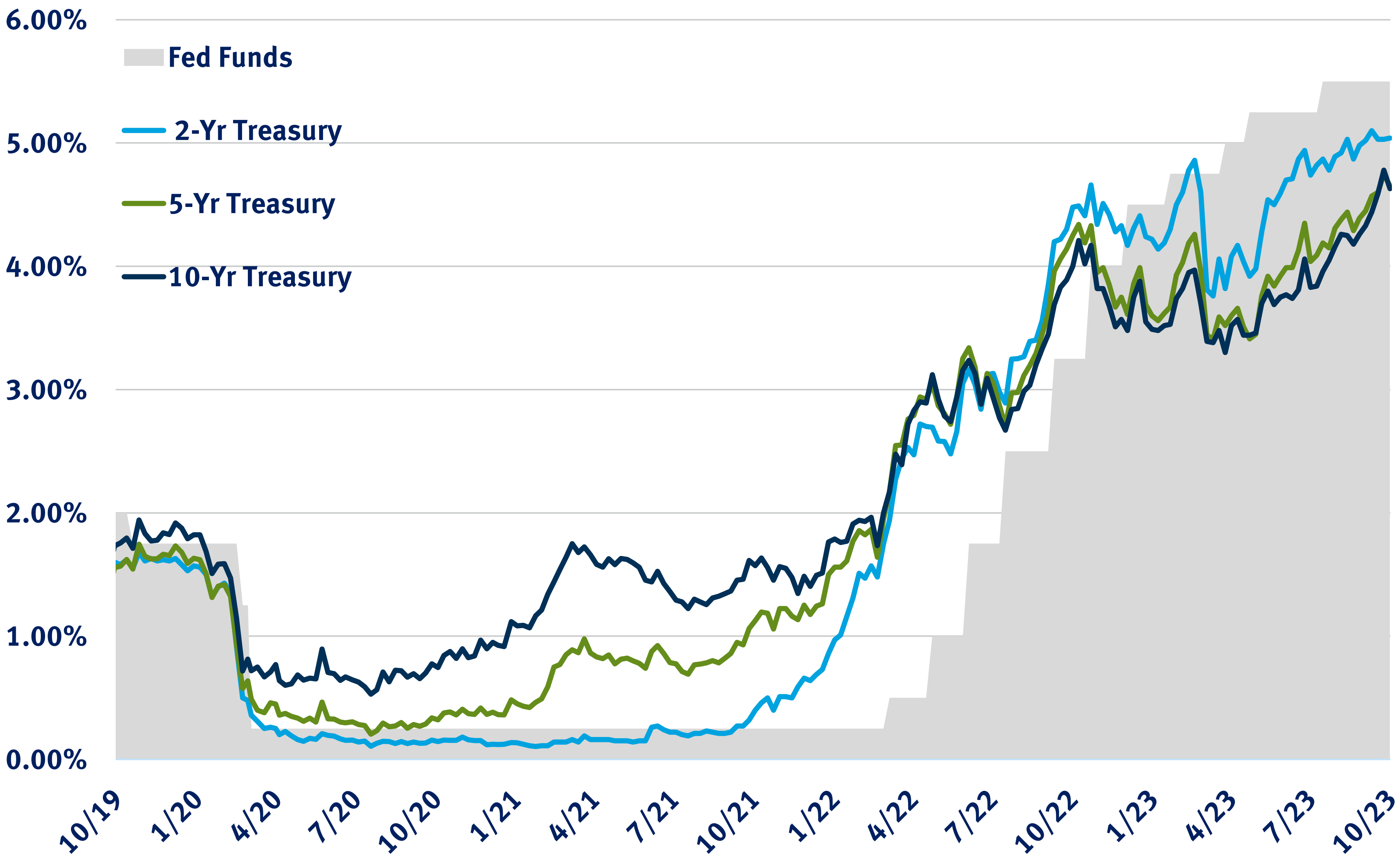
Interest Rate Trends

The Fed's Forecast for Fewer 2024 Rate Cuts Sends Yields on Longer-Dated Securities to the Highest Level Since 2007



1. Data per Bloomberg

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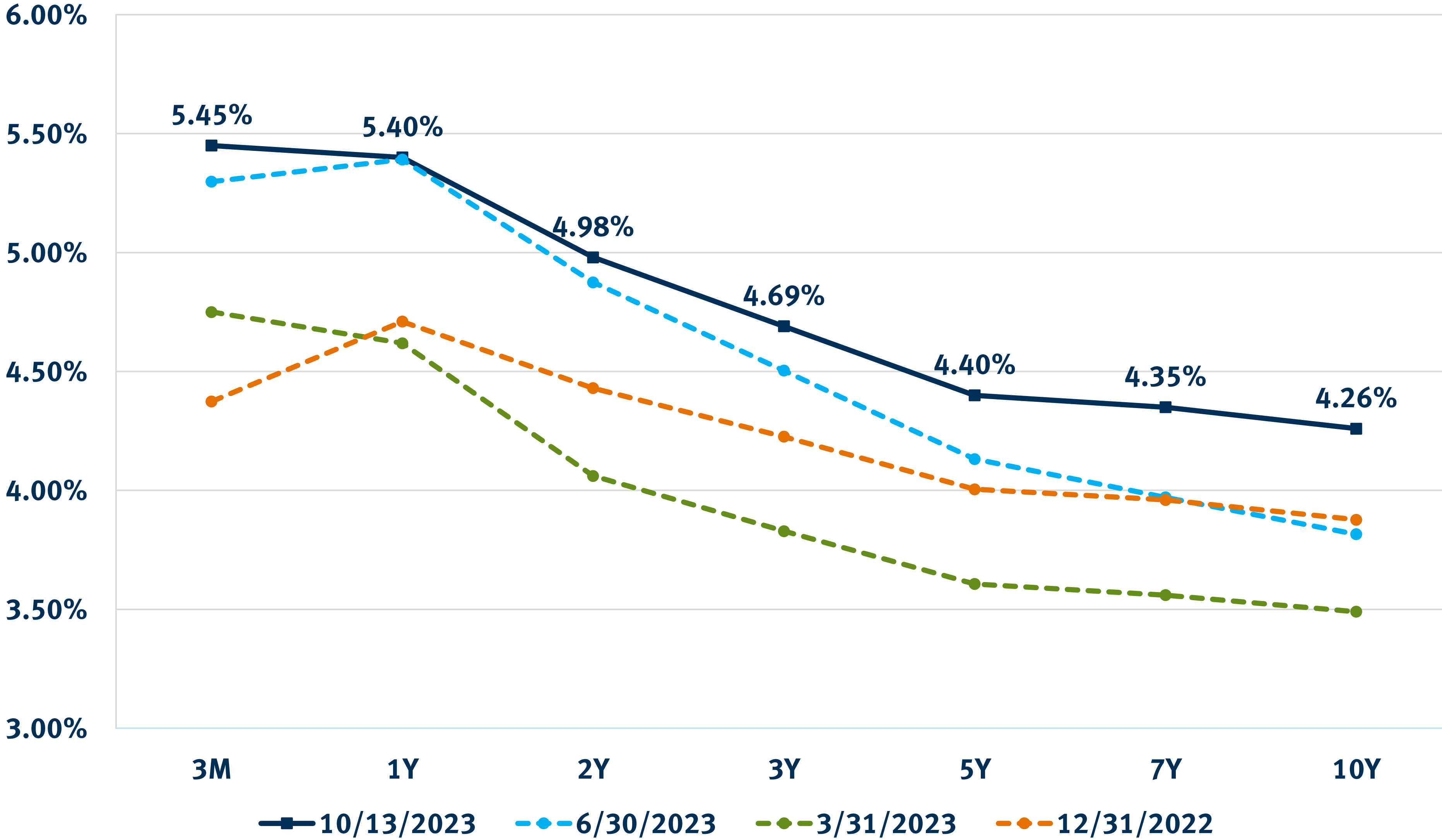
Treasury Yield Curve

The 10-year and 3-month Yield Curve Has Been Inverted for a Record 239 Straight Trading Days



1. Data per Bloomberg

Economic & Interest Rate Projections

Economic & Interest Rate Forecast

											Annual Rate			
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	2022	2023	2024	2025
Growth indicators														
GDP, QoQ %	2.0%	2.4%	2.6%	1.5%	0.9%	1.8%	2.4%	1.8%	0.6%	1.3%	0.9%	2.1%	1.7%	1.0%
Consumer Spending, %	4.2%	1.6%	2.8%	1.0%	1.2%	1.6%	2.3%	1.0%	0.8%	1.2%	1.9%	2.4%	1.5%	1.0%
Fixed Investment, %	-0.5%	4.9%	0.5%	2.8%	2.2%	1.8%	3.3%	2.5%	1.8%	1.4%	-2.0%	2.5%	2.5%	1.6%
Housing Starts, k, end of quarter, yr end	1,380	1,434	1,400	1,425	1,485	1,500	1,500	1,550	1,595	1,620	1,357	1,425	1,550	1,620
Unemployment Rate, %, qrt avg, yr end	3.5%	3.5%	3.6%	3.7%	4.0%	3.9%	3.8%	3.8%	3.9%	3.9%	3.6%	3.7%	3.8%	3.9%
Nonfarm Payrolls, k, qrt avg, ann avg	217	209	180	170	150	155	175	200	175	160	343	194	170	168
Inflation indicators, YoY%, yr end														
PCE	4.2%	3.0%	3.4%	3.5%	3.4%	3.7%	3.6%	3.2%	2.9%	2.6%	5.3%	3.5%	3.2%	3.7%
Core PCE	4.6%	4.1%	3.9%	3.9%	3.6%	3.7%	3.6%	3.2%	2.9%	2.8%	4.6%	3.9%	3.2%	3.7%
PPI	2.7%	0.1%	1.4%	2.2%	1.9%	2.5%	2.4%	2.4%	2.4%	2.4%	6.4%	2.2%	2.4%	2%
Interest rate, %, end of quarter, yr end														
FF	5.00	5.25	5.75	6.00	6.00	6.00	6.00	6.00	5.75	5.50	4.50	6.00	6.00	5.50
3month UST bills	4.75	5.30	5.75	6.00	5.95	5.95	6.05	5.95	5.70	5.45	4.37	6.00	5.95	5.45
2yr UST notes	4.03	4.90	5.25	5.35	5.30	5.25	5.15	5.15	5.05	4.75	4.43	5.35	5.15	4.75
5yr UST notes	3.58	4.16	4.40	4.45	4.35	4.30	4.30	4.25	4.05	4.00	4.01	4.45	4.25	4.00
10yr UST notes	3.47	3.84	4.25	4.35	4.25	4.25	4.20	4.15	4.00	3.95	3.88	4.35	4.15	3.95
30yr UST bonds	3.65	3.86	4.30	4.45	4.35	4.35	4.30	4.25	4.10	4.08	3.97	4.45	4.25	4.08
3mon to 2s spread bps	-72	-40	-50	-65	-65	-70	-90	-80	-65	-70	6	-65	-80	-70
3mon to 10s Spread bps	-128	-146	-150	-165	-170	-170	-185	-180	-170	-150	-50	-165	-180	-150
2s to 10s Spread bps	-56	-106	-100	-100	-105	-100	-95	-100	-105	-80	-55	-100	-100	-80

- Surprising and persistent resilience in the labor market and the durability of consumption have delayed the onset of expected economic weakness despite more than 500bps in Fed tightening. But while the slowdown presumably has been deferred until 2024, it will likely prove modest in both depth and duration – potentially avoiding outright negative territory altogether.

- The sticky nature of inflation, meanwhile, will likely force at least one additional rate adjustment by year-end. Combined with tighter credit, it should aid the Committee's effort to reach a sufficiently restrictive level of policy. Inflationary pressures are likely to remain above the Committee's 2% target for some time longer, potentially creating a need for rates to remain at an elevated terminal level for a prolonged period. Policy persistence will act to compound pressure on demand and loosen labor market conditions slightly, although imbalances will expectedly remain throughout 2024.

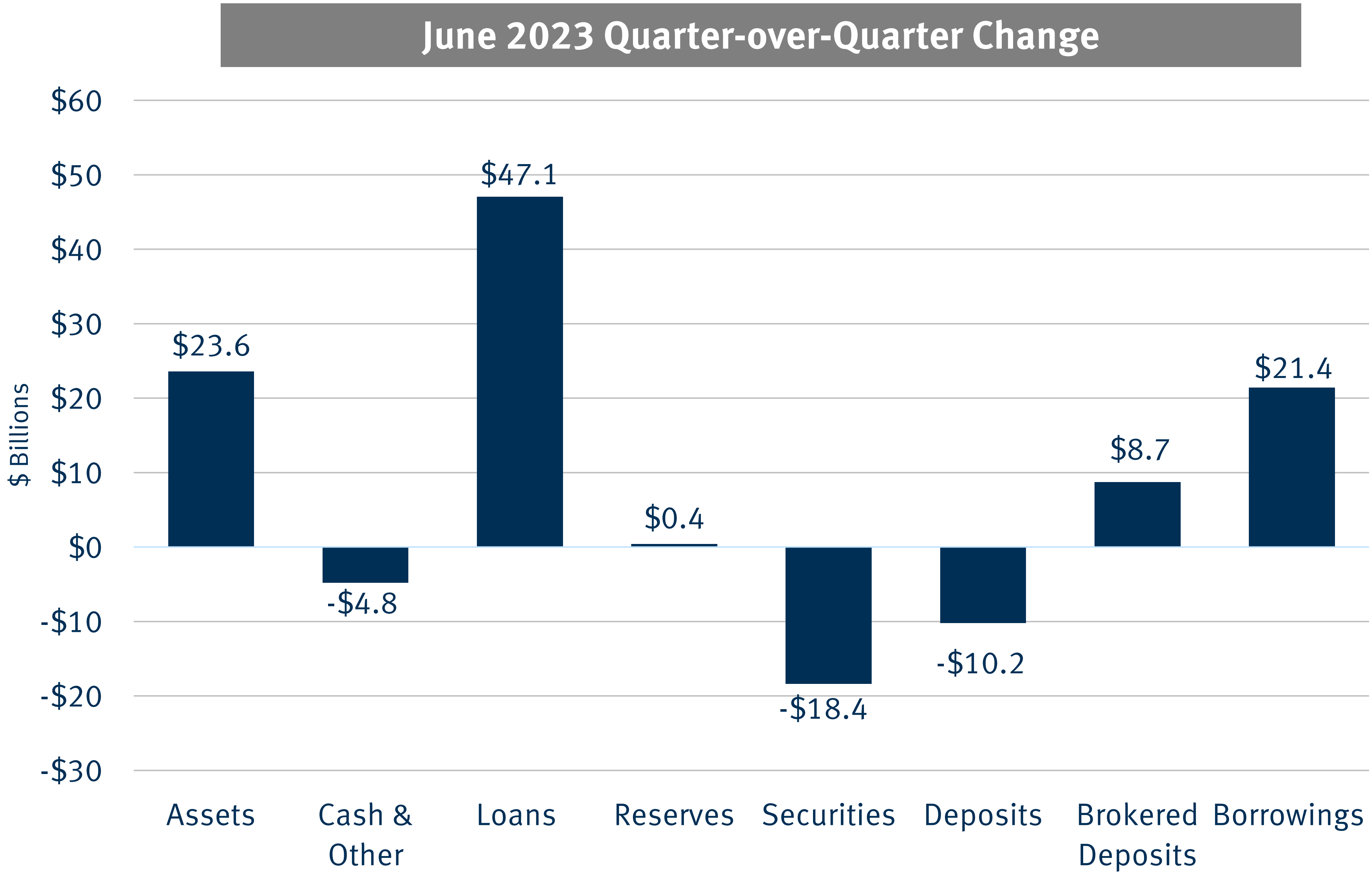
- Shorter-term market rates will presumably follow along with the Fed, which is likely near the end of its rate hike cycle. Longer rates, however, are expectedly near peak levels. While looming topline weakness has proven to be less of a restraint relative to 2023 (when recession was more widely anticipated), the expectation of a return to neutral monetary policy, i.e., the expected reductions in the policy rate at the end of 2024 into 2025 juxtaposed with the avoidance of a significant downturn, should limit downside momentum over the next 12 -18 months.

1. Actual data in red per Bloomberg
2. Stifel Forecast August 2023

Banking Trends

Community Bank Balance Sheet Changes

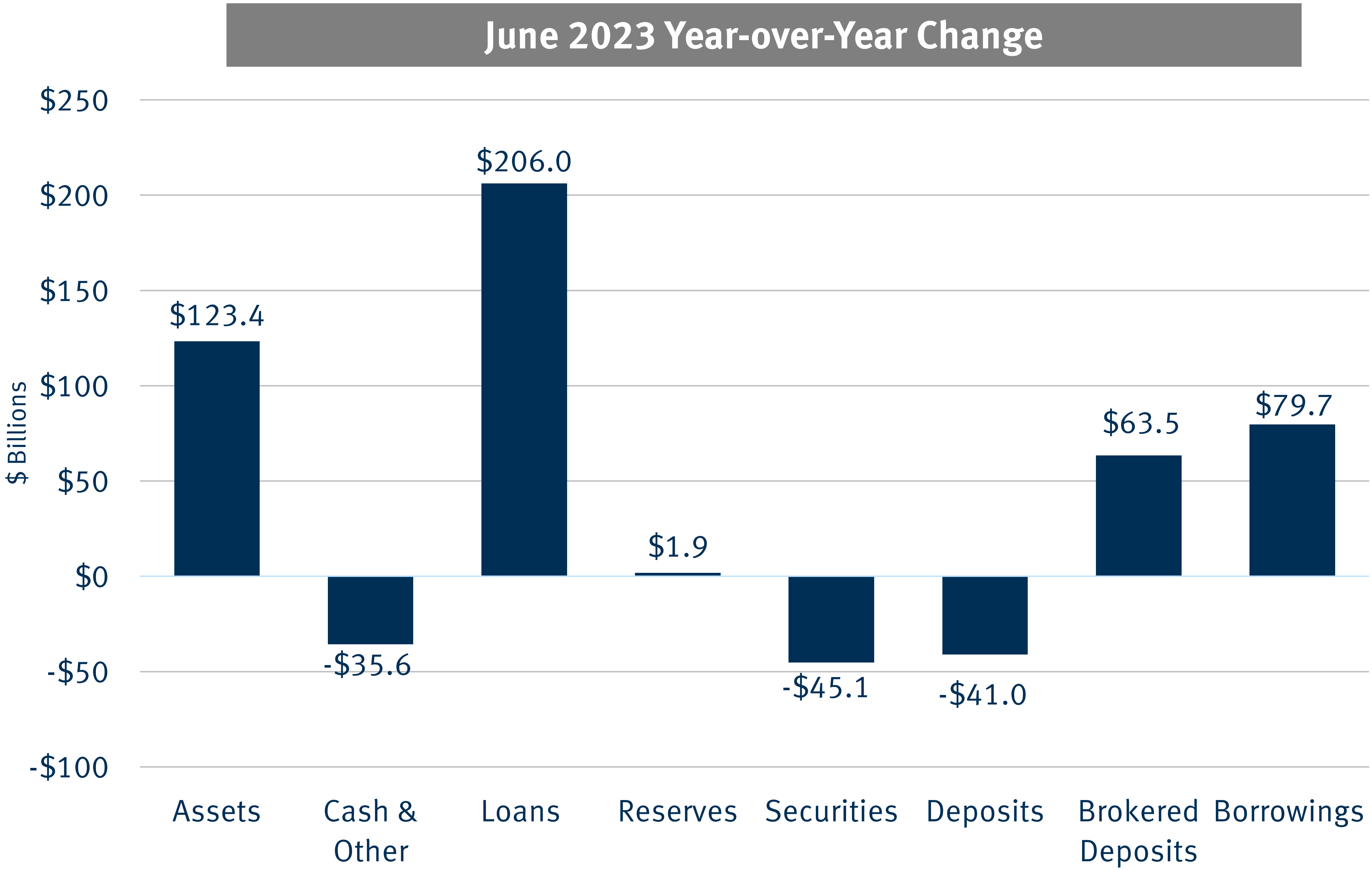
Loans increased $47.1bn or 2.60% QoQ, funded by cash, securities cash flow, and wholesale sources



1. Data per FDIC Quarterly Banking Profile June 2023 (Community Banks)

Community Bank Balance Sheet Changes

Loans increased $206bn or 12.5% YoY, funded by cash, securities cash flow and wholesale sources

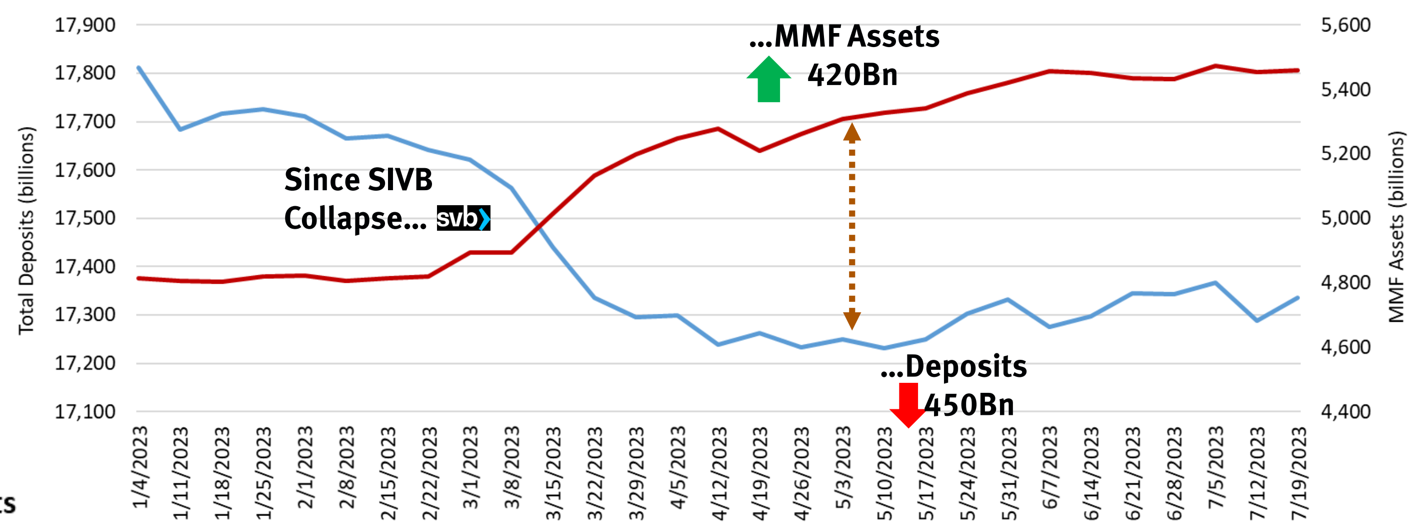


1. Data per FDIC Quarterly Banking Profile June 2023 (Community Banks)

Under Pressure: *Deposit Flows*

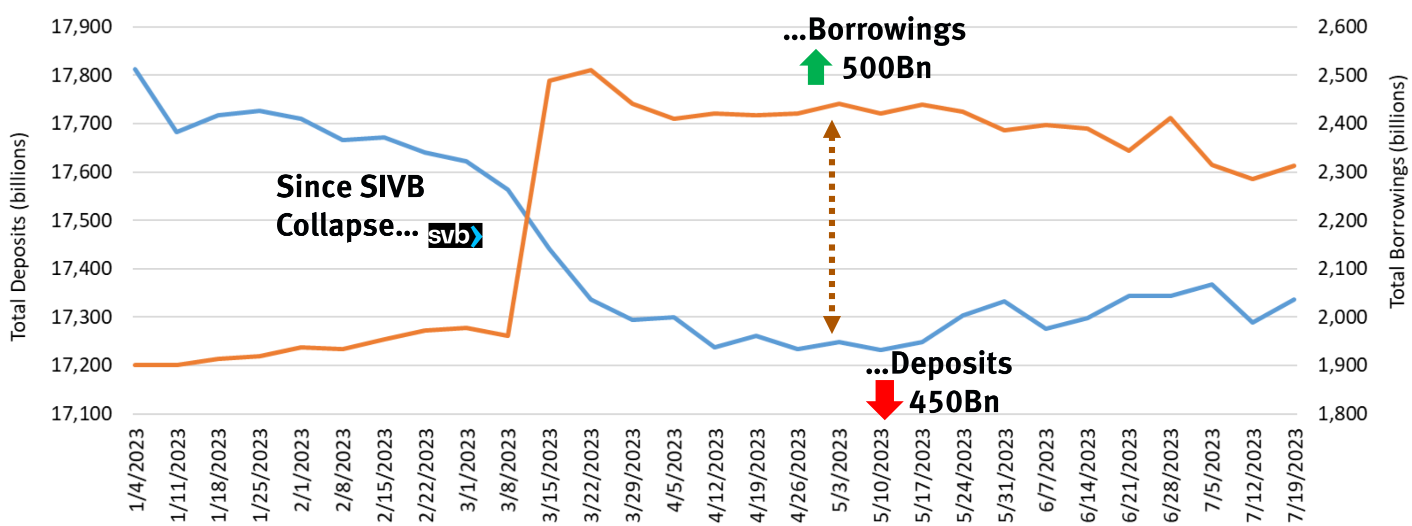
Inverse Relationship: Deposits & MMFs post SIVB Collapse

- As Fed H.8 data illustrates in the chart, commercial bank deposits initially declined ~$450 billion, while money market fund assets grew ~$420 billion following SBV's failure. Deposit outflows have moderated and even reversed in recent weeks.



Inverse Relationship: Banks turn to Wholesale Funding

- To fund the gap, commercial banks initially looked to wholesale borrowings, which initially increased ~$500 following SVB's failure. However, in recent weeks the pace of borrowings has slowed as deposit outflows abated.

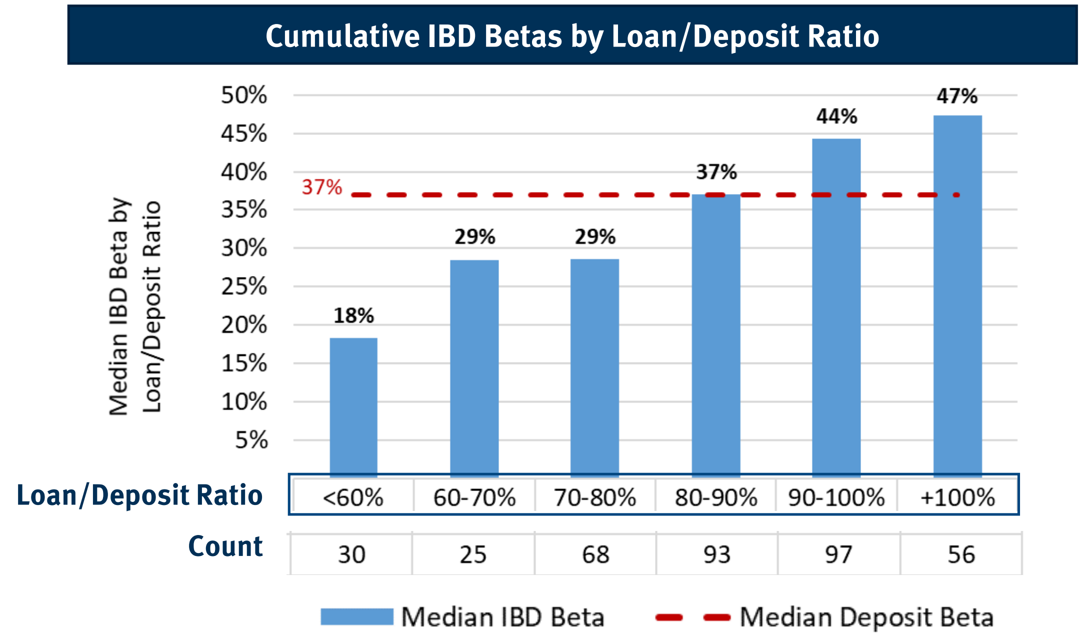


1. Public Banks $1bn to $20Bn Total Assets
2. Data per S&P Global and Bloomberg

Top 4 Factors Impacting Deposit Betas: *Public Banks $1Bn to $20Bn Total Assets*

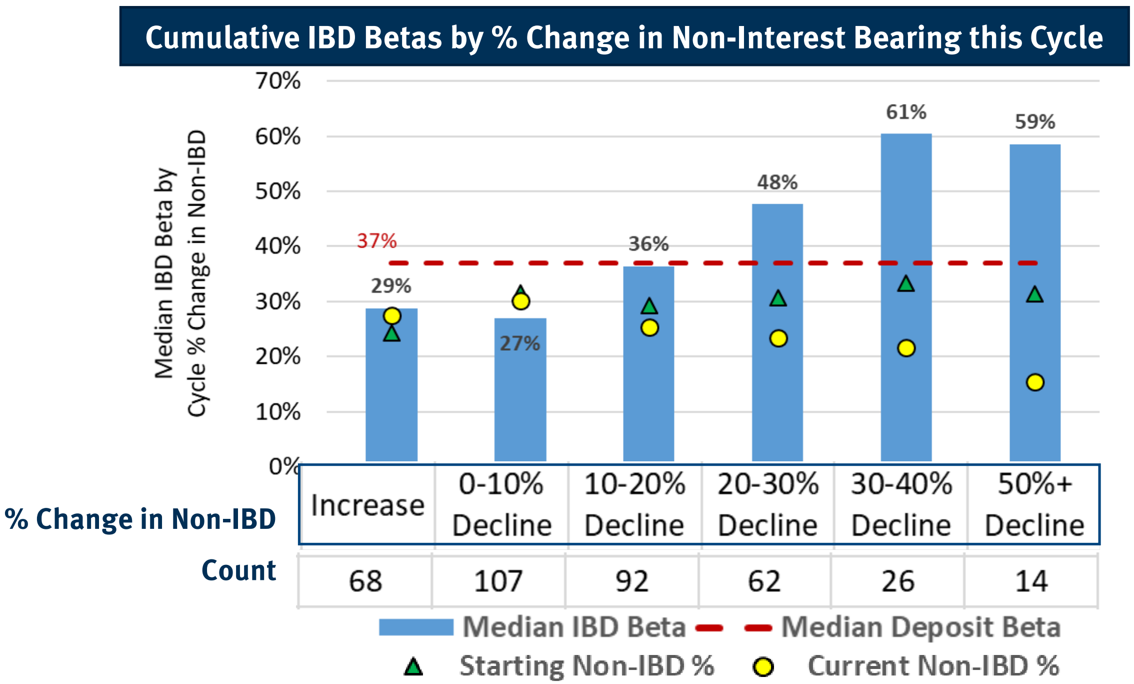
1 Liquidity

- Banks with greater balance sheet flexibility (captured by Loan/Deposit ratio) have experienced lower cumulative IBD Betas
- Banks more constrained on ability to efficiently fund loan growth with core deposits have been forced into higher deposit costs



2 Deposit Mix

- NIB Deposits are in the process of normalizing lower
- As the spread between IBD Costs and the Fed Funds Effective Rate has widened, the NIB/Deposit ratios have dropped significantly. This cycle, the peer group median dropped from 30.2% to 25.9%



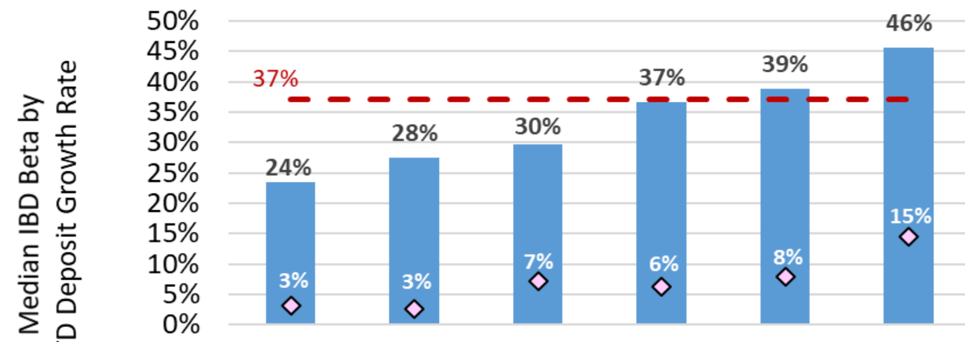
1. Public Banks $1bn to $20Bn Total Assets
2. Data per S&P Global as of 6/30/2023
3. "Current Cycle" is 2021Q4 through 2023Q2

Top 4 Factors Impacting Deposit Betas: *Public Banks $1Bn to $20Bn Total Assets*

3 Deposit Growth

- Banks that have grown deposits more quickly YTD have seen the highest cumulative deposit betas
- YTD, deposit and loan growth are highly correlated, indicating higher growth markets require more responsiveness to rate changes. Banks with lower growth targets may be better positioned to lag deposit costs

Cumulative IBD Betas by Deposit Growth

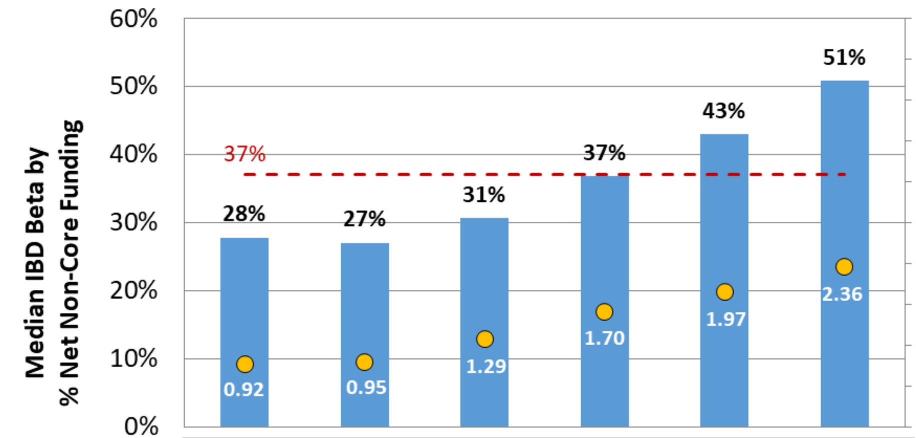


YTD Deposit Growth	>10% Decline	5-10% Decline	0-5% Decline	0-5% Increase	5-10% Increase	10+% Increase
Count	51	38	68	61	55	95

4 Wholesale Funding Dependency

- Wholesale (non-core) funding includes Brokered CDs and FHLB Advances
- Higher non-core funding ratios are highly correlated with elevated deposit betas. The IBD beta and cost of funds trend reflect a rotation out of non-interest bearing deposits and into Brokered CDs

Cumulative IBD Betas by Net Non-Core Funding Ratio



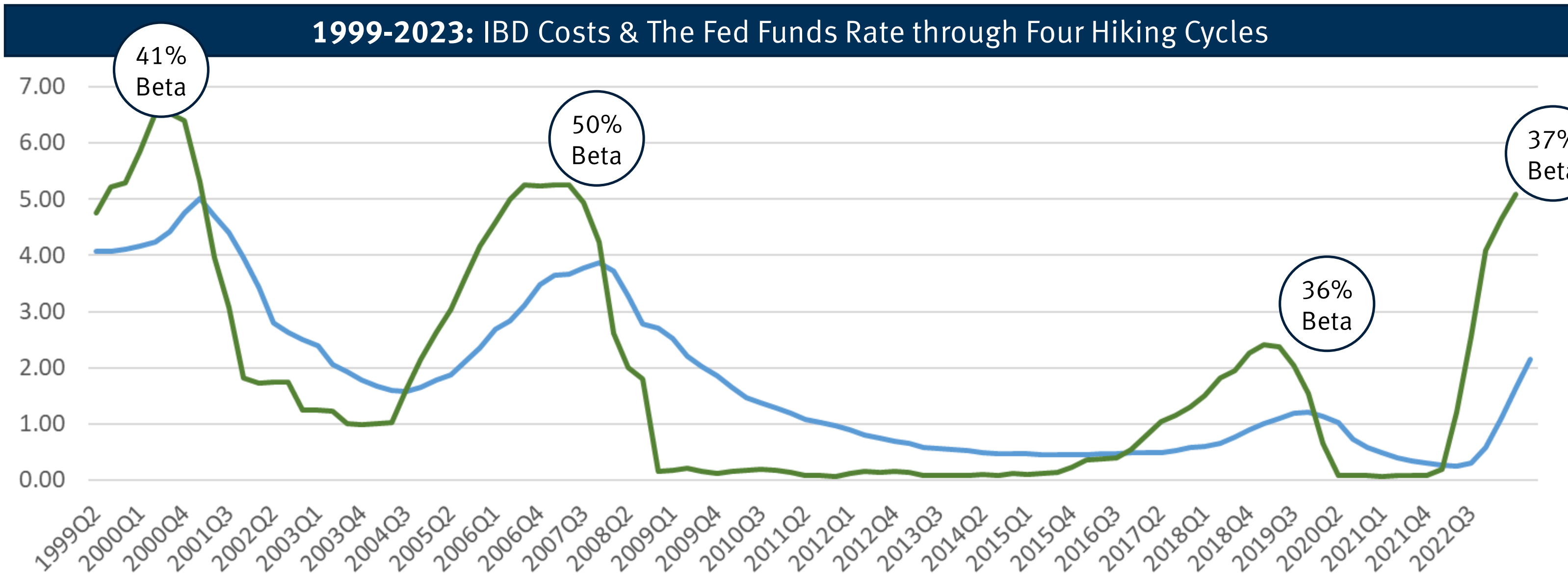
Wholesale Funding Ratio	0	0-5%	5-10%	10-15%	15-20%	20%+
Count	21	61	98	68	49	72

1. Public Banks $1bn to $20Bn Total Assets
2. Data per S&P Global as of 6/30/2023
3. "Current Cycle" is 2021Q4 through 2023Q2

Beta Projections: *Deposit Betas Across Time Horizon Show "Room to Run"*

- The chart below illustrates the relationship between Interest-Bearing Deposit Costs (blue) and the Fed Funds Rate (green).Over the past 20+ years, deposits rates have lagged the Fed Funds rate. Below are IBD Costs for Public Banks $1Bn to $20Bn in Assets.

When Fed Funds Effective reached over 5.00%, cumulative IBD betas were 41-50%



- Since 1999, when tightening cycles end with a Fed Funds terminal rate at or above 5.00%, cumulative deposit betas have exceeded 40% for that cycle. The current cycle as of 2023Q2 exhibits a cumulative deposit beta of 37%. To illustrate the trend, if the Fed Funds Rate peaks at 5.33% in this cycle, a cumulative deposit beta of 50% would result in a further increase of ~80bps to IBD Cost.

	1999-2000	2004-2007	2016-2019	2022-2023Q2	Projection 40% Beta	Projection 45% Beta	Projection 50% Beta	Projection 55% Beta
Starting IBD Cost	4.04	1.60	0.45	0.25	0.25	0.25	0.25	0.25
Ending IBD Cost	4.76	3.70	1.17	2.09	2.35	2.61	2.88	3.14
Δ IBD Cost	**0.72**	**2.10**	**0.72**	**1.84**	**2.10**	**2.36**	**2.63**	**2.89**
Starting FF Rate	4.76	1.03	0.40	0.08	0.08	0.08	0.08	0.08
Ending FF Rate	6.52	5.25	2.38	5.08	5.33	5.33	5.33	5.33
Δ FF Rate	**1.76**	**4.22**	**1.98**	**5.00**	**5.25**	**5.25**	**5.25**	**5.25**
Deposit Beta	**41%**	**50%**	**36%**	**37%**	**40.0%**	**45.0%**	**50.0%**	**55.0%**

	1999-2000	2004-2007	2016-2019	2022-2023Q2	99 & '04 Cycle Avg Cost-Yld / Beta
Int Bearing Liability Beta	44%	50%	37%	39%	2.77% IBL Cost / 47% Beta
Earning Asset Beta	31%	40%	34%	30%	5.21% EA Yld / 35% Beta

1. Public Banks $1bn to $20Bn Total Assets, Data per S&P Global as of 6/30/2023, "Current Cycle" is 2021Q4 through 2023Q2
2. Cumulative Asset & Liability Beta Projections based on the average of the last two cycles in which the Fed Funds Effective Rate reached over 5.00% (1999-2000 and 2004-2007) and is for illustrative purposes only

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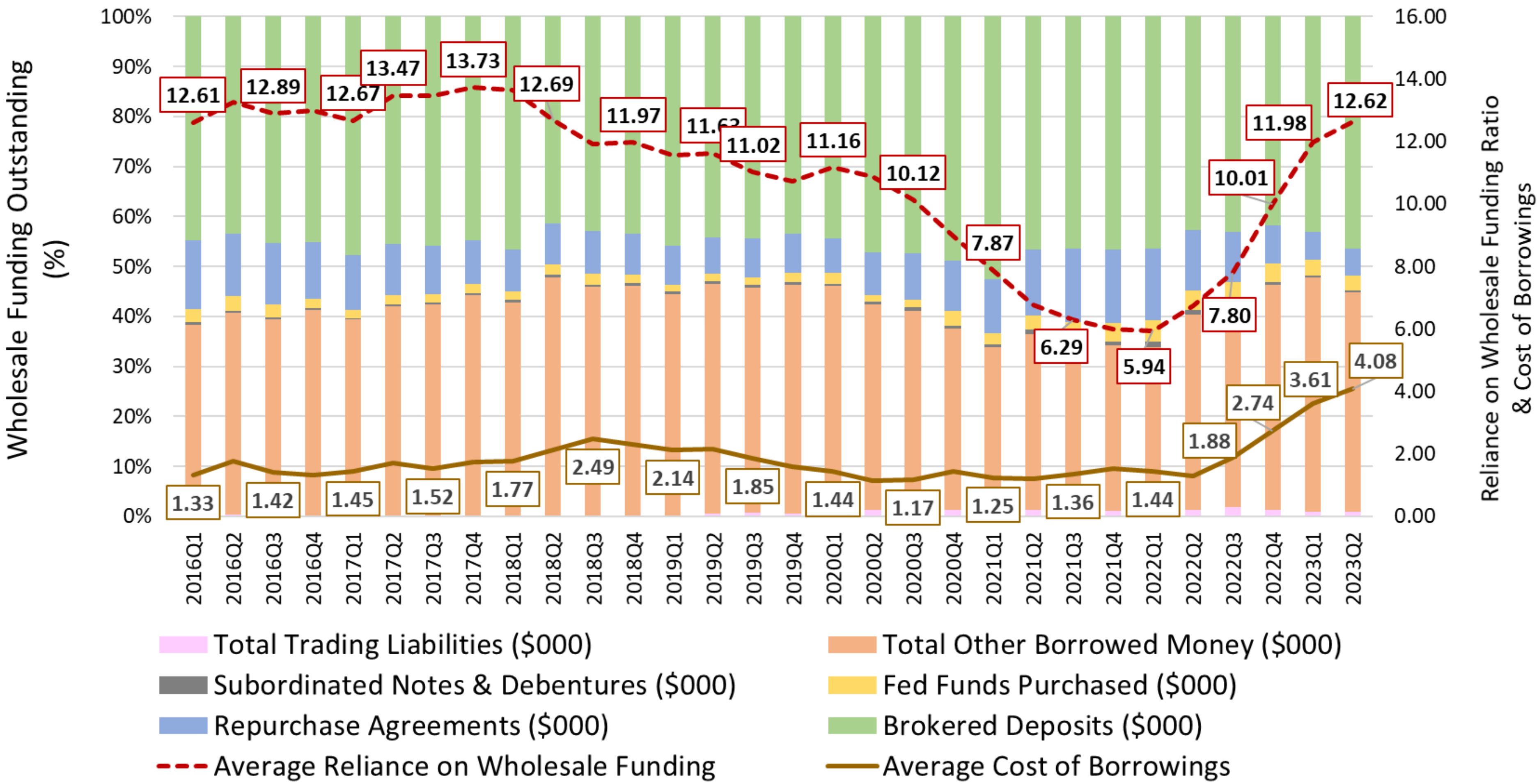
The Whole(sale) Picture: *Contextualizing Dependency on Wholesale Funding and Associated Costs*

- During the COVID-19 pandemic, reliance on wholesale funding ratios dropped below 6% for the first time since the early 1990's. Significant increases have normalized wholesale funding trends, albeit at historically high funding costs.

Wholesale Funding Trends 2016 – 2023Q2: Public Banks $1Bn to $20Bn Total Assets

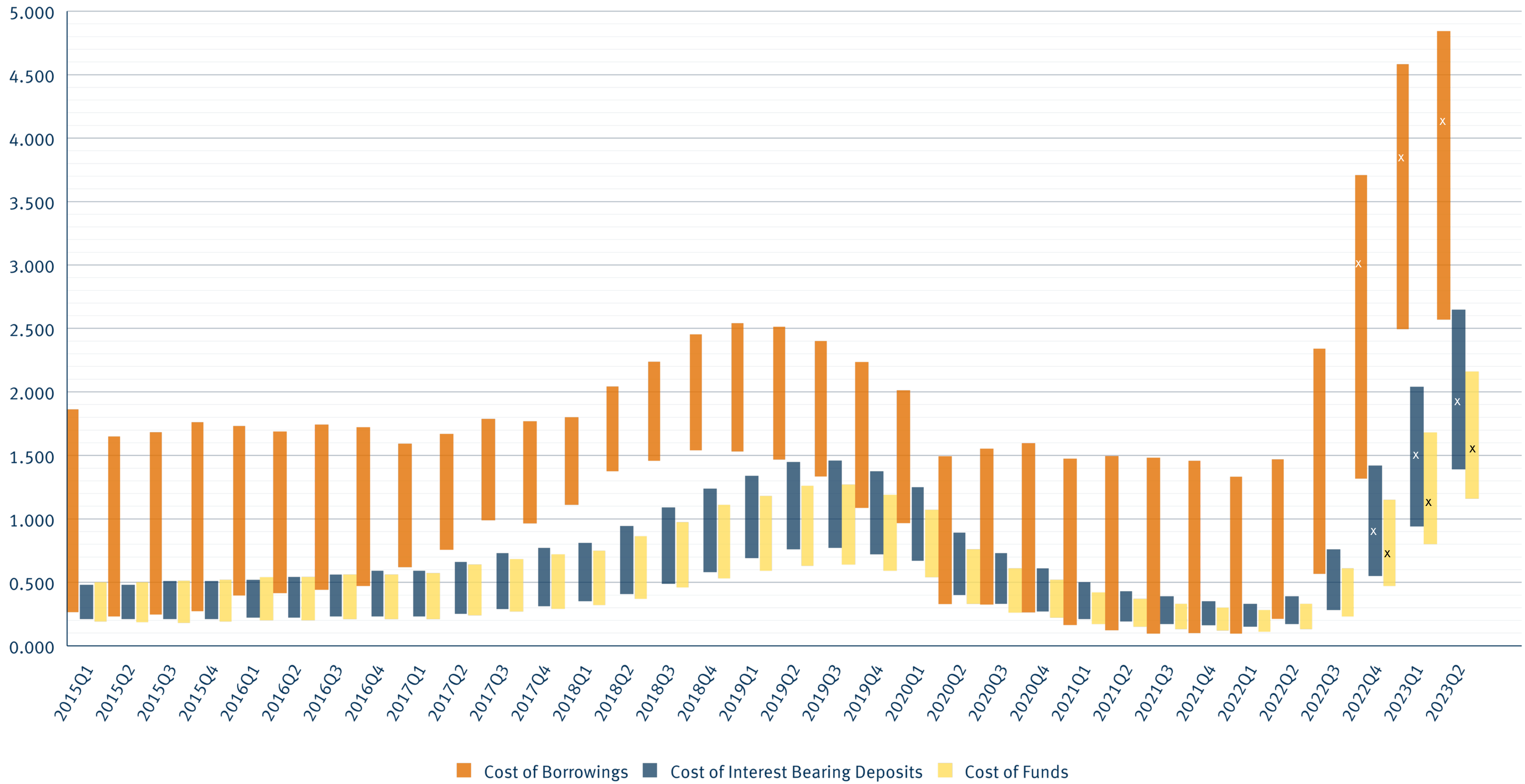


1. Public Banks $1bn to $20Bn Total Assets
2. Data per S&P Global as of 6/30/2023
3. "Current Cycle" is 2021Q4 through 2023Q2

On The Rise: *Cost of Borrowings, IBDs, and Funds Distribution*

- As banks lagged deposit pricing to stem outflows, they have become significantly more reliant on borrowings, and the cost of those borrowings has risen much faster and already peaked much higher than last cycle. Interest bearing deposits costs, which lagged in 2022, have accelerated as deposit betas have climbed.

Cost of Borrowings, IBDs, and Funds Distribution: All Banks $1 - 20bn



1. Source: S&P Global
2. Peer group represents a rolling cohort of banks with $1-20bn in total assets during the period.
3. The box plot above visually represents the distribution of data using quartiles. The shaded box (the "interquartile range") contains observations in the 2nd and 3rd quartile (50% of the data).

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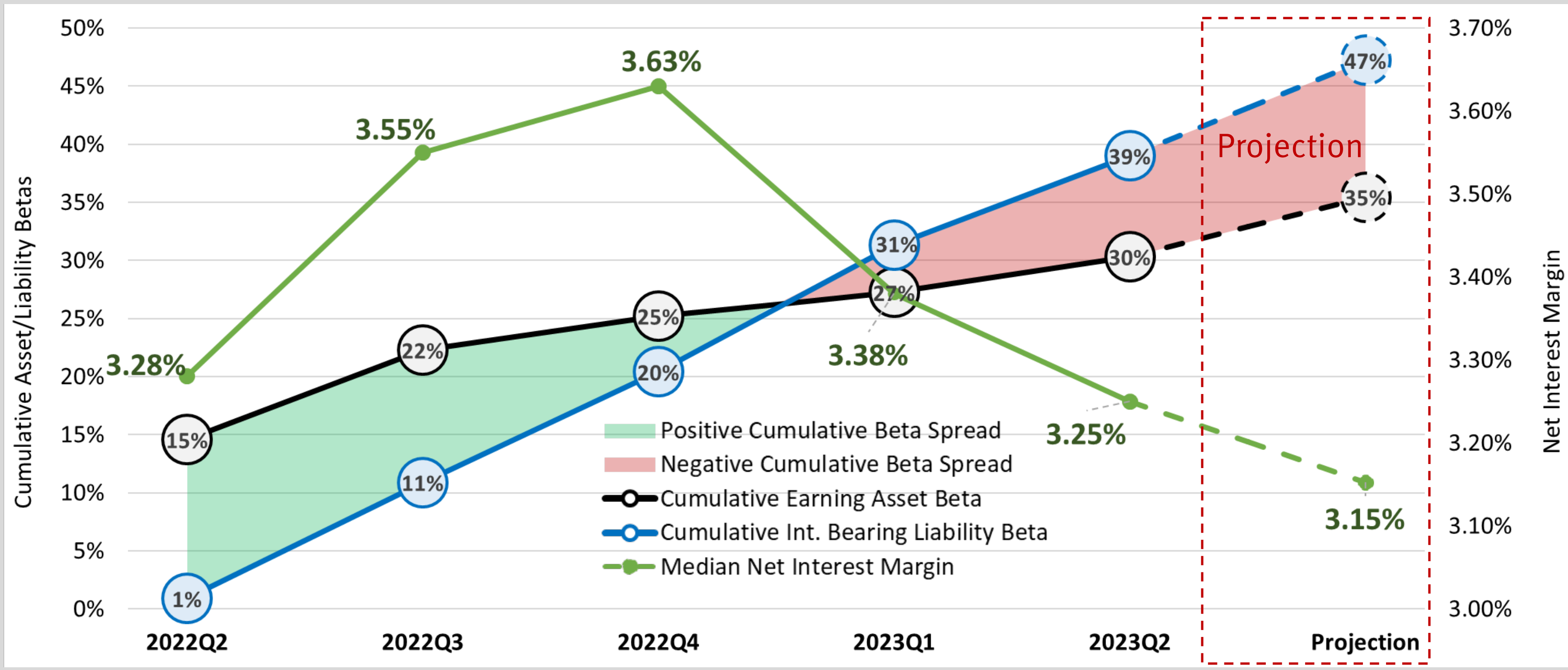
Net Interest Margin & Cumulative Earning Asset/Interest Bearing Liability Betas

The data below represents all public banks, $1Bn - $20Bn Total Assets, highlighting cumulative earning asset betas, cumulative interest bearing liability betas, and Net Interest Margin as of each quarter over the last year.

NIM and Cumulative Asset & Liability Betas *(based on median earning asset yields & median interest bearing liability costs)*

A peak in NIMs as of 2022Q4 is a result of the crossover between cumulative earning asset betas and cumulative interest bearing liability betas, where spread is currently -9%

A projection taking the average cumulative betas of the last two cycles where Fed Funds reached 5.00% ('99 & '04) , assumes a cumulative liability beta of 47% and a cumulative asset beta of 35%, the implied NIM drops to 3.15%



	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	Projection (illustrative)
Fed Funds Rate	**1.21%**	**2.56%**	**4.10%**	**4.65%**	**5.08%**	**5.33%**
Median Earning Asset Yield	3.51%	3.90%	4.36%	4.59%	4.86%	5.21%
Cumulative Earning Asset Beta	**15%**	**22%**	**25%**	**27%**	**30%**	**35%**
Median Interest Bearing Liability Cost	0.30%	0.56%	1.11%	1.72%	2.24%	2.77%
Cumulative Interest Bearing Liability Beta	**1%**	**11%**	**20%**	**31%**	**39%**	**47%**
Spread between Asset & Liability Betas	14%	11%	5%	-4%	-9%	-12%
Net Interest Margin	**3.28%**	**3.55%**	**3.63%**	**3.38%**	**3.25%**	**3.15%**

1. Public Banks $1bn to $20Bn Total Assets, Data per S&P Global as of 6/30/2023, "Current Cycle" is 2021Q4 through 2023Q2
2. Projection assumes 1% QoQ balance sheet growth and applies a scaler to each bank's earning asset yield and interest-bearing liability cost in order to back into a projected median cumulative interest-bearing liability beta and cumulative earning asset beta. The cumulative projected betas are the average of the last two cycles in which the Fed Funds Effective rate reached 5.00% ((1999-2000 and 2004-2007) and is for illustrative purposes only, and does not represent or attempt to project what the actual cumulative betas will be in 2022Q3 or beyond

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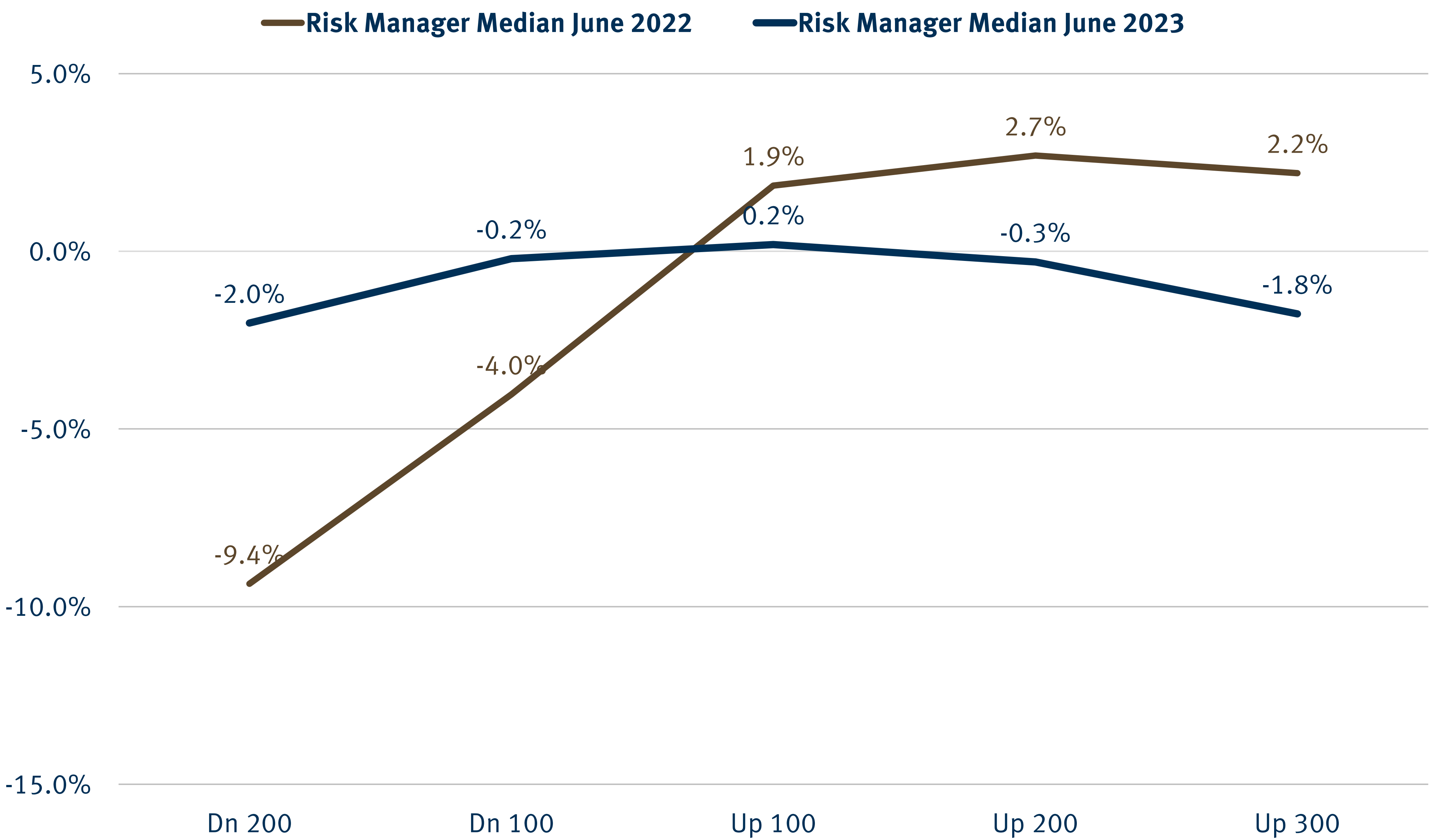
Polling Question

What is your expectation for Fed Funds (upper bound)?

1. The Fed has reached peak overnight rates
2. One additional hike of 25 bps to 5.75%
3. Two additional hikes of 25 bps to 6.00%
4. Terminal rate above 6.00%

ALM Profiles – Earnings at Risk Year 1 (Parallel Shock)

EAR profiles have shifted to a more neutral position; less exposure to declining rate scenarios



1. Data per Legacy Vining Sparks Risk Manager (ALM) Median

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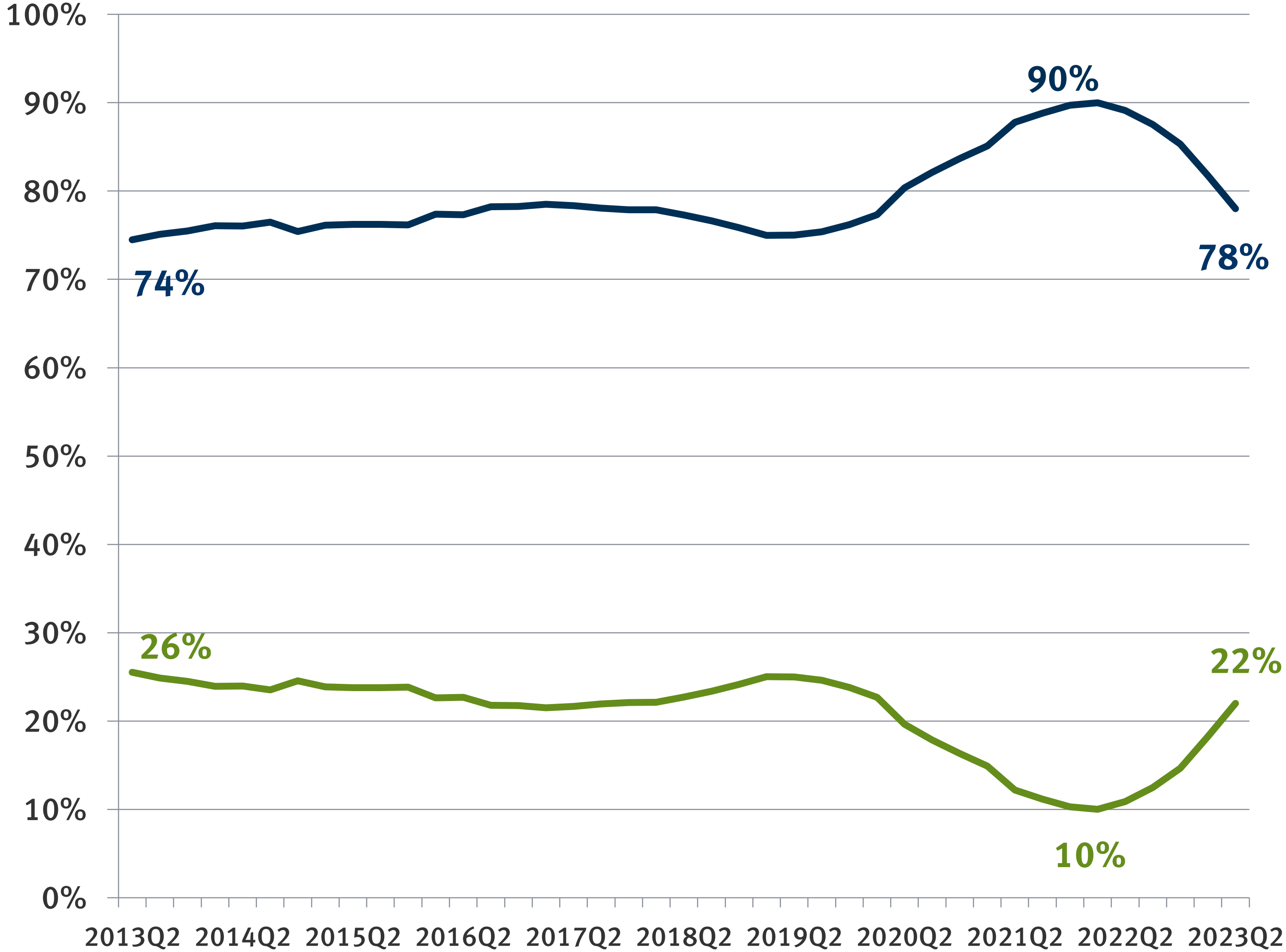
Deposit Funding Mix Shifts To CDs And Brokered Deposits

Mix of time and brokered deposits increases over the past year; mix still heavily weighted in NMDs

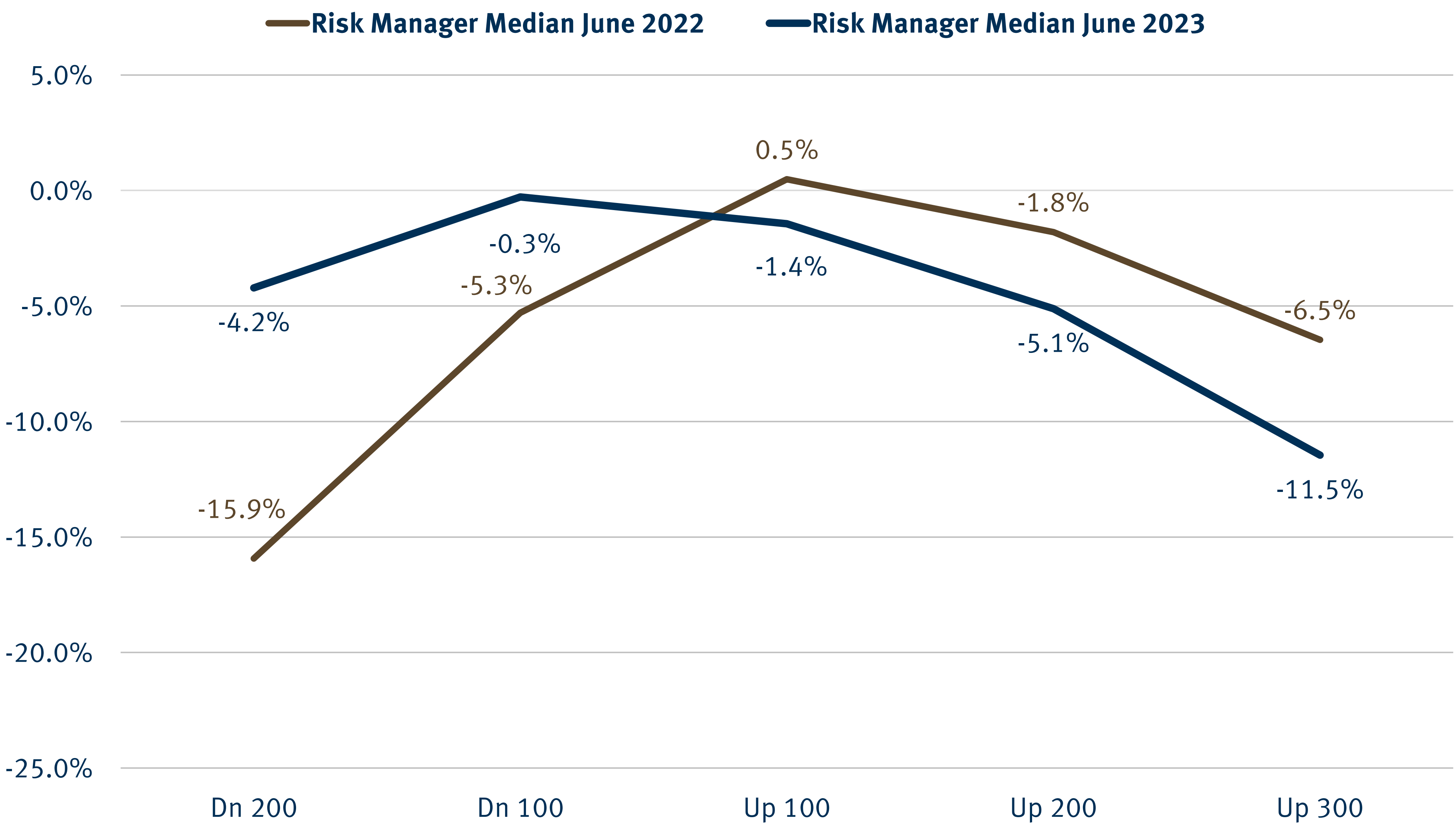


- Bankers and regulators remain cautious of the surge in deposits and a potential shift in deposit mix to historical norms.
- Since peaking in Q1'22 at 90% NMDs to total deposits, the ratio has declined over the last year to 78%.
- The mix shift is having a significant impact on liquidity, NIM, and interest rate risk positions.

1. Data per FDIC as of June 2023

ALM Profiles – Economic Value at Risk (Parallel Shock)

Banks are beginning to see modest pressure to larger rate shocks of +300 bps and +400 bps

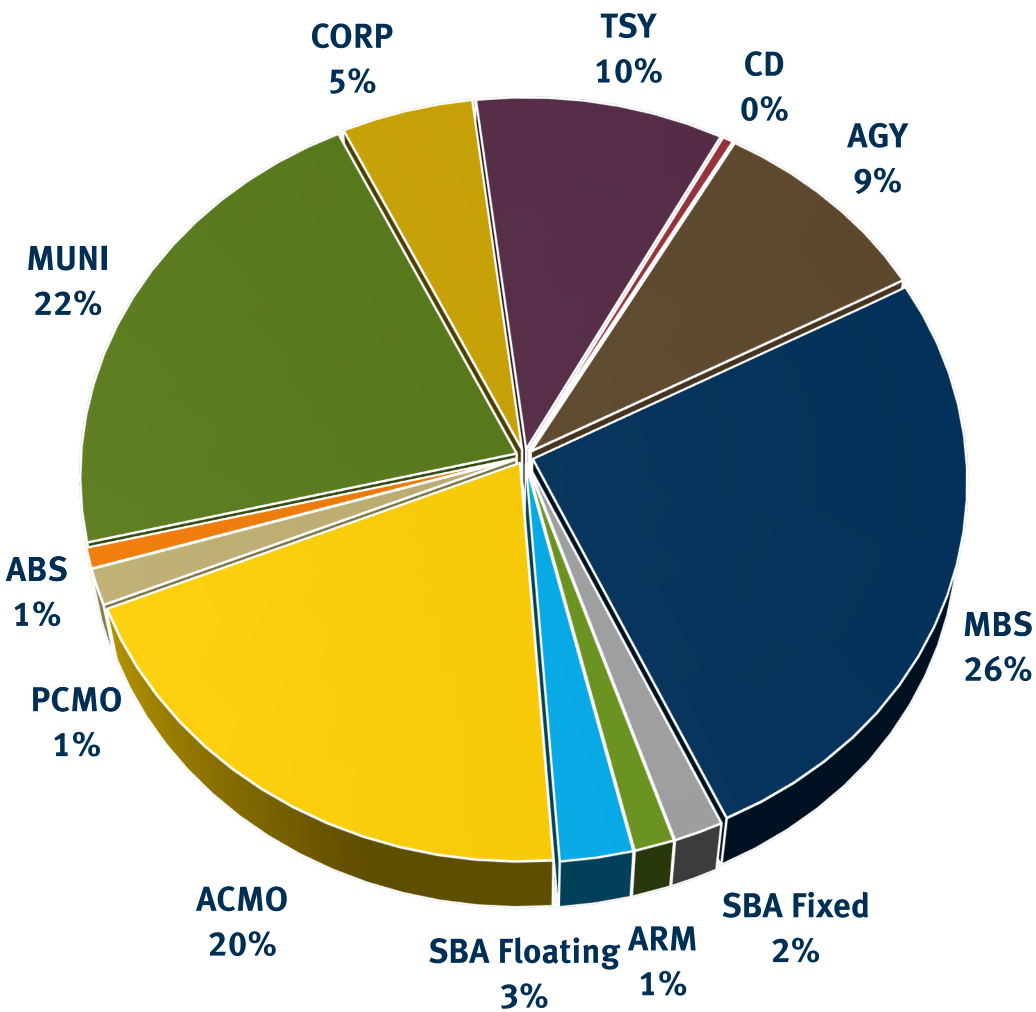


1. Data per Legacy Vining Sparks Risk Manager Median

Investment Portfolio Trends

Bond Accounting Statistics

Legacy Vining Sparks Bond Accounting – Banks September 2023



- 420 banks
- Average portfolio size = $179m
- TEY = 2.65% (+3 bps QoQ; +60 bps YoY)
- Average price risk +300 bps = -12.68%
- Effective duration base = 4.49
- Average life = 7.02 years
- Total credit exposure = 29.3%
- Mortgage allocation = 48.8%
- -13.56% unrealized loss % of book value
- 80.1% AFS / 19.9% HTM

1. Data per Legacy Vining Sparks Bond Accounting Median

Bond Accounting Statistics

Legacy Vining Sparks Bond Accounting – Banks September 2023

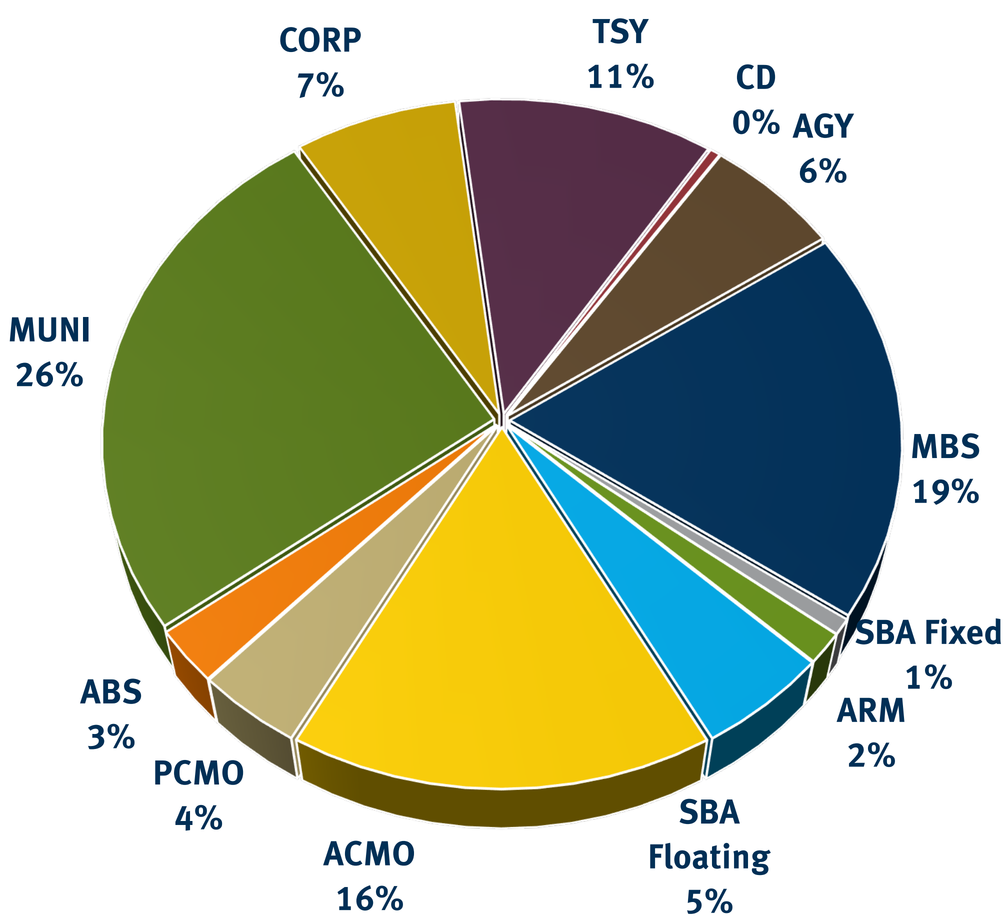
Security Category	Percent of Market Value						
	Quartile				All Banks	All Banks	Change
	1	2	3	4	9/30/23	6/30/23	QoQ
Allocations:							
Treasuries	11.3%	14.4%	4.8%	11.9%	9.7%	7.9%	1.8%
CDs	0.5%	0.5%	0.3%	0.5%	0.4%	0.4%	0.0%
Agencies	6.0%	6.3%	7.5%	18.5%	9.0%	9.2%	-0.3%
MBS Fixed	18.6%	24.0%	30.4%	29.1%	25.9%	24.7%	1.3%
SBA Fixed	0.8%	3.2%	1.7%	1.5%	1.7%	1.8%	-0.1%
ARM	1.5%	2.4%	1.0%	1.0%	1.4%	1.5%	0.0%
SBA Floating Rate	5.1%	3.3%	1.4%	0.6%	2.6%	2.9%	-0.4%
Agency CMO	16.4%	14.6%	29.0%	13.6%	19.9%	20.4%	-0.4%
Private CMO	4.1%	0.9%	0.9%	0.3%	1.6%	1.8%	-0.3%
Asset-Backed, Other Amortizing	2.7%	0.6%	0.3%	0.1%	0.9%	0.9%	0.0%
Municipals	25.9%	24.3%	18.2%	19.8%	21.7%	23.9%	-2.2%
Corporates, Other Non-Amortizing	7.2%	5.5%	4.8%	3.1%	5.2%	4.7%	0.5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0.0%**
Tax Equivalent Yield	**3.60%**	**2.78%**	**2.37%**	**1.87%**	**2.65%**	**2.62%**	**0.03%**
Effective Duration	**4.18**	**4.24**	**4.95**	**4.28**	**4.49**	**4.44**	**0.05**
Up 300 bps Price Volatility	**-11.94%**	**-12.07%**	**-13.91%**	**-12.03%**	**-12.68%**	**-12.87%**	**0.19%**
WAL	**7.38**	**6.98**	**7.42**	**5.90**	**7.02**	**7.28**	**(0.26)**
2-Yr Principal Cash Flow	**24.80%**	**24.32%**	**19.49%**	**25.98%**	**23.00%**	**21.07%**	**1.93%**
Gain (Loss) %	**-10.37%**	**-12.57%**	**-15.75%**	**-14.35%**	**-13.56%**	**-11.26%**	**-2.30%**
HTM %	**13.74%**	**23.28%**	**22.58%**	**18.53%**	**19.87%**	**18.72%**	**1.15%**

1. Data per Legacy Vining Sparks Bond Accounting

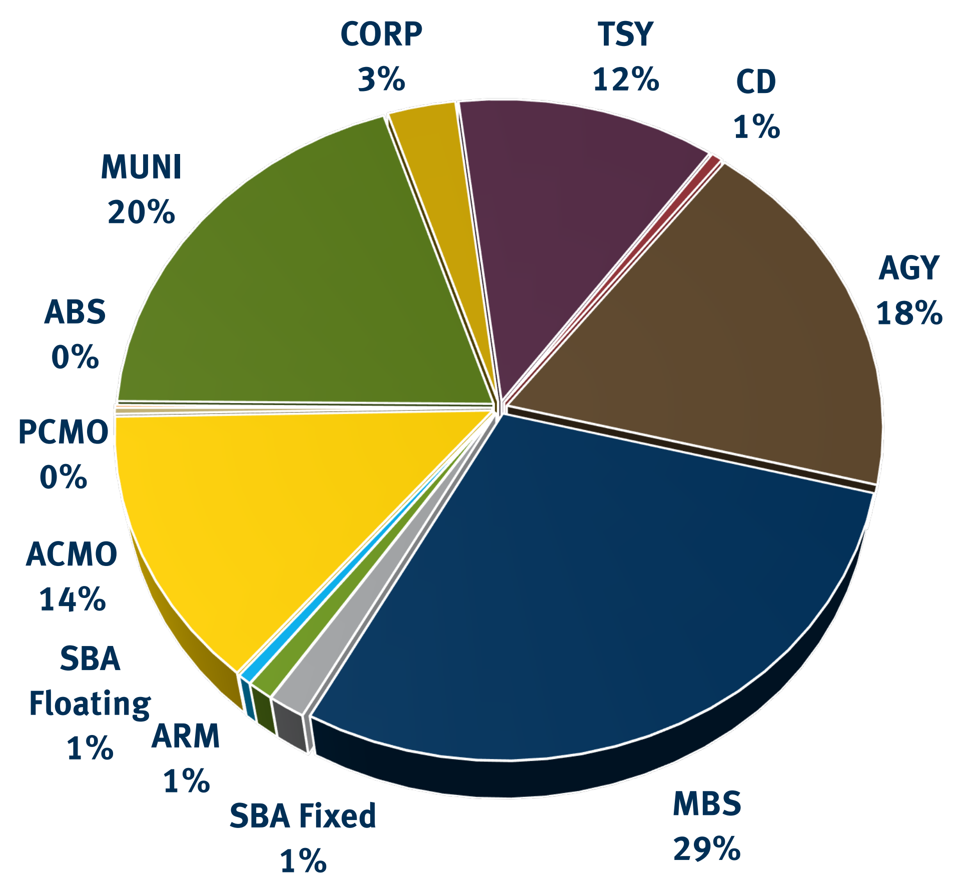
Bond Accounting Statistics – Sector Allocation

Legacy Vining Sparks Bond Accounting – Banks September 2023

Highest Yielding Portfolios (Quartile 1)



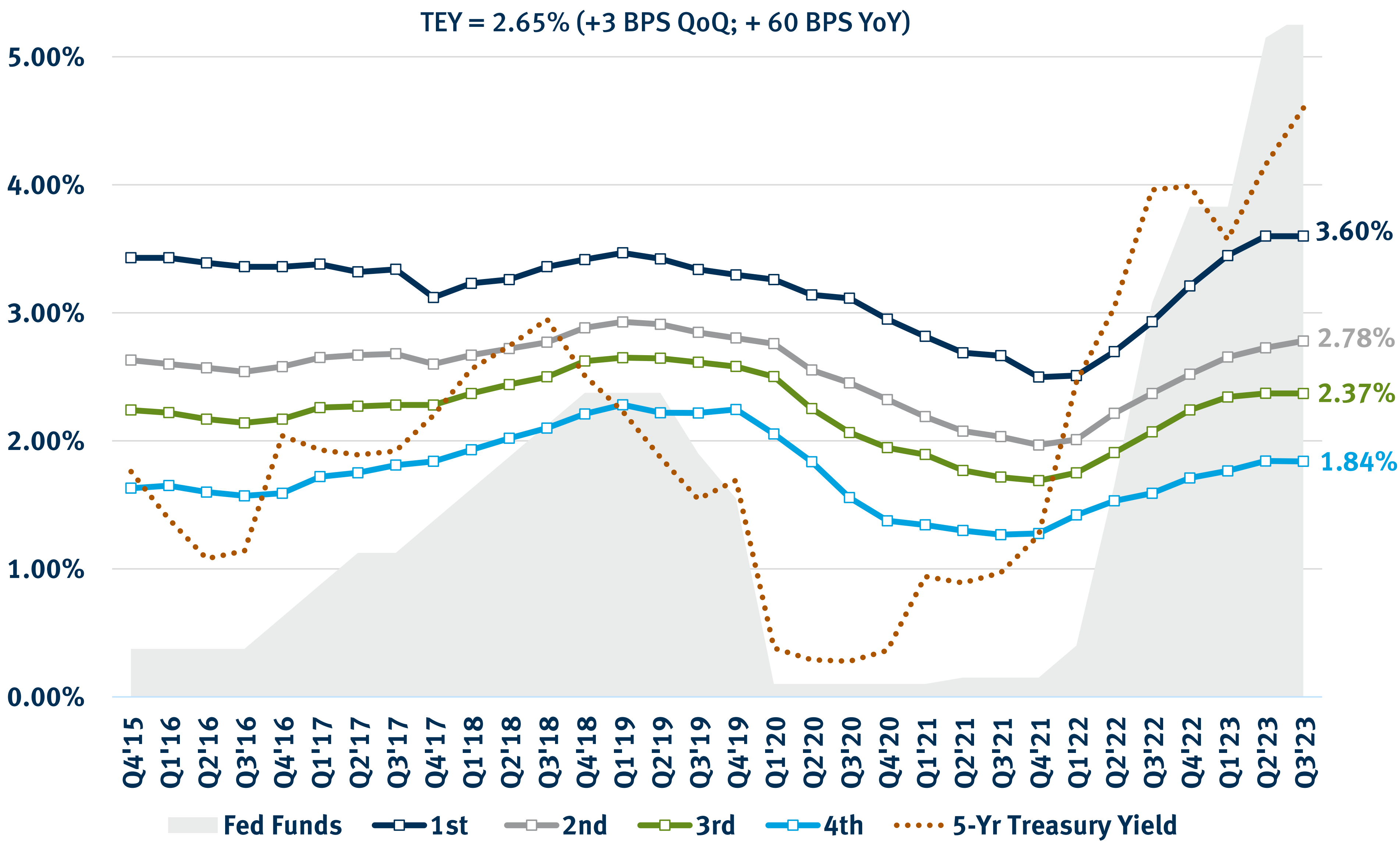
Lowest Yielding Portfolios (Quartile 4)



1. Data per Legacy Vining Sparks Bond Accounting
2. Quartiles 1-4 based on TEY

Bond Accounting Statistics – Yields (TEY)

Legacy Vining Sparks Bond Accounting – Banks September 2023

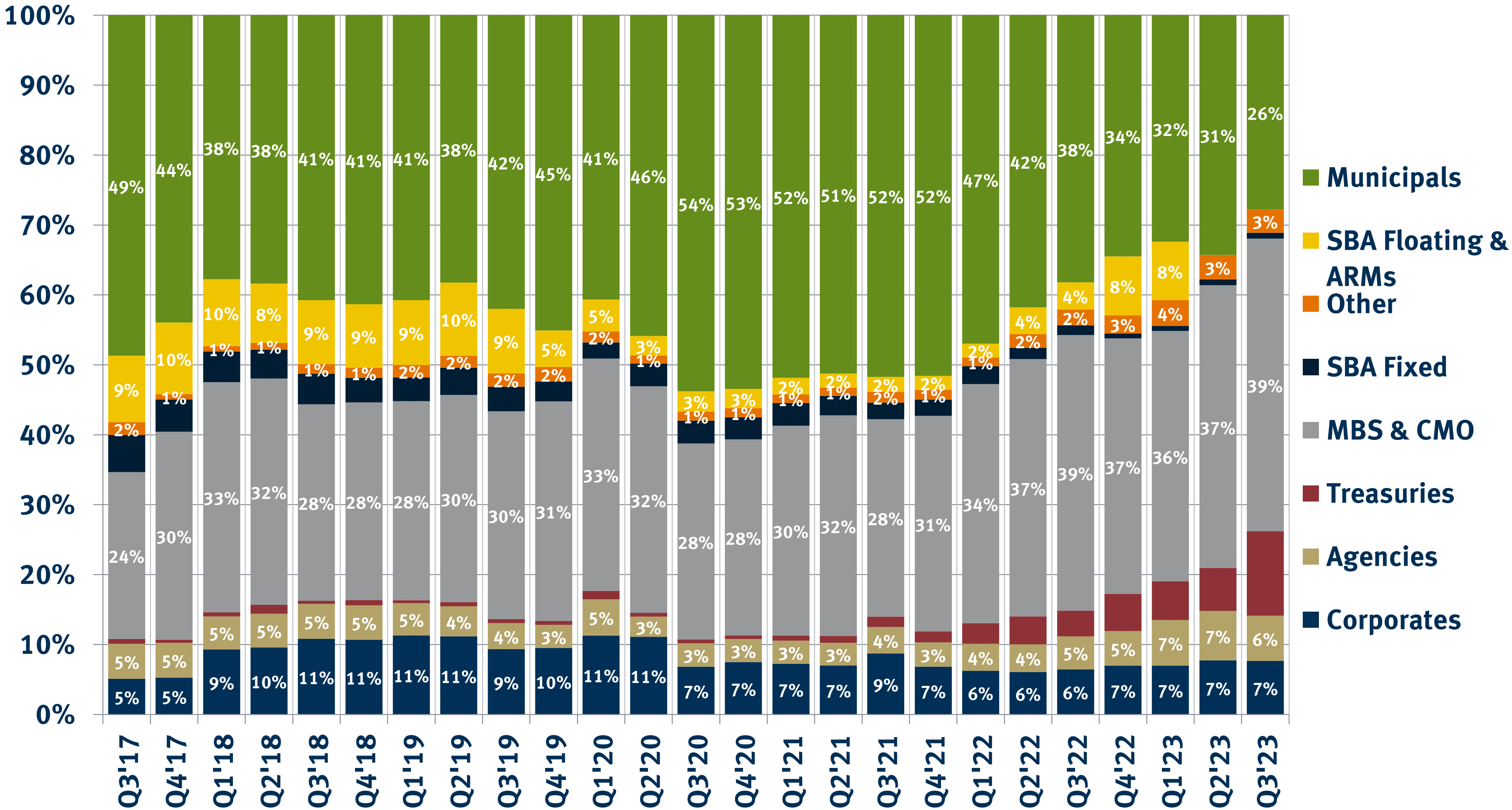


1. Data per Legacy Vining Sparks Bond Accounting
2. Quartiles 1-4 based on TEY

Bond Accounting Statistics – Top Quartile Allocation

Legacy Vining Sparks Bond Accounting – Banks September 2023

Municipal Allocation Has Declined From 52% Q4'21 to 26% Q3'23



1. Data per Legacy Vining Sparks Bond Accounting
2. Quartiles 1-4 based on TEY

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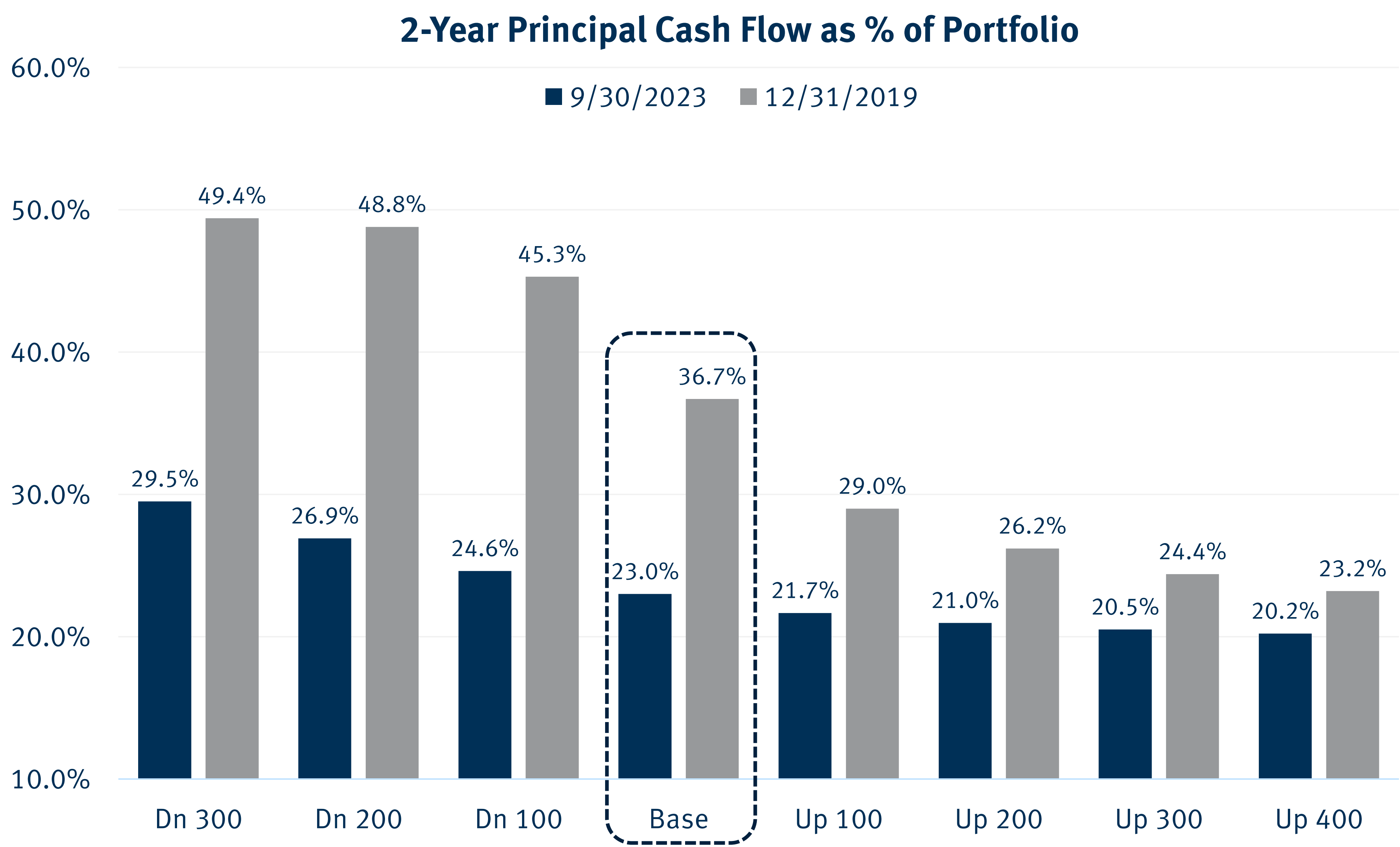
Bond Portfolio Cash Flows

Higher rates and cash flow extension have reduced both structural and transactional liquidity



1. Data per Legacy Vining Sparks Bond Accounting Median

Polling Question

Where will your institution's cost of funding earning assets plateau if the Fed holds the overnight rate near 5.50% through most of 2024?

1. 1.00% or lower
2. 2.00% to 2.50%
3. 2.50% to 3.00%
4. Above 3.00%

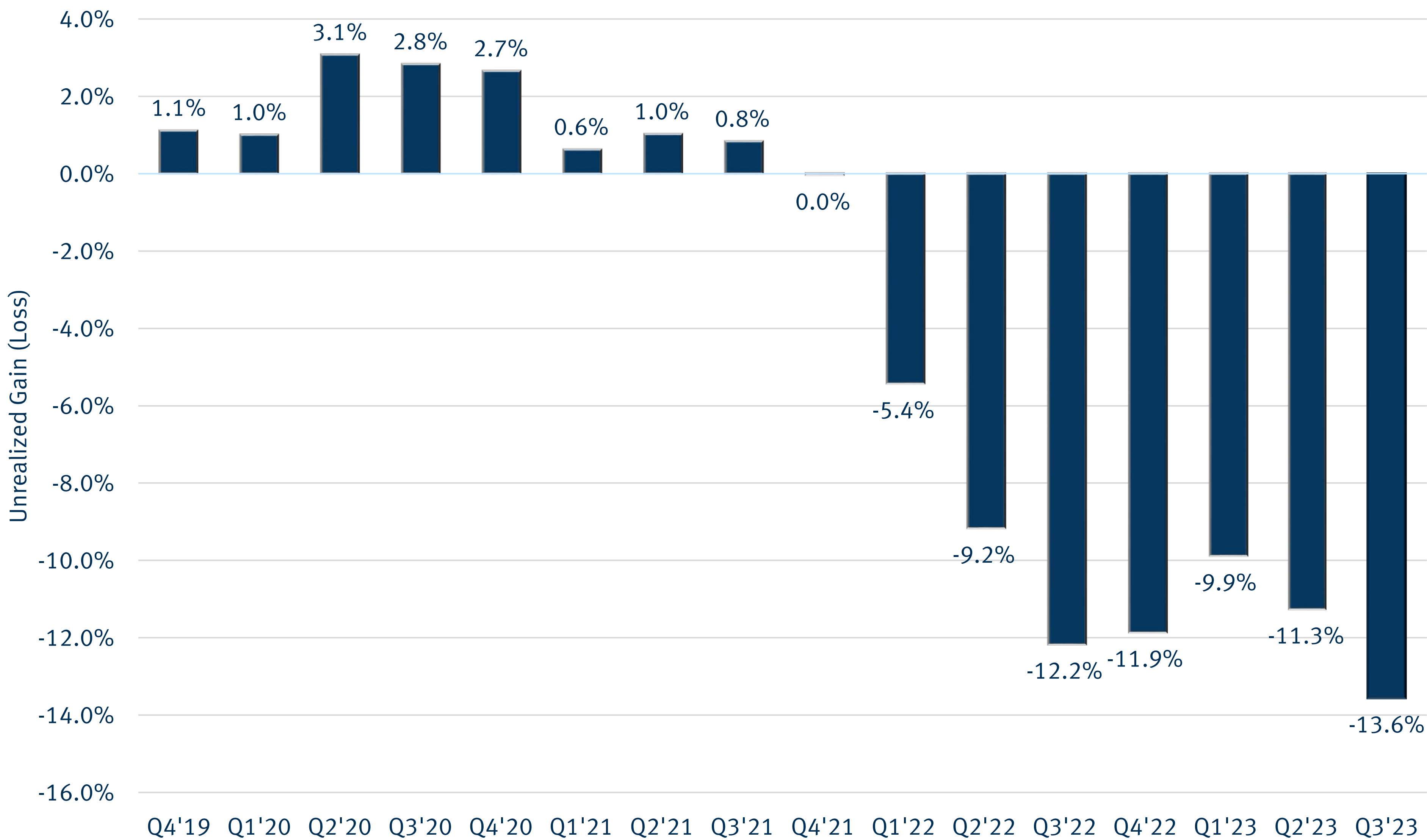
Balance Sheet Strategies

Portfolio and Balance Sheet Strategies

- Optimize the composition of earning assets by deploying excess liquidity
- Restructure investment portfolio by liquidating lower performing securities and use proceeds to reinvest into other securities or loans in order to enhance future earnings **(loss-earn back)**
- Leverage excess capital to sustain earnings and maximize returns to shareholders (**prefunding bond cash flows)**
- Assess the current and projected level of capital at risk **(CAR / AOCI-MTM)** to determine capital needed to support planned growth
- Consider adding **derivatives / hedging** to flattening IRR profile and to support current earnings (short-pay fixed hedge)
- Supplement loan demand with **loan participations** or whole loan purchases
- Consider **wholesale funding** markets if there's a need to replace deposit runoff or to fund loan demand; brokered CDs or swapped funding may be the least expensive source of wholesale funding

Bond Accounting Statistics – Unrealized Gain / (Loss)

Legacy Vining Sparks Bond Accounting – Banks September 2023



1. Data per Legacy Vining Sparks Bond Accounting Median

Portfolio Restructuring: Loss-Earn Back Strategy

Selling securities with book yields below current market yields and reinvesting proceeds into higher-yielding securities and/or loans can create a significant income shift from 2023 to future years.

Consider the following guidance when evaluating swaps:

- Establish a targeted loss to entertain taking in 2023 to boost future years' income
- Identify potential sell-candidates by targeting positions that may have the following characteristics: low yields, high credit risk, marginal transactional liquidity, and high price volatility
- Identify potential replacement securities and/or loans
- Taking on duration and/or credit risk may help improve the reinvestment yield
- Structure the transaction to compliment the institution's asset/liability posture, liquidity needs, and business plans
- Utilize Stifel's ***Performance Architect*** to calculate the estimated break-even date and increase in horizon income to understand the economic benefit of the proposed transaction
- Swaps should break-even by the average maturity of the securities being sold, otherwise the swap may not be economically feasible (failure to recoup initial loss)
- Consider gains in other areas to offset bond losses

Securities Portfolio Restructurings in 1Q23

Company	Ticker	Announce Date	Announced with Earnings?	Execution Date	Classification	Use of Proceeds	Amount Sold ($M)	% of AFS Portfolio[2]	After-tax Loss[3]/Secs Sold (%)	After-tax Loss ($M)[3]	Spread	Earnback Period
Community Bank	CBU	2/1/2023	No	Feb-23	AFS	Pay down FHLB	$786	19%	-5%	($39)	320bps	2 Yrs (reported)
Webster Bank	WBS	3/2/2023	No	Jan-23	AFS	Reinvest	$400	5%	-3%	($13)	Not reported	< 1 Yr (reported)
Nicolet National Bank	NIC	4/18/2023	Yes	3/7/2023	HTM	Pay down FHLB	$500	NA	-6%	($28)	368bps	2 Yrs (reported)
United Community Bank	UCBI	4/19/2023	Yes	Pre SVB failure	AFS	Reinvest	$270	7%	-1%	($2)	Not reported	Not reported
Banner Bank	BANR	4/19/2023	Yes		AFS	Not Reported	$150	5%	-4%	($6)	Not reported	2.25 Yrs (reported)
Cadence Bank	CADE	4/25/2023	Yes	Feb-23	AFS	Reinvest	$1,500	13%	-3%	($40)	Not reported	0.6 Yrs (reported)
Atlantic Union Bank	AUB	4/25/2023	Yes	1/18/2023, 2/9/2023, 3/6/2023 and 3/9/2023	AFS	Pay down FHLB	$506	18%	-2%	($11)	Not reported	2 Yrs (reported)
Peoples Bank	PEBO	4/25/2023	Yes	Late Feb 2023 and early Mar 2023	AFS	Pay down FHLB	$97	9%	-2%	($2)	Not reported	Within 2023 (reported)
Veritex Community Bank	VBTX	4/26/2023	Yes	Early Mar 2023	AFS	Pay down FHLB	$116	11%	-4%	($4)	Not reported	Not reported
Horizon Bank	HBNC	4/26/2023	Yes		AFS	Pay down FHLB	$64	6%	-1%	($0)	Not reported	0.5 Yrs (reported)
MidWestOne Financial Group, Inc.	MOFG	4/27/2023	Yes	Late Feb 2023	AFS	Pay down FHLB and Reinvest	$231	20%	-5%	($10)	Not reported	Not reported
Pacific Premier Bank	PPBI	4/27/2023	Yes		AFS	Not Reported	$304	12%	0%	$0	Not reported	Not reported
First National Bank LI	FLIC	4/27/2023	Yes	Closer to 1Q23 quarter-end	AFS	Reinvest	$149	22%	-2%	($2)	206bps	1.3 Yrs (reported)
First Interstate BancSystem	FIBK	4/27/2023	Yes	Mid-March 2023	AFS	Pay down FHLB	$853	12%	-2%	($18)	Not reported	Not reported
Eastern Bank	EBC	4/28/2023	Yes	Pre SVB failure	AFS	Cash	$1,900	28%	-15%	($280)	Not reported	Not reported

1. Source: S&P Capital IQ Pro and Company Filings
2. Beginning AFS portfolio data as of 4Q22
3. If after-tax loss not reported, assumed 21% tax rate applied

Securities Portfolio Restructurings in 2Q23

Company	Ticker	Total Assets ($M)[2]	Classification	Use of Proceeds	Amount Sold ($M)	% of AFS Portfolio[3]	Pre-tax Loss/Secs Sold (%)	Pre-tax Loss ($M)	Spread	Earnback Period	Offset by Gain?
Banner Bank	BANR	15,580	AFS	Not Reported	$127	5%	-4%	($5)	Not Reported	2yrs	
Cashmere Valley Bank	CSHX	2,009	AFS	Liquidity	$34	5%	-6%	($2)	Not Reported	Not Reported	
Chesapeake Financial Shares Inc.	CPKF	1,351	AFS	Reinvest	Not Reported	Not Reported	NA	($2)	Not Reported	Not Reported	Yes - Visa B
Columbia Bank	CLBK	9,765	AFS	Not Reported	$234	20%	-4%	($10)	Not Reported	Not Reported	
South Plains Financial, Inc.	SPFI	4,148	AFS	Reinvest	$56	8%	-6%	($3)	430bps	Not Reported	Yes - Sale of Insurance Sub
Enterprise Bank	EBTC	4,502	AFS	Reinvest	$85	10%	-3%	($2)	Not Reported	Not Reported	Yes - ERC
Equity Bank	EQBK	5,090	AFS	Reinvest	$51	4%	-3%	($1)	Not Reported	10 months	
First Merchants Bank Helping you prosper	FRME	17,954	AFS	Deleverage	$101	6%	-1%	($1)	Not Reported	Not Reported	
Northwest Bank	NWBI	14,375	AFS	Reinvest	$110	9%	-8%	($8)	500bps	Not Reported	Yes - Sold MSRs
Pinnacle Financial Partners	PNFP	46,759	AFS	Liquidity	$174	5%	-6%	($10)	Not Reported	Not Reported	Yes - Sale Leaseback
Renasant Bank	RNST	17,225	AFS	Deleverage	$500	33%	-4%	($22)	260bps	2yrs	
Southside Bank	SBSI	7,803	AFS	Liquidity	$97	7%	-4%	($3)	Not Reported	Not Reported	Yes- Unwound Hedges
National Bankshares	NKSH	1,622	AFS	Liquidity	$26	4%	-13%	($3)	Not Reported	Not Reported	Yes - Visa B and BOLI
Tompkins Financial	TMP	7,590	AFS	Reinvest and Deleverage	$81	5%	-9%	($7)	~450bps	Not Reported	
United Bankshares, Inc.	UBSI	29,634	AFS	Not Reported	$187	4%	-4%	($7)	Not Reported	Not Reported	Yes - Sold MSRs

1. Source: S&P Capital IQ Pro and Company Filings
2. Total Assets as of 2Q23, bank level
3. Beginning AFS portfolio data as of 1Q23, bank level

SAMPLE

Executive Summary – Sample Loss Earnback Ideas

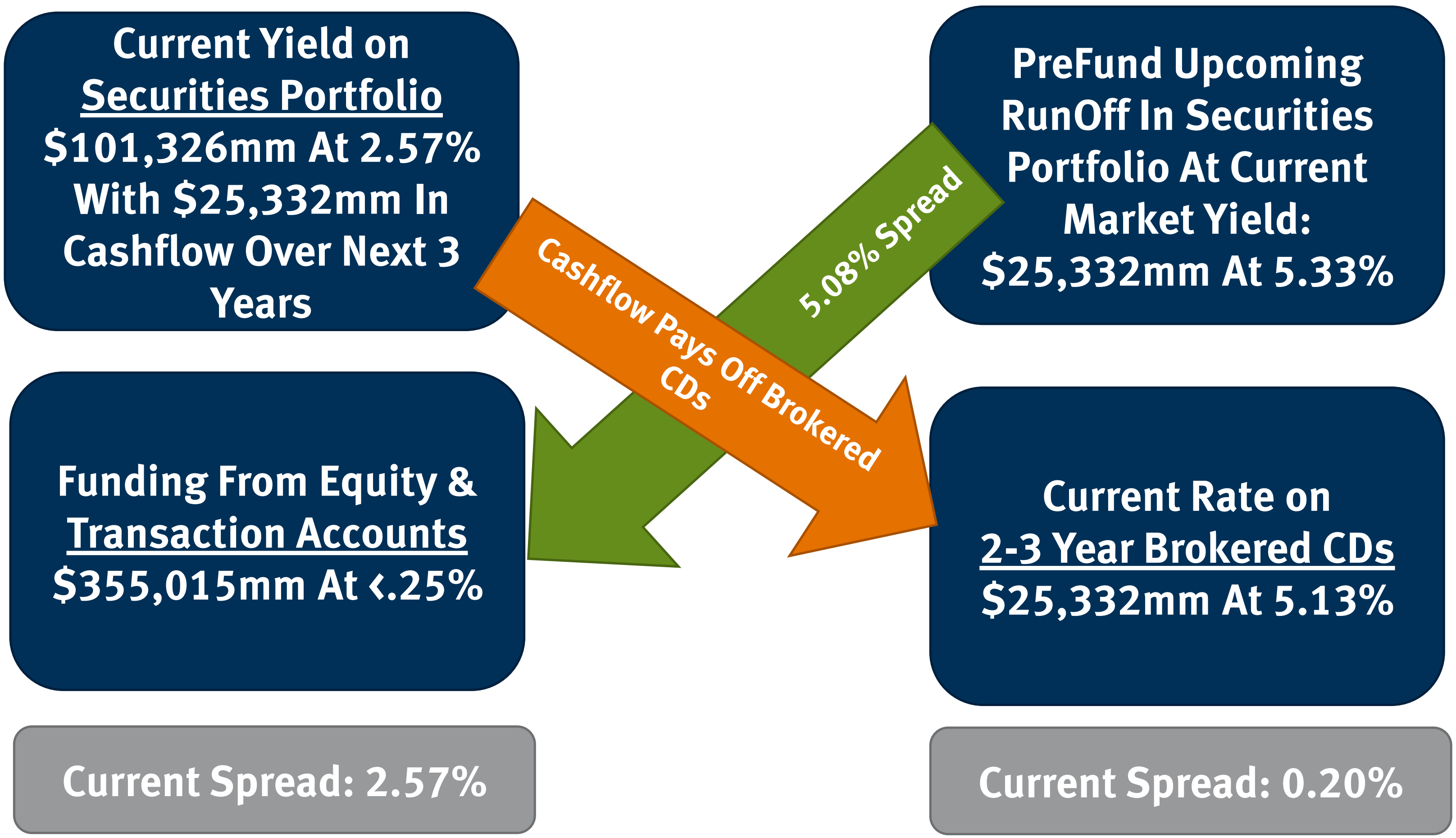
Impacts	Strategy 1	Strategy 2
Sale Size ($000)	123,712	123,712
% of Portfolio Sold	8%	8%
Pre-Tax Loss ($000)	(5,000)	(5,000)
Pre-Tax Loss (%)	-4.0%	-4.0%
Use of Proceeds	Pay Down Borrowings	Reinvest Proceeds
Net Interest Income Change ($000)	2,775	2,775
Net Interest Margin Change	0.09%	0.04%
Earnback Period (Years)	1.80	1.80
TCE/TA Change	0.12%	0.00%
Tier 1 Leverage Change	0.10%	-0.04%
Portfolio Yield Change	-0.05%	0.17%

- Both strategies sell the same group of securities totaling roughly 5-10% of AFS holdings with a net loss of approximately 4 points.
- Earnback Period and NII Change are similar because reinvestment yields are comparable to wholesale funding costs.
- However, the NIM benefit in Strategy 1 is roughly twice as impactful as reinvesting proceeds due to a reduction in earning assets.
- Strategy 1 improves both GAAP and regulatory capital ratios despite recognizing a loss.
- Strategy 2 provides greater benefit to portfolio yield as sale proceeds are reinvested into higher rates.

1. Book prices provided by Sample Bank as of 6/30/2023
2. Market prices provided by Stifel's Fixed Income Proprietary Pricing Matrix as of 7/19/2023 and may not represent executable levels

Prefunding Upcoming Portfolio Cash Flow Over Next 3 Years

- Temporary leverage of capital; payoff funding as bonds cash flow
- Increase on balance sheet liquidity and total liquidity (funded with Brokered CDs or another uncollateralized source)
- Works well for asset sensitive banks with excess capital and wholesale funding capacity
- Offers down rate protection (if structured with longer bond durations, locked out CFs, and positive convexity)



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Putting Gains to Good Use

- In addition to outright loss scenarios, portfolio managers may offset some or all of the losses on security sales using gains from elsewhere on the Balance Sheet:
  - Sale of Visa B shares
  - Sale of loans, real estate or other assets
  - One-time gains (Employee Retention Credit, recoveries on non-performing assets)
  - Gains on interest rate hedges and/or symmetrical FHLB advances
  - BOLI restructure or policy payouts
  - Repurchase of outstanding debt instruments (where permitted by regulators)

> "In July 2023 … the Bank sold $82.7 million of available-for-sale securities at a net loss of $2.8 million. …The loss was offset by a $2.8 million gain from the July 2023 sale of our remaining investment in Visa Inc. Class B restricted common stock, which had a zero carrying value."

- BMRC 2Q23 earnings release

- Creating offsets provides additional flexibility in either growing the size of the trade or improving economics / reducing earnback.

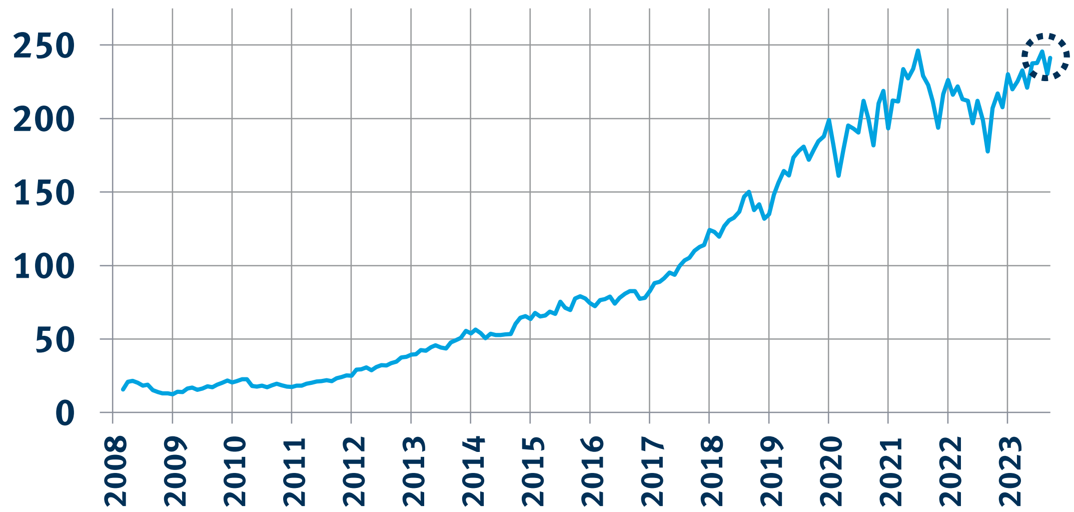
Visa Class B Auction – October 2023

- Stifel pooled 6 Visa B shareholders to sell **~32k total shares** resulting in over **$10mm in gross proceeds**.
- The auction was in addition to a standalone trade with ~20k shares
- As generally 100% of proceeds are booked as a gain, sellers are using the gain for various purposes: most are using the gain to offset against losses on sale of underwater loans or bonds. That liquidity is then being used to reinvest back into higher yielding loans or bonds, or to pay off high cost borrowings.

Sale Process Overview

- Sellers confirm participation in the sale; no engagement letter required
- It is not necessary for sellers to provide much paperwork prior to sale; as little as a Visa B statement or dividend slip will suffice to show proof of ownership and number of shares held.
- Stifel can assist with settlement, which requires a medallion stamp that we can apply through our St. Louis office. Settlement generally takes ~2-3 weeks.
- Stifel is no longer charging an explicit fee but working within a bid-ask spread.

VISA (V) - Class A Stock Price Since IPO



Additional Information

- Stifel has now sold well over **200k Visa B shares** in 2023, both via auction and on standalone one-off trades.
- The October 2023 trade comes with the **price of Visa Class A shares within ~7% of the all-time high.**
- **The next sale is scheduled for November**, and the Strategies group will gladly take additional sale participants over the coming weeks.

Sale-Leaseback Strategy Overview

A sale-leaseback opportunity is available for depositories that own branches and other properties (headquarters, operation centers, loan production offices). In this transaction, a third-party purchases real estate from the depository and the depository enters into a long-term lease agreement to occupy these branches and/or properties. Stifel has several referral partners that can provide a turnkey sale-leaseback transaction for institutions of all sizes.

Why Consider a Sale Leaseback Transaction?

- Generate capital through the sale of appreciated real estate assets
- Enhance balance sheet efficiency by replacing non-earning, illiquid real estate with cash and capital that can be reinvested in an accretive manner
- Eliminate depreciation expense related to property held on the balance sheet
- Create future flexibility with substitution rights that provide the depository with the ability to vacate branches throughout the lease term
- Reduce risk exposure to single-use real estate in secondary markets and maximize proceeds via long-term lease that leverages the depository's credit strength
- New FASB Lease Accounting Rules (2022) allow a gain to be recognized upon the closing of the transaction as opposed to spreading the gain recognition over the term of the lease

Eligibility Requirements

- Must own real estate assets
- Typical lease terms of 14-17 years favors long-term commitment to physical market presence

Sale-Leaseback (SLB) Considerations

Pros

Relative Value

- While front end Treasury rates have increased ~500bps over the last 24 months, cap rates have moved a fraction of that over the same time period

Capital Creation

- Gain on properties flow through net income to top of equity stack, improving both GAAP and regulatory ratios (TCE/TA, Leverage Ratio, CET1, Risk Based, etc.)
- Gains recognized create potential offsets for strategic securities repositionings

Improve Liquidity and Bolster NIM

- SLB converts illiquid, non-earning real estate holdings into earning assets that can be used to bolster liquidity and offset margin pressure

Cons

Lease Commitments

- Typical lease structures range from 14 to 17 years, creating a fixed cost that may be larger than depreciation expense removed via sale
- However, balance sheet restructuring opportunities can offset new non-interest costs that would allow institutions to continue to grow and enhance balance sheet efficiency

Operational Efforts

- Gathering documentation and legal work on properties (environmental studies, title work, legal review etc.)

Sale-Leaseback (SLB)– Balance Sheet Restructure

SAMPLE

- The grid to the right shows the pro forma balance sheet impacts after sale leaseback of properties with a total $26mm purchase price
- Strategy 1 assumes a 4.75% reinvest while a 5.25% yield on cash
- Offset $16.5mm gain from sale leaseback from the bond sales
- Net Income change from today's b/s to after sale leaseback breakdown below

Interest Income	
Yield on Cash (5.25%) (Pre tax)	1,365
Yield on Cash (Post Tax)	**1,078**
Non Interest Expense	
Lease Expense	(2,200)
Depreciation Removed	350
Total	(1,850)
Total Operating Expense Post Tax	**(1,462)**
Total Net Income	**(383)**

				Strategy: 1		
		After Sale Lease Back		Offset $16.5mm Gain with Bond Sales - 100% Securities Reinvestment 0% Deleverage		
	Current Balance Sheet	Pro Forma	Chg	Pro Forma	Chg after Sale Lease Back	Total Change
Impact on Earnings						
Net Interest Income	141,440	142,805	1,365	146,647	3,842	**5,207**
NIM	2.72%	2.73%	0.01%	2.81%	0.07%	**0.09%**
Pre Tax Income	71,089	70,604	(485)	74,445	3,842	**3,357**
Net Income	56,160	55,777	(383)	58,812	3,035	**2,652**
ROAA	0.94%	0.92%	-0.01%	0.97%	0.05%	**0.04%**
ROAE	12.68%	12.24%	-0.45%	12.90%	0.67%	**0.22%**
EPS	4.00	3.97	(0.03)	4.19	0.22	**0.19**
Impact on Capital						
Tier 1 Leverage	9.08%	9.25%	0.16%	9.05%	-0.20%	**-0.03%**
CET1 Risk Based	10.44%	10.72%	0.28%	10.32%	-0.40%	**-0.11%**
Tier 1 Risk Based	12.62%	12.89%	0.27%	12.48%	-0.41%	**-0.14%**
Total Risk Based	12.38%	12.65%	0.27%	12.24%	-0.41%	**-0.14%**
Tangible Equity Ratio	6.86%	7.04%	0.18%	7.05%	0.02%	**0.20%**
TCE / TA	6.86%	7.04%	0.18%	7.05%	0.02%	**0.20%**

	Current Securities	Pro Forma	Chg	Pro Forma	Chg
Total Securities Portfolio					
Portfolio Balance	1,548,413			1,533,716	(14,697)
Bk Yield	2.62			2.92	0.31
Securities Sold				175,610	
Bk Yield				2.16	
Securities Purchased				161,744	
Bk Yield				4.75	
Pretax Gain / (Loss)		16,500		(15,906)	
Gain / (Loss)		13,035		(12,566)	

- Total proceeds from sale leaseback generate $26mm in cash that is reflected to earn 5.25% over next twelve months ($1.4mm NII increase before portfolio restructure)

1. SAMPLE Institution data
2. Risk Weight of buyside assumes 30% RW for reinvest mix
3. Assumes 21% Tax rate

Sale-Leaseback (SLB)– Alternative Restructuring Considerations

SAMPLE

- While strategy 1 offsets entire gain from SLB and reinvests 100% of proceeds from security sales, strategy 2 and 3 differ in balance sheet strategy
- Strategy 2: Offsets entire \$16.5mm gain from SLB from portfolio security sales but only reinvests half of security sale proceeds into the investment portfolio and uses the remaining proceeds to payoff borrowings yielding 5.25%, deleveraging the balance sheet
- Strategy 3: Offset only \$3.4m gain from SLB through a portfolio restructure while using the remaining \$12mm gain as equity capital for the institution

			Strategy:	1			2			3		
		After Sale Lease Back		Offset \$16.5mm Gain with Bond Sales - 100% Securities Reinvestment 0% Deleverage			Offset \$16.5mm Gain with Bond Sales - 50% Securities Reinvestment 50% Deleverage			Offset \$3.5mm Gain with Bond Sales - Breakeven on addition Non-Interest Expense		
	Current Balance Sheet	**Pro Forma**	**Chg**	Pro Forma	Chg after Sale Lease Back	**Total Change**	Pro Forma	Chg after Sale Lease Back	**Total Change**	Pro Forma	Chg after Sale Lease Back	**Total Change**
Impact on Earnings												
Net Interest Income	141,440	142,805	1,365	146,647	3,842	**5,207**	147,051	4,246	**5,611**	143,510	705	**2,070**
NIM	2.72%	2.73%	0.01%	2.81%	0.07%	**0.09%**	2.86%	0.13%	**0.14%**	2.75%	0.01%	**0.03%**
Pre Tax Income	71,089	70,604	(485)	74,445	3,842	**3,357**	74,850	4,246	**3,761**	71,309	705	**220**
Net Income	56,160	55,777	(383)	58,812	3,035	**2,652**	59,131	3,354	**2,971**	56,334	557	**174**
ROAA	0.94%	0.92%	-0.01%	0.97%	0.05%	**0.04%**	0.99%	0.07%	**0.06%**	0.93%	0.01%	**0.00%**
ROAE	12.68%	12.24%	-0.45%	12.90%	0.67%	**0.22%**	12.97%	0.74%	**0.29%**	12.36%	0.12%	**-0.32%**
EPS	4.00	3.97	(0.03)	4.19	0.22	**0.19**	4.21	0.24	**0.21**	4.01	0.04	**0.01**
Impact on Capital												
Tier 1 Leverage	9.08%	9.25%	0.16%	9.05%	-0.20%	**-0.03%**	9.18%	-0.07%	**0.09%**	9.20%	-0.04%	**0.12%**
CET1 Risk Based	10.44%	10.72%	0.28%	10.32%	-0.40%	**-0.11%**	10.41%	-0.30%	**-0.02%**	10.70%	-0.02%	**0.26%**
Tier 1 Risk Based	12.62%	12.89%	0.27%	12.48%	-0.41%	**-0.14%**	12.59%	-0.30%	**-0.03%**	12.89%	-0.01%	**0.27%**
Total Risk Based	12.38%	12.65%	0.27%	12.24%	-0.41%	**-0.14%**	12.35%	-0.30%	**-0.03%**	12.64%	-0.01%	**0.27%**
Tangible Equity Ratio	6.86%	7.04%	0.18%	7.05%	0.02%	**0.20%**	7.15%	0.12%	**0.30%**	7.041%	0.00%	**0.18%**
TCE / TA	6.86%	7.04%	0.18%	7.05%	0.02%	**0.20%**	7.15%	0.12%	**0.30%**	7.04%	0.00%	**0.18%**

	Current Securities	**Pro Forma**	**Chg**	Pro Forma	Chg	Pro Forma	Chg	Pro Forma	Chg
Total Securities Portfolio									
Portfolio Balance	1,548,413			1,533,716	(14,697)	1,447,991	(100,422)	1,495,356	(53,058)
Bk Yield	2.62			2.92	0.31	2.81	0.19	2.74	0.13
Securities Sold				175,610		175,610		41,519	
Bk Yield				2.16		2.16		2.65	
Securities Purchased				161,744		80,872		37,953	
Bk Yield				4.75		4.75		4.75	
Pretax Gain / (Loss)		16,500		(15,906)		(15,906)		(3,453)	
Gain / (Loss)		13,035		(12,566)		(12,566)		(2,728)	

1. SAMPLE Institution data
2. Risk Weight of buyside assumes 30% RW for reinvest mix
3. Assumes 21% Tax rate

Recent Transaction: PNFP Investor Presentation

2Q23 Highlights

- *Net interest income up $3.2 million during second quarter due to continued balance sheet growth. Quarterly NIM decreased primarily due to increased deposit beta as well as additional on-balance sheet liquidity added during the quarter.*
- *End of period cash and other liquid assets increased by approximately $2.6 billion at June 30, 2023 over Dec. 31, 2022 as a result of decision to bolster on-balance sheet liquidity due to volatility in the banking sector.*
- *Executed sale-leaseback transaction during 2Q23 which yielded $199 million from sale of fixed assets.*
- *Received $174 million from the sale of securities.*

Select Comments

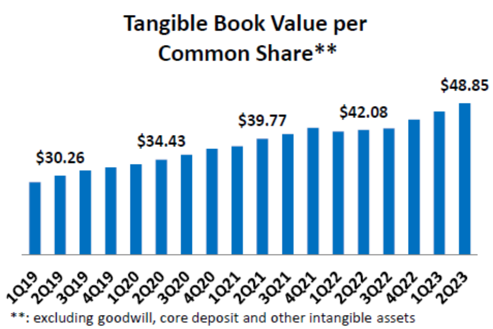
- ***Wealth Management revenues experienced increases primarily to growth in assets under management.***
- ***Interchange and other consumer fees up due to commercial credit card usage and an increased emphasis on fee collection.***
- ***Gain on sale of fixed assets includes $85.7 million in gains on the sale of fixed assets as a result of the sale-leaseback transaction completed in the second quarter of 2023.***

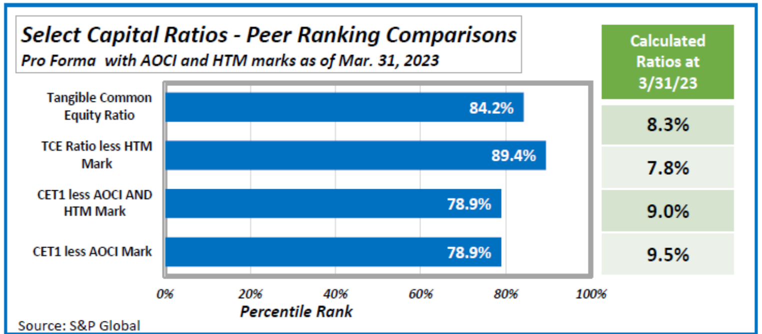
Preservation and Growth in Tangible Book Value Remains a Critical Focus

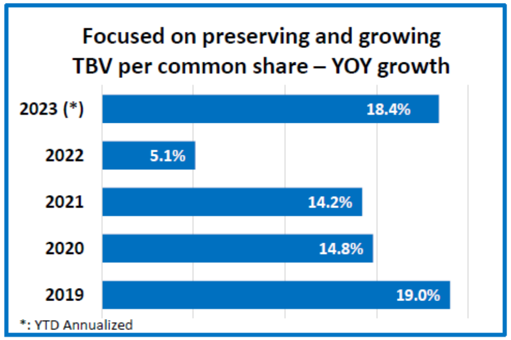
Second quarter again reflects focus on growth in TBV/Common Share year-over-year

Pinnacle FINANCIAL PARTNERS

- ***Dividends –***
  - Dividends per common share of $0.22 in 2Q23.
- ***Tangible Book Value per Common Share Growth –***
  - Tangible book value per common share at June 30, 2023 was $48.85 up 16.1% from June 30, 2022.
- ***Sale-Leaseback Transaction Impact on Capital***
  - Anticipate retaining incremental capital from execution of sale-leaseback transaction for remainder of 2023. Leases were executed with a 14.5-year base term followed by 2 five-year renewal options. Offsetting lease expense in part is also depreciation savings. Fully deployed, the firm's net occupancy expense will increase by approximately $15 million in the first twelve-months offset by the increased annual revenue from $199 million in proceeds from the sale of the fixed assets as a result of the sale-leaseback transaction and $174 million received from the sale of the investment securities.







Note: For a reconciliation of these Non-GAAP financial measures to the comparable GAAP measures, see slides 53-54.
Peer group noted on slide 55.

14

1. Per PNFP 2Q Presentation

STIFEL | Fixed Income Capital Markets

Recent Transaction: Atlantic Union Bankshares Corporation (AUB)

On September 20, 2023, Atlantic Union Bank (the "Bank"), a wholly-owned subsidiary of Atlantic Union Bankshares Corporation (the "Company"), entered into and closed on an agreement for the purchase and sale of real property (the "Sale Agreement") with Blue Owl AUB VA Owner LLC (the "Purchaser"), an affiliate of Blue Owl Capital Inc., which provides for the sale to Purchaser of 27 properties owned and operated by the Bank, which consist of 25 branches and a drive thru and parking lot, each adjacent to a sold branch (collectively, the "Properties"), **for an aggregate cash purchase price of approximately $45.8 million**. All of the Properties are located in Virginia.

Under the Sale Agreement, the Bank concurrently entered into absolute net lease agreements (the "Lease Agreements") with Purchaser under which the Bank will lease each of the Properties. Each of the Lease Agreements will have an initial term of 17 years with specified renewal options. We will not close any branches or exit any markets as part of the sale-leaseback transaction.

The sale-leaseback transaction resulted in a pre-tax gain of approximately $27.9 million, or $22.0 million after tax, after transaction-related expenses. Aggregate first full year of rent expense under the Lease Agreements will be approximately $3.7 million pre-tax, or $2.9 million after tax, and will be partially offset by the elimination of the annual pre-tax depreciation expense on the buildings of approximately $969,000 and the estimated increase in annual pre-tax interest income of approximately $2.2 million generated by the investment of the transaction's net cash proceeds. The Lease Agreements also include a 1.5% annual rent escalation during the initial term and a 2.0% rent escalation during the renewal terms, if exercised…..

Subsequent to the closing of the sale-leaseback transaction, the Company restructured a portion of its investment portfolio by selling approximately $228.3 million in available for sale securities resulting in a pre-tax net loss of approximately $27.7 million, which will offset the net gain recognized from the sale-leaseback transaction. The Company expects to initially retain the net proceeds from these securities sales in its cash accounts at the Federal Reserve and subsequently reinvest the proceeds back into the investment portfolio. The Company expects the net transaction to be immediately accretive to net income and earnings per share.

1. Per AUB 2023 9/21/23 8k

Polling Question

Loans have increased nearly 13% over the past year for Community Banks. What type of loan growth are you expecting for 2024?

1. 3.00% or lower
2. 3.00% to 5.00%
3. 5.00% to 7.00%
4. Above 7.00%

Notable Rates Up Hedging Activity – Q2 Public Disclosures

Ticker	UCBI	SBCF	PFC	FFIC	BMRC	CBAN	USCB
Total Assets	$26b	$19b	$8b	$8b	$4b	$3b	$2b
Hedge Structure	Pay Fixed Swaps	Pay Fixed Swaps	Pay Fixed Swaps	Pay Fixed Swaps	Pay Fixed Swaps	Pay Fixed Swaps	Pay Fixed Swaps
Spot or Forward Starting	Spot	Spot	Spot	Spot	Spot	Spot	Spot
Hedge Notional	$700mm	$390mm	$500mm	$400mm	$102mm	N/A	$150mm
Hedge Tenor	N/A	N/A	2.5 to 3 Years	3.5 to 5 years	2.5 to 3 years	N/A	2 to 3 Years
Average Rate/Strike	N/A	N/A	4.12%	N/A	4.50%	N/A	N/A
Hedged Item	AFS Securities	AFS Securities	N/A	Fixed Loans	AFS Securities	Floating Rate Funding	Floating Rate Funding

1. Source: Public Earning Call Transcripts and Company Presentations – Q2 2023
2. Click hyperlinks for hedge strategy overview materials

Short Pay Fixed Swap Ladder

- The grid below shows 2/3/4y pay fixed swap structures and $ payoff assuming $25mm notional each

Pricing (%)

24mo Pay Fixed (Spot) 5.04% Fixed Rate

Scen	O/N SOFR	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	9.31	-5.04	9.31	4.27	6.86
+300	8.31	-5.04	8.31	3.27	5.21
+200	7.31	-5.04	7.31	2.27	3.52
+100	6.31	-5.04	6.31	1.27	1.79
+50	5.81	-5.04	5.81	0.77	0.90
+25	5.56	-5.04	5.56	0.52	0.45
Level	5.31	-5.04	5.31	0.27	0.00
-100	4.31	-5.04	4.31	-0.73	-1.84
-200	3.31	-5.04	3.31	-1.73	-3.73
-300	2.31	-5.04	2.31	-2.73	-5.68

36mo Pay Fixed (Spot) 4.8% Fixed Rate

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-4.80	9.31	4.51	9.89
+300	-4.80	8.31	3.51	7.55
+200	-4.80	7.31	2.51	5.13
+100	-4.80	6.31	1.51	2.61
+50	-4.80	5.81	1.01	1.32
+25	-4.80	5.56	0.76	0.66
Level	-4.80	5.31	0.51	0.00
-100	-4.80	4.31	-0.49	-2.71
-200	-4.80	3.31	-1.49	-5.53
-300	-4.80	2.31	-2.49	-8.46

48mo Pay Fixed (Spot) 4.67% Fixed Rate

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-4.67	9.31	4.64	12.70
+300	-4.67	8.31	3.64	9.74
+200	-4.67	7.31	2.64	6.64
+100	-4.67	6.31	1.64	3.40
+50	-4.67	5.81	1.14	1.72
+25	-4.67	5.56	0.89	0.86
Level	-4.67	5.31	0.64	0.00
-100	-4.67	4.31	-0.36	-3.56
-200	-4.67	3.31	-1.36	-7.30
-300	-4.67	2.31	-2.36	-11.22

Combined (Yr 1)

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-4.84	9.31	4.47	9.81
+300	-4.84	8.31	3.47	7.50
+200	-4.84	7.31	2.47	5.10
+100	-4.84	6.31	1.47	2.60
+50	-4.84	5.81	0.97	1.31
+25	-4.84	5.56	0.72	0.66
Level	-4.84	5.31	0.47	0.00
-100	-4.84	4.31	-0.53	-2.71
-200	-4.84	3.31	-1.53	-5.52
-300	-4.84	2.31	-2.53	-8.46

Payoff ($)

25 mm

24mo Pay Fixed (Spot) 5.04% Fixed Rate

Scen	O/N SOFR	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	9.31	-1,261	2,328	1,066	1,714
+300	8.31	-1,261	2,078	816	1,304
+200	7.31	-1,261	1,828	566	881
+100	6.31	-1,261	1,578	316	447
Level	5.31	-1,261	1,328	66	0
-100	4.31	-1,261	1,078	-184	-460
-200	3.31	-1,261	828	-434	-933
-300	2.31	-1,261	578	-684	-1,421

25 mm

36mo Pay Fixed (Spot) 4.8% Fixed Rate

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-1,200	2,328	1,128	2,472
+300	-1,200	2,078	878	1,888
+200	-1,200	1,828	628	1,282
+100	-1,200	1,578	378	653
Level	-1,200	1,328	128	0
-100	-1,200	1,078	-122	-678
-200	-1,200	828	-372	-1,383
-300	-1,200	578	-622	-2,116

25 mm

48mo Pay Fixed (Spot) 4.67% Fixed Rate

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-1,166	2,328	1,161	3,174
+300	-1,166	2,078	911	2,435
+200	-1,166	1,828	661	1,661
+100	-1,166	1,578	411	850
Level	-1,166	1,328	161	0
-100	-1,166	1,078	-89	-891
-200	-1,166	828	-339	-1,825
-300	-1,166	578	-589	-2,805

75 mm

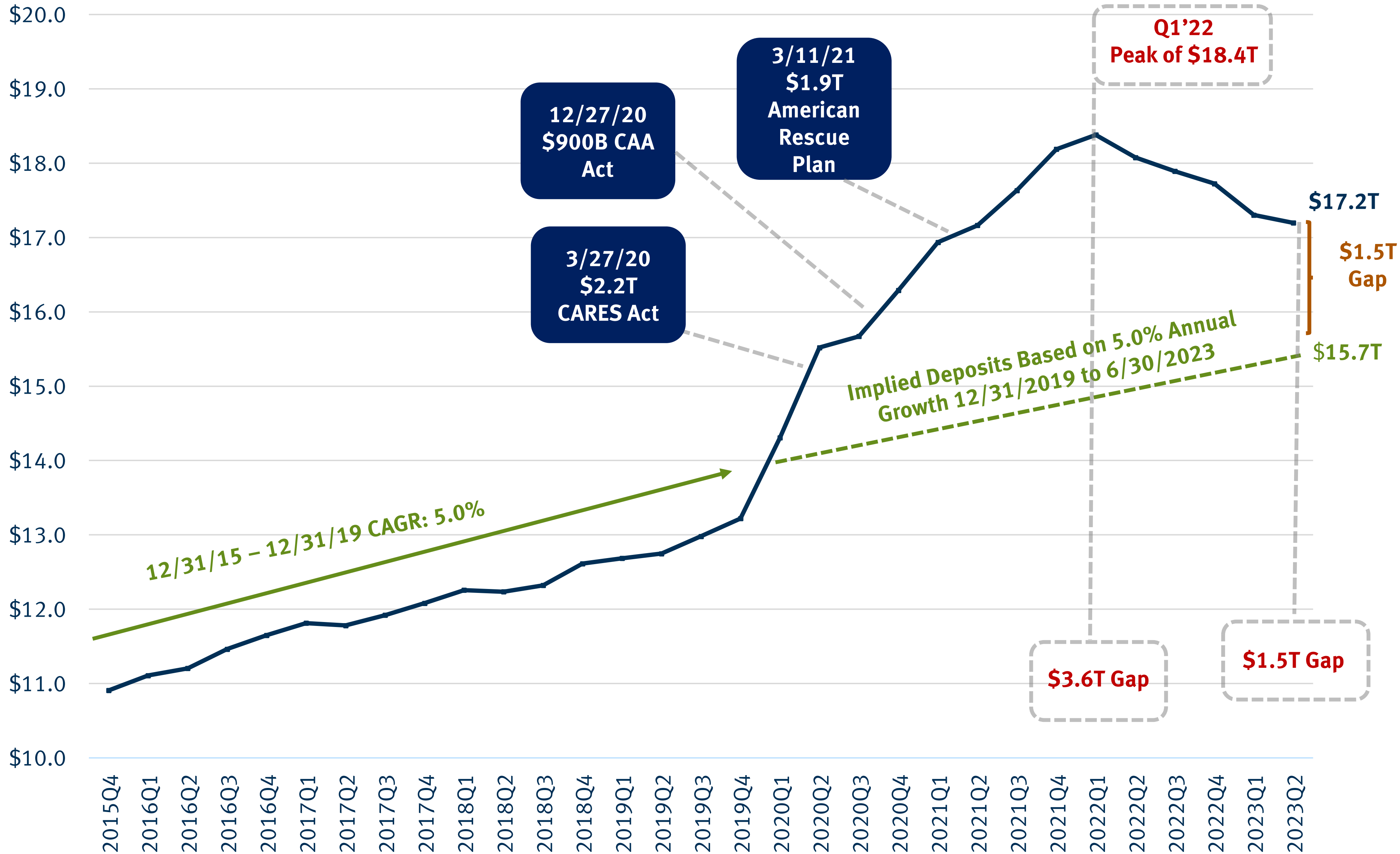
Combined (Yr 1)

Scen	Pay Fixed	Receive SOFR	NII	Mkt Val Sens
+400	-3,628	6,983	3,355	7,361
+300	-3,628	6,233	2,605	5,626
+200	-3,628	5,483	1,855	3,824
+100	-3,628	4,733	1,105	1,950
Level	-3,628	3,983	355	0
-100	-3,628	3,233	-395	-2,029
-200	-3,628	2,483	-1,145	-4,141
-300	-3,628	1,733	-1,895	-6,342

1. Indicative levels using SOFR swap levels as of 10/17/23; may not represent executable levels
2. Information presented above regarding interest rate derivatives is considered general and factual. Please see further disclosures on the last page of this presentation.

Managing Liquidity

Total Domestic Deposits of Banks in the United States ($T)



1. Source: FDIC

Maximize Use of Unsecured Sources

- Brokered CDs
- Insured cash management deposits (StoneCastle, IntraFi)
- CD listing services
- Fed Funds

Carefully Manage Collateralized Funds

- Prioritize collateral
- Federal Home Loan Banks
- FRB Discount Window
- Bank Term Funding Program
- Public Funds

2010 FFIEC Joint Policy Statement on Funding and Liquidity Risk Management:

"An institution should diversify available funding sources in the short-, medium-, and long-term. Diversification targets should be part of the medium- to long-term funding plans and should be aligned with the budgeting and business planning process. Funding plans should take into account correlations between sources of funds and market conditions. **Funding should also be diversified across a full range of retail as well as secured and unsecured wholesale sources of funds, consistent with the institution's sophistication and complexity."**

2023 Addendum

"The agencies view having access to a range of reliable contingency funding sources as a key component of safety and soundness.

In an environment where liquidity stress manifests quickly, the discount window is an important tool that depository institutions can utilize in managing liquidity risk, and **the agencies encourage depository institutions to incorporate the discount window as part of their contingency funding arrangements**.

Liquidity Recommendations

- Test unsecured lines of credit as some lines are being cancelled or now require collateral
- Review the bond portfolio for access to 10% to 15% of the total portfolio that is the most liquid with least amount of loss if the bank had the need to sell
- Establish access to brokered funding sources that are ready to borrow against, if needed (have all the necessary paperwork completed to issue and potentially issue CDs to test the line and market)
- Review volatile large deposit balances and uninsured deposits for concentration / liquidity risk
- Establish borrowing lines with at least two facilities such as the FHLB and FRB
- Community banks, especially privately held, have moved collateral to the Fed's Bank Term Funding Program
- Liquidity stress testing and Contingency Funding Plan (CFP) modeling and results are a focal point. Review results against targets, policy limits, and early warning triggers
- Make sure the bank is stressing the CFP for large volatile deposit balances (do not include collateralized public funds in this stress)

Wholesale Funding Levels

Utilize wholesale funding efficiently to manage deposit costs and liquidity

Brokered CD Rates October 16-20, 2023

CD Funding Pricing				
Term	**Coupon**	**All In**	**FHLB Advance***	**Spread**
1 Month	5.35%	5.50%	5.58%	-0.08%
3 Month	5.40%	5.50%	5.64%	-0.14%
4 Month	5.40%	5.50%	5.64%	-0.14%
6 Month	5.45%	5.55%	5.68%	-0.13%
9 Month	5.45%	5.55%	5.63%	-0.08%
1 Year	5.45%	5.55%	5.58%	-0.03%
15 Month	5.45%	5.60%	5.49%	0.11%
18 Month	5.35%	5.50%	5.38%	0.12%
2 Year	5.25%	5.40%	5.20%	0.20%
2.5 Year	5.15%	5.30%	5.14%	0.16%
3 Year	5.00%	5.15%	5.02%	0.13%
3.5 Year	4.95%	5.10%	4.98%	0.12%
4 Year	4.90%	5.05%	4.94%	0.11%
5 Year	4.80%	4.95%	4.84%	0.11%
6 Year	4.95%	5.10%	4.97%	0.13%
7 Year	5.00%	5.15%	5.05%	0.10%
10 Year	5.00%	5.15%	5.20%	-0.05%

*Rates are indications, call for best available pricing/ *FHLB blended rate*

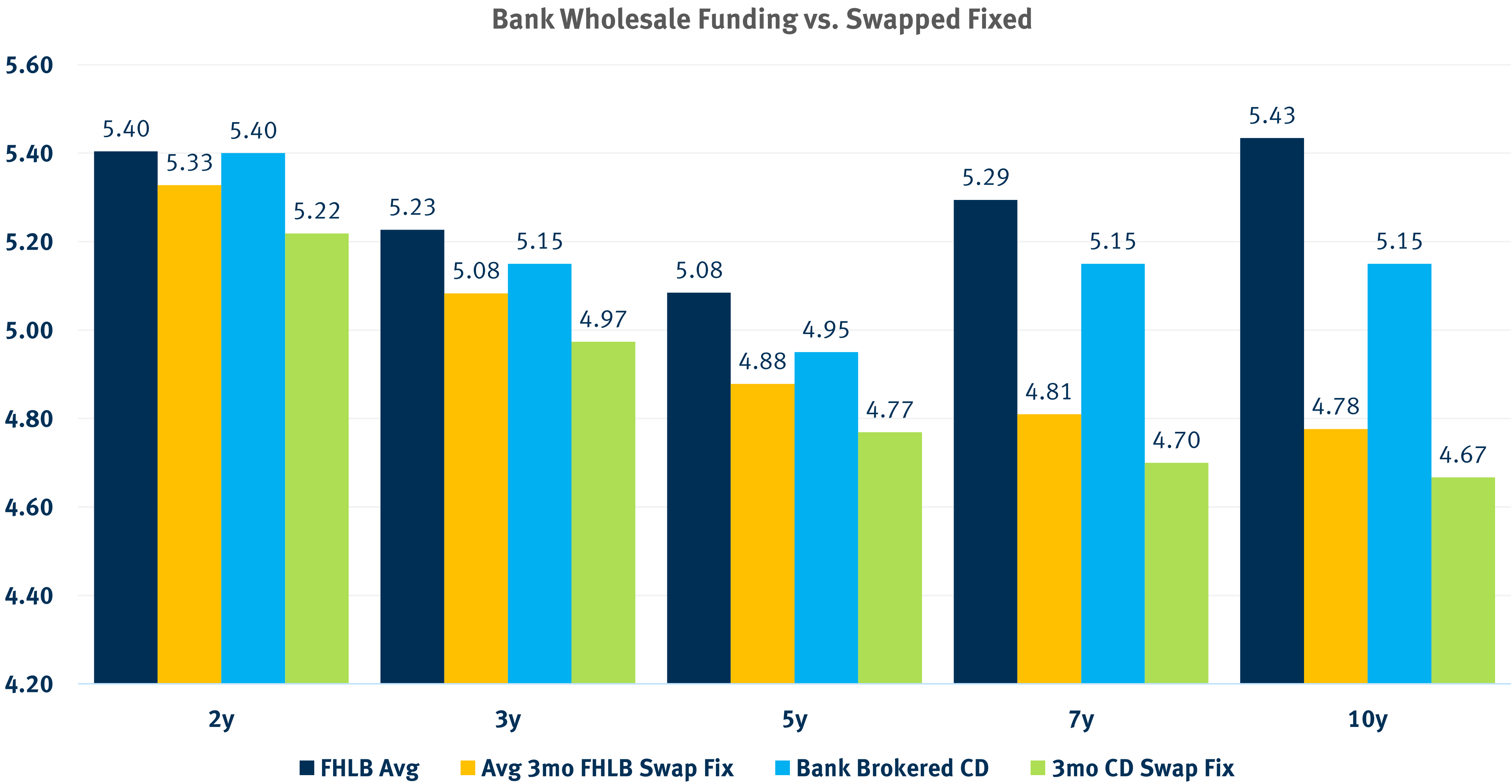
Callable Brokered Deposit Funding						
Term	**Lockout**	**Coupon**	**Int. Payment**	**Fee/Annum**	**Upfront Fee**	**All in Cost**
2 Year	6 Months	5.65%	Monthly	15 BPs	30 BPs	5.80%
2.5 Year	6 Months	5.65%	Monthly	15 BPs	37.5 BPs	5.80%
3 Year	1 Year	5.65%	Monthly	15 BPs	45 BPs	5.80%
4 Year	1 Year	5.60%	Monthly	15 BPs	60 BPs	5.75%
5 Year	1 Year	5.60%	Monthly	15 BPs	75 BPs	5.75%
6 Year	1 Year	5.65%	Monthly	15 BPs	90 BPs	5.80%
7 Year	1 Year	5.70%	Monthly	15 BPs	105 BPs	5.85%
10 Year	1 Year	5.75%	Monthly	15 BPs	150 BPs	5.90%
15 Year	1 Year	5.80%	Monthly	15 BPs	225 BPs	5.95%

1. Source: Stifel Brokered Funding
2. Indications as of October 16, 2023

Swapped Funding Levels

Utilize funding swaps to manage deposit costs, fund loan demand and manage AOCI capital

Swapped funding provides low cost and both an economic and accounting offset to declines in book capital (AOCI) as rates rise



1. Indicative levels using SOFR swap levels as of 10/17/23; may not represent executable levels
2. Information presented above regarding interest rate derivatives is considered general and factual. Please see further disclosures on the last page of this presentation.

Considerations for Year-End Planning

- Request at **Performance Profile Report** from your sales representative
- Review cash flow projections, expected calls, and yield forecaster.
- Review prepayment exposure (recent speeds, premium levels, coupon stack)
- Review Investment, ALCO, and Liquidity Policies for compliance
- Consider taking strategic bond losses to enhance performance going forward
- Utilize Stifel's Investment Alternative Matrix and other "My Portfolio" tools
- Analyze and compare multiple strategies using the **Performance Architect**

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