



California's *local* bank

**50**  
Tri Counties Bank  
1975 - 2025

## Investor Presentation

Third Quarter 2024

**Richard P. Smith**, President & Chief Executive Officer

**Daniel K. Bailey**, EVP & Chief Banking Officer

**John S. Fleshood**, EVP & Chief Operating Officer

**Peter G. Wiese**, EVP & Chief Financial Officer

# Safe Harbor Statement

The statements contained herein that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond our control. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the conditions of the United States economy in general and the strength of the local economies in which we conduct operations; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; the impacts of inflation, interest rate, market and monetary fluctuations on the Company's business condition and financial operating results; the impact of changes in financial services industry policies, laws and regulations; regulatory restrictions affecting our ability to successfully market and price our products to consumers; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learning; extreme weather, natural disasters and other catastrophic events that may or may not be caused by climate change and their effects on the Company's customers and the economic and business environments in which the Company operates; the impact of a slowing U.S. economy, decreases in housing and commercial real estate prices, and potentially increased unemployment on the performance of our loan portfolio, the market value of our investment securities and possible other-than-temporary impairment of securities held by us due to changes in credit quality or rates; the availability of, and cost of, sources of funding and the demand for our products; adverse developments with respect to U.S. or global economic conditions and other uncertainties, including the impact of supply chain disruptions, commodities prices, inflationary pressures and labor shortages on the economic recovery and our business; the impacts of international hostilities, wars, terrorism or geopolitical events; adverse developments in the financial services industry generally such as the recent bank failures and any related impact on depositor behavior or investor sentiment; risks related to the sufficiency of liquidity; the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital; the costs or effects of mergers, acquisitions or dispositions we may make, as well as whether we are able to obtain any required governmental approvals in connection with any such activities, or identify and complete favorable transactions in the future, and/or realize the anticipated financial and business benefits; the regulatory and financial impacts associated with exceeding \$10 billion in total assets; the negative impact on our reputation and profitability in the event customers experience economic harm or in the event that regulatory violations are identified; the ability to execute our business plan in new markets; the future operating or financial performance of the Company, including our outlook for future growth and changes in the level and direction of our nonperforming assets and charge-offs; the appropriateness of the allowance for credit losses, including the assumptions made under our current expected credit losses model; any deterioration in values of California real estate, both residential and commercial; the effectiveness of the Company's asset management activities managing the mix of earning assets and in improving, resolving or liquidating lower-quality assets; the effect of changes in the financial performance and/or condition of our borrowers; changes in accounting standards and practices; changes in consumer spending, borrowing and savings habits; our ability to attract and maintain deposits and other sources of liquidity; the effects of changes in the level or cost of checking or savings account deposits on our funding costs and net interest margin; increasing noninterest expense and its impact on our financial performance; competition and innovation with respect to financial products and services by banks, financial institutions and non-traditional competitors including retail businesses and technology companies; the challenges of attracting, integrating and retaining key employees; the vulnerability of the Company's operational or security systems or infrastructure, the systems of third-party vendors or other service providers with whom the Company contracts, and the Company's customers to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and data/security breaches and the cost to defend against and respond to such incidents; the impact of the 2023 cyber security ransomware incident, including the pending litigation, on our operations and reputation; increased data security risks due to work from home arrangements and email vulnerability; failure to safeguard personal information, and any resulting litigation; the effect of a fall in stock market prices on our brokerage and wealth management businesses; the transition from the LIBOR to new interest rate benchmarks; the emergence or continuation of widespread health emergencies or pandemics; the Company's potential judgments, orders, settlements, penalties, fines and reputational damage resulting from pending or future litigation and regulatory investigations, proceedings and enforcement actions; and our ability to manage the risks involved in the foregoing. There can be no assurance that future developments affecting us will be the same as those anticipated by management. Additional factors that could cause results to differ materially from those described above can be found in our Annual Report on Form 10-K for the year ended December 31, 2023, which has been filed with the Securities and Exchange Commission (the "SEC") and all subsequent filings with the SEC under Sections 13(a), 13(c), 14, and 15(d) of the Securities Act of 1934, as amended. Such filings are also available in the "Investor Relations" section of our website, <https://www.tcbk.com/investor-relations> and in other documents we file with the SEC. Annualized, pro forma, projections and estimates are not forecasts and may not reflect actual results. We undertake no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

# Tri Counties Bank Awards



**Forbes Magazine**  
America's Best Banks  
2024



**Sacramento Business Journal**  
Best Places to Work  
2024



**S&P Global Market Intelligence**  
Top Community Bank with  
\$3 billion to \$10 billion in assets  
2022, 2023



**Cen Cal Business Finance Group**  
SBA-504 Lender of the Year  
2023



**Sacramento**  
**Rainbow Chamber of Commerce**  
Corporate Advocate of the Year  
2024



**California Black Chamber of Commerce**  
Top Partner Award  
2023



**Chico Enterprise Record**  
Readers' Choice  
Best Bank  
Awarded annually 2019-2024



**Chico News & Review**  
Best Bank  
Awarded annually 2008-2019, then 2022 and 2023



**Style Magazine**  
Reader's Choice –  
Roseville, Granite Bay & Rocklin  
Awarded annually 2011-2024



**Grass Valley Union**  
Best of Nevada County  
Awarded annually 2011-2023



**Gustine Press-Standard**  
Best Bank  
2023



**Record Searchlight**  
Best Bank in the North State  
2015, 2016, 2018, 2022, 2023

# Executive Team



**Rick Smith**  
President &  
Chief Executive Officer



**Dan Bailey**  
EVP  
Chief Banking Officer



**Craig Carney**  
EVP  
Chief Credit Officer



**John Fleshood**  
EVP  
Chief Operating Officer



**Bret Funderburgh**  
SVP  
Deputy Chief  
Credit Officer



**Greg Gehlmann**  
SVP  
General Counsel



**Judi Giem**  
SVP  
Chief Human Resources  
Officer



**Jason Levingston**  
SVP  
Chief Information Officer



**Scott Myers**  
SVP  
Head of  
Wholesale Banking



**Scott Robertson**  
SVP  
Chief Community  
Banking Officer



**Angela Rudd**  
SVP  
Chief Risk Officer



**Peter Wiese**  
EVP  
Chief Financial Officer



## Agenda

- Most Recent Quarter Recap
- Company Overview
- Lending Overview
- Deposit Overview
- Financials

# Most Recent Quarter Highlights

## Operating Leverage and Profitability

- Pre-tax pre-provision ROAA and ROAE were 1.20% and 9.52%, respectively, for the quarter ended September 30, 2024, and 1.23% and 10.91%, respectively, for the same quarter in the prior year.
- Our efficiency ratio was 60.0% for the quarter ended September 30, 2024, compared to 59.6% for the trailing quarter end and 55.6% for the quarter ended September 30, 2023.

## Net Interest Income and Margin

- Net interest margin (FTE) of 3.71% in the quarter compared favorably to 3.68% in the prior quarter.
- Average yield on earning assets (FTE) of 5.26% was 2 basis points higher than the 5.24% in the trailing quarter, and 32 basis points higher than 4.94% in the quarter ended September 30, 2023.
- Cost of interest-bearing liabilities for the quarter was nearly level at 2.40% compared to 2.39% the prior quarter.
- The Company's total cost of deposits have increased 148 basis points since FOMC rate actions began in March 2022, which translates to a cycle-to-date deposit beta of 31.2%

## Balance Sheet Management

- Deposit balances decreased \$13.1 million or 0.7% (annualized) from the trailing quarter
- Loan to deposit ratio decreased to 83.2% at September 30, 2024, compared to 83.8% in the trailing quarter
- Investment security balances increased \$30.4 million or 5.8% on an annualized basis
- Other borrowings increased by \$19.0 million to \$266.8 million as compared to the trailing quarter; however, on balance sheet liquidity increased by \$113.6 million in the quarter, to \$320.1 million as of September 30, 2024.

## Liquidity

- Readily available and unused funding sources, which total approximately \$4.1 billion and represent 51% of total deposits and 163% of total estimated uninsured deposits.
- No reliance on brokered deposits or FRB borrowing facilities during 2024 or 2023

## Credit Quality

- The allowance for credit losses to total loans was 1.85% as of September 30, 2024, as compared to the trailing quarter at 1.83%, as both the level of provisioning and net charge-offs during the quarter were negligible.
- With non-performing assets to total assets (not adjusted for guarantees) at 0.45% as of September 30, 2024, and the allowance for credit losses representing nearly 3.0x of non-performing loans, we believe the overall credit risk profile remains historically low.

## Diverse Deposit Base

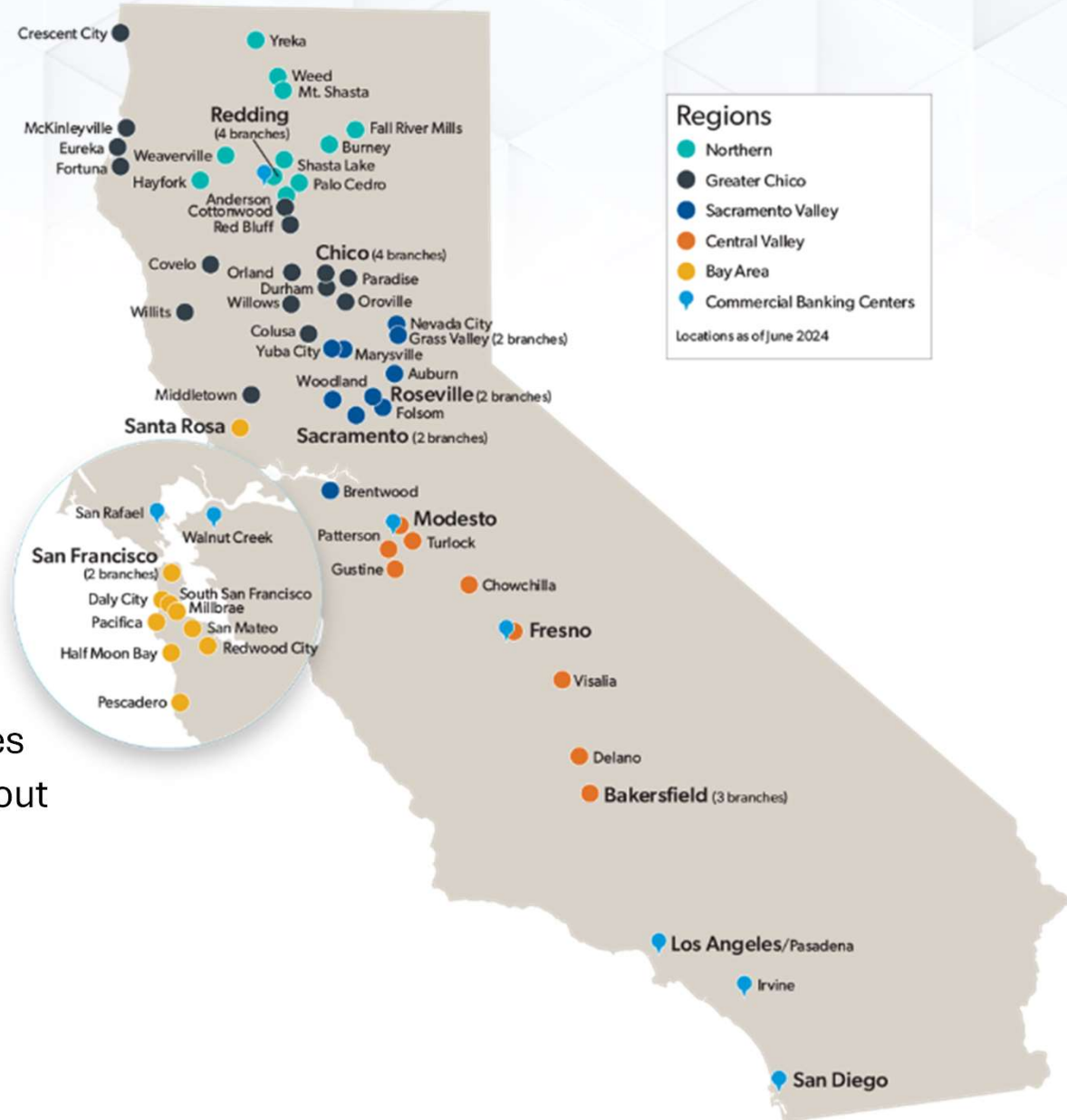
- Average non-interest-bearing deposits comprised 31.7% of average total deposits for the quarter.
- Approximately a 50/50 split between consumer and business deposit dollars reflects a diversified client base.

## Capital Strategies

- All regulatory capital ratios continue to climb, with four successive quarters of increases
- Maintained the 2024 quarterly dividend of \$0.33 or \$1.32 annually as compared to the \$1.20 paid in 2023
- Approximately 865,000 shares remain authorized for repurchase
- Tangible capital ratio of 9.7% at September 30, 2024, an increase from 7.9% at September 2023, through the combined impacts of retained earnings and reduction in accumulated other comprehensive loss.

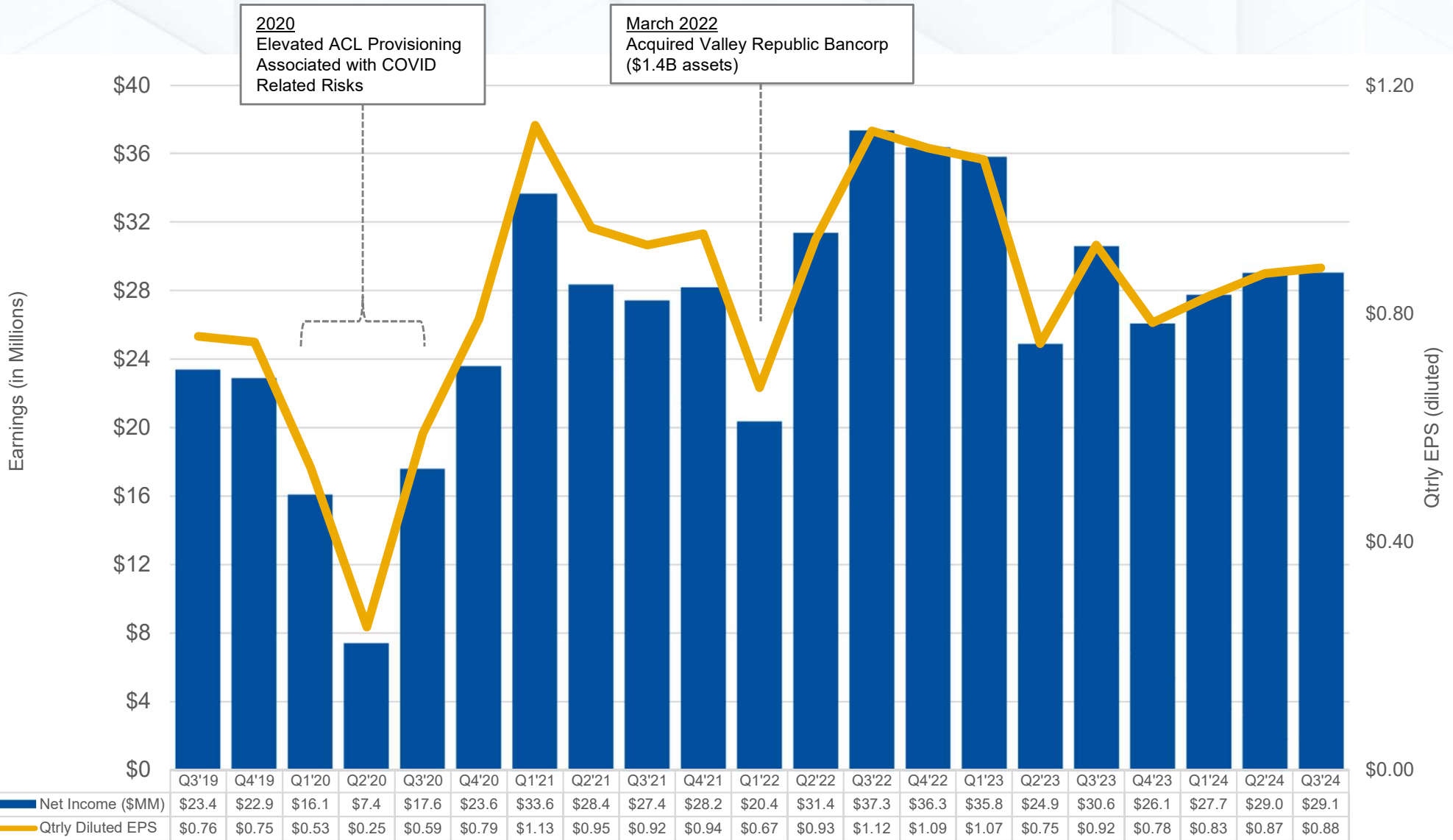
# Company Overview

<b>Nasdaq:</b>	TCBK
<b>Headquarters:</b>	Chico, California
<b>Stock Price*:</b>	\$42.65
<b>Market Cap.:</b>	\$1.41 Billion
<b>Asset Size:</b>	\$9.82 Billion
<b>Loans:</b>	\$6.68 Billion
<b>Deposits:</b>	\$8.04 Billion
<b>Bank Branches:</b>	68
<b>ATMs:</b>	84 Bank ATMs, with access to ~ 40,000 in network
<b>Market Area:</b>	TriCo currently serves 31 counties throughout California



\* As of close of business September 30, 2024

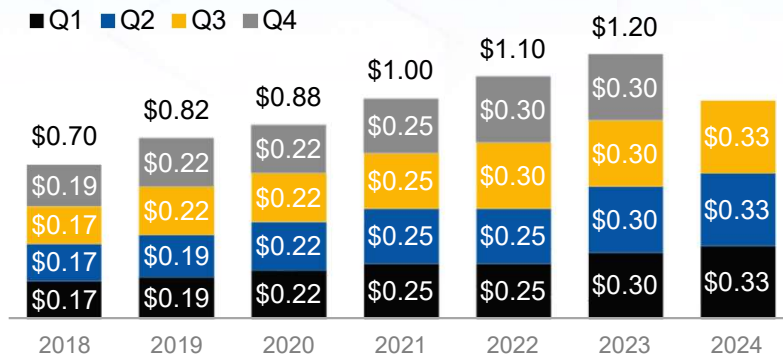
# Positive Earnings Track Record



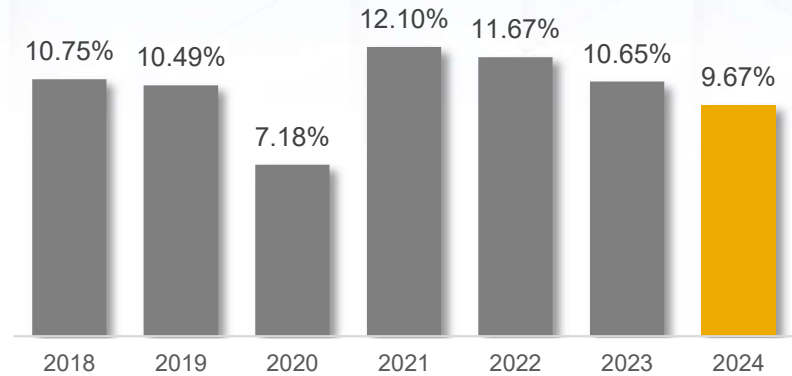


# Shareholder Returns

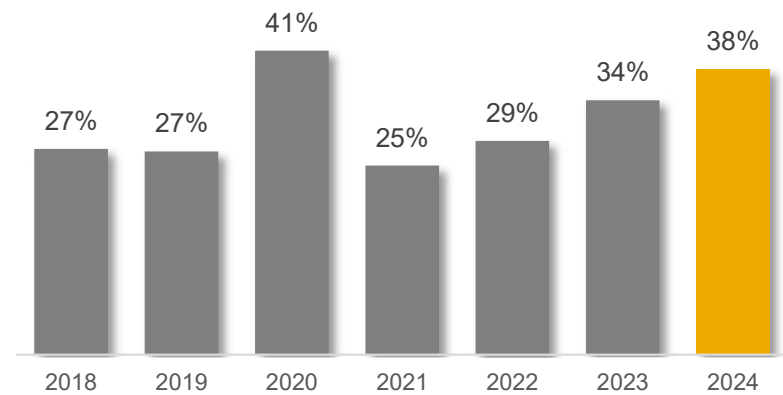
## Dividends per Share: 10% CAGR\*



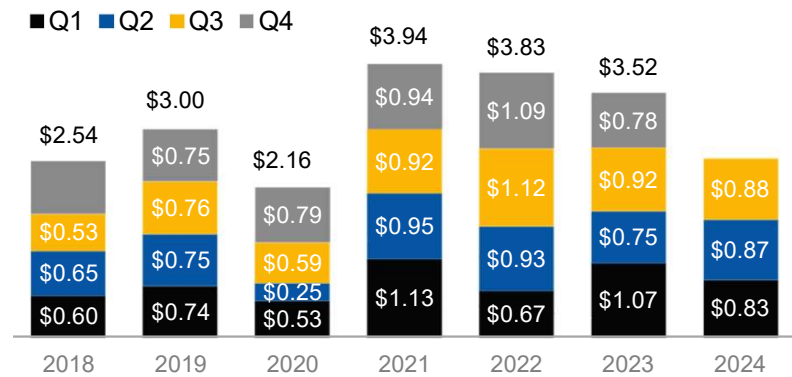
## Return on Avg. Shareholder Equity



## Dividends as % of Earnings



## Diluted EPS



\*Compound Annual Growth Rate, 5 years

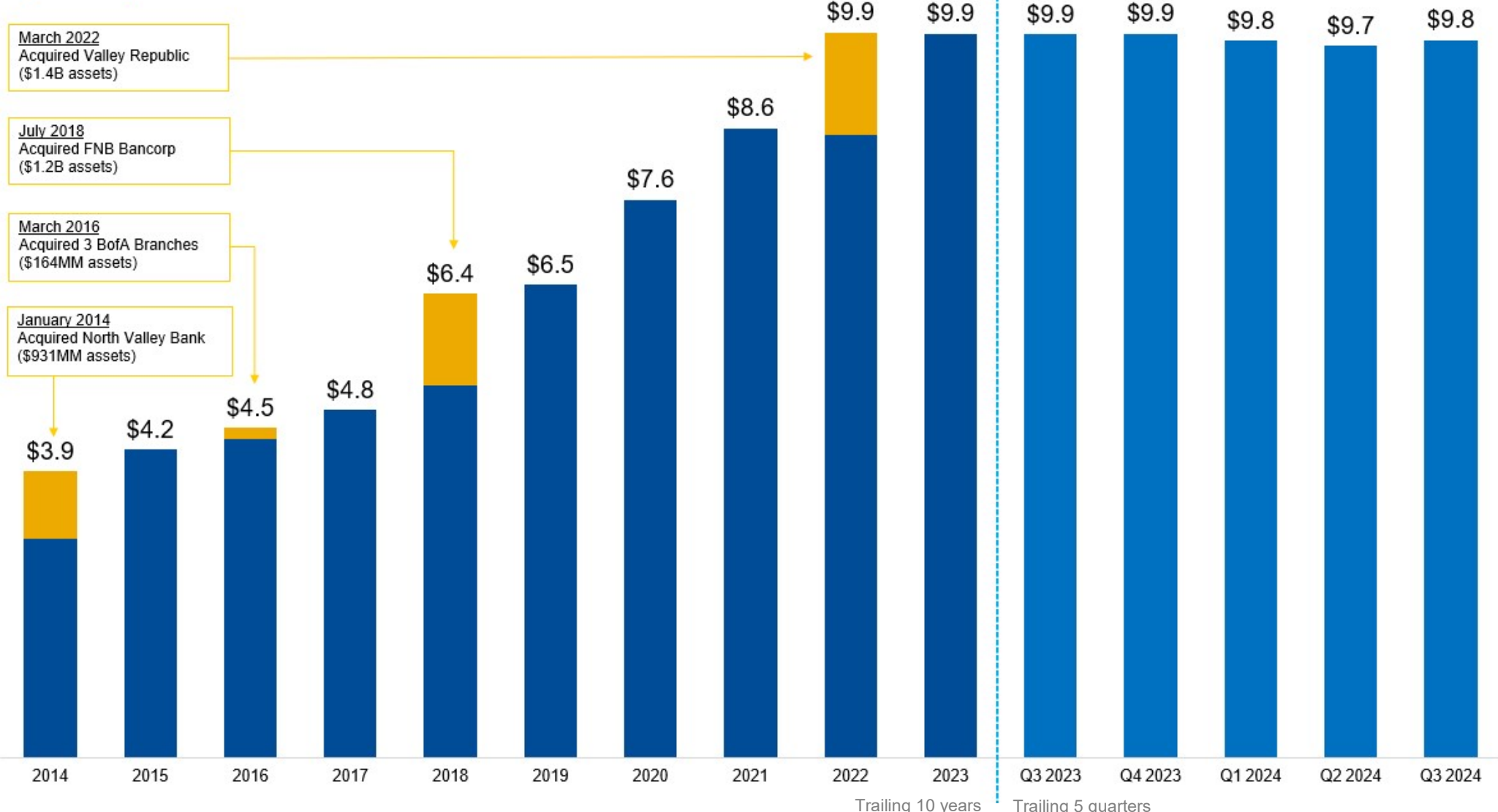
# Asset Growth

## Organic Growth and Disciplined Acquisitions

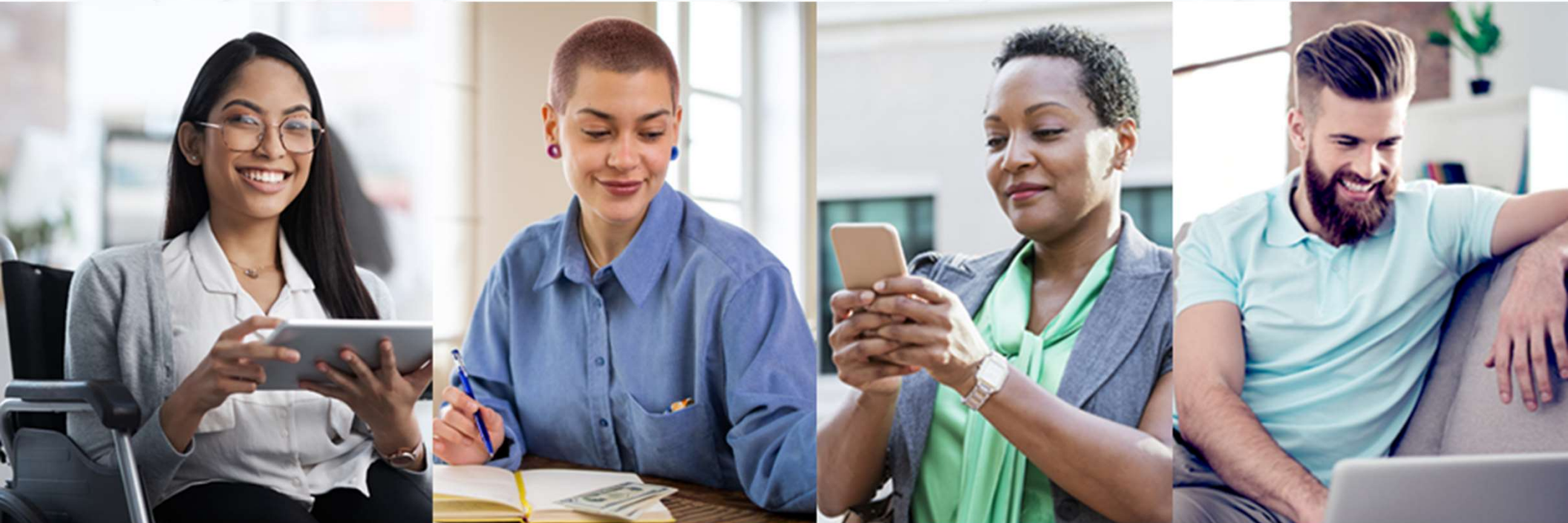
### CAGR, Assets

5 yrs.	10 yrs.
9.0%	13.4%

■ Organic ■ Acquired



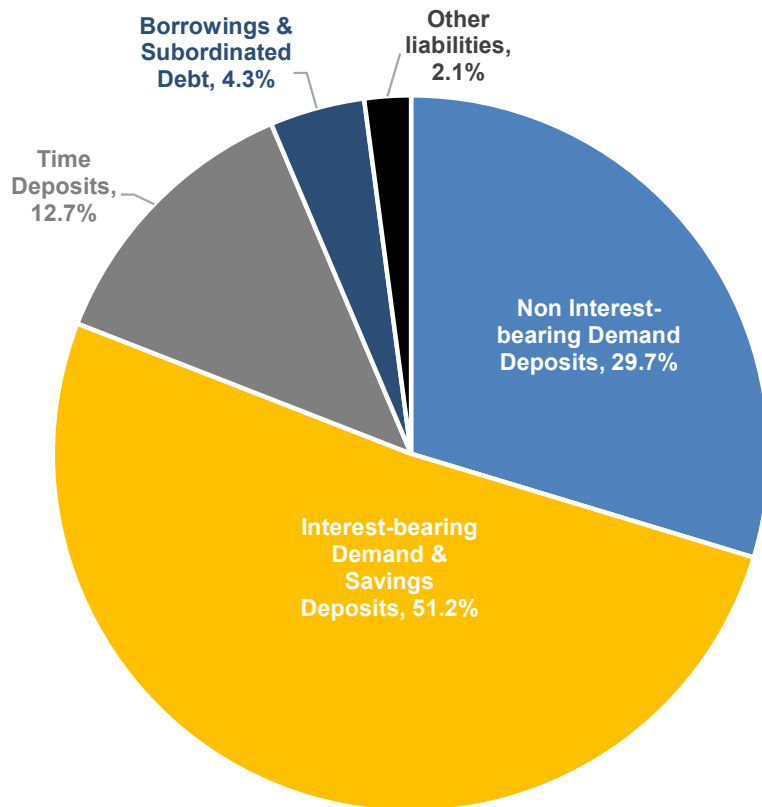
• Asset Dollars in Billions



## Deposits

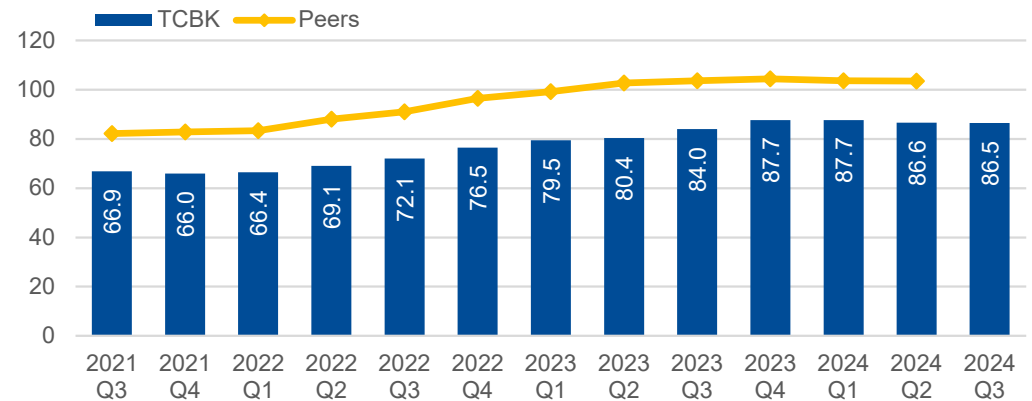
# Liability Mix: Strength in Funding

## Liability Mix 09/30/2024

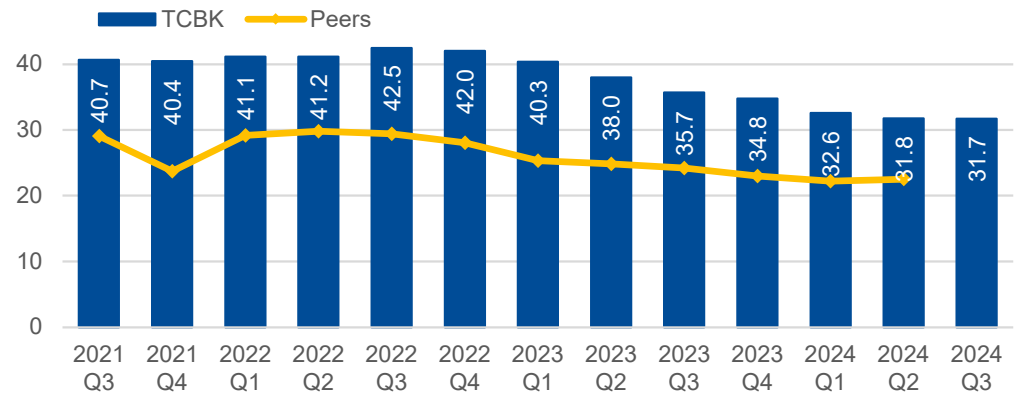


Total Deposits = **\$8.04 billion**  
**95.6% of Funding Liabilities**

## Loans to Core Deposits (%)

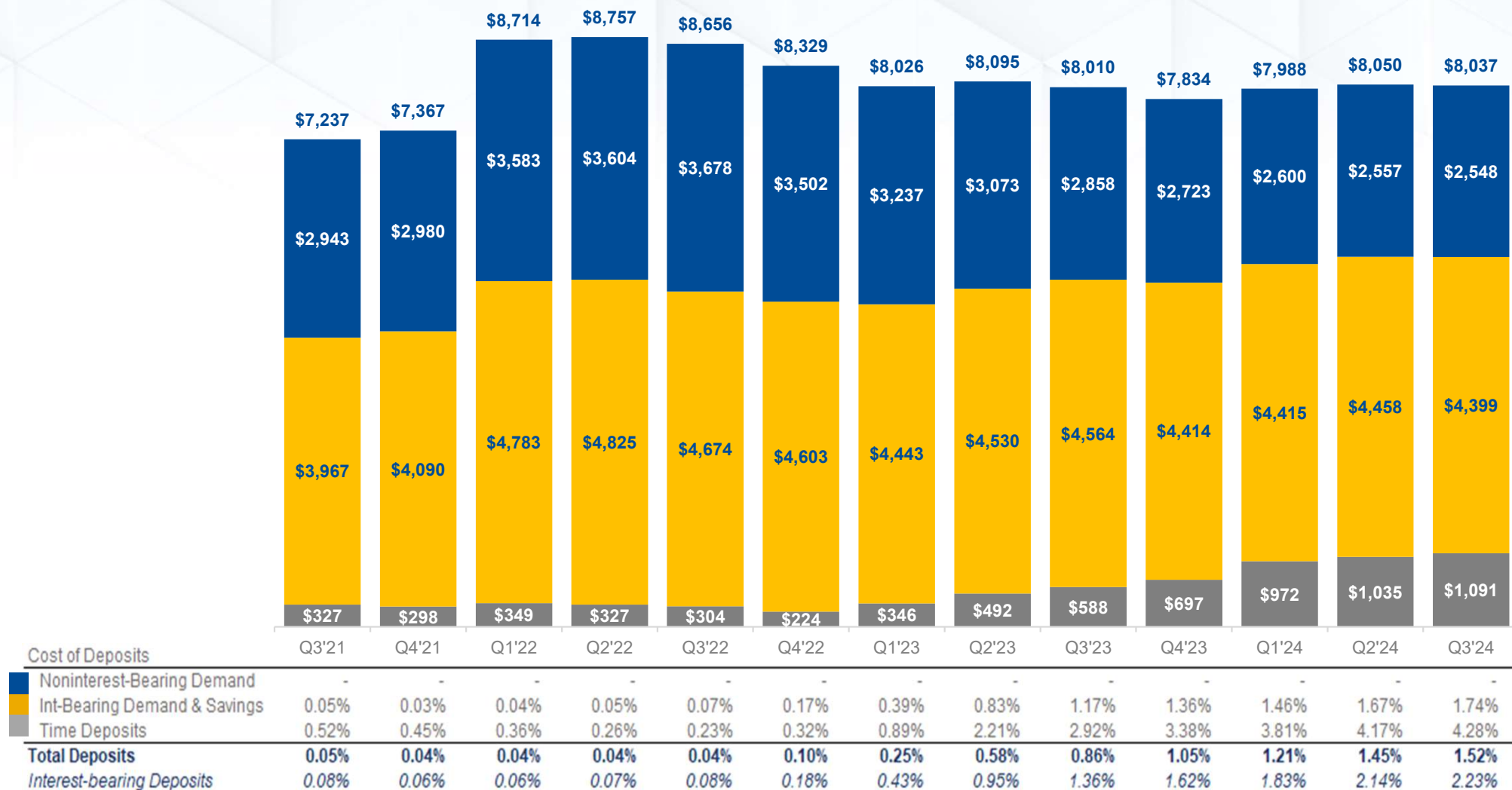


## Non Interest-bearing Deposits as % of Total Deposits



- Peer group consists of 99 closest peers in terms of total deposits, range \$5.1 to 11.1 Billion; source: BankRegData.com
- Net Loans includes LHFS and Allowance for Credit Loss; Core Deposits = Total Deposits less CDs > 250k and Brokered Deposits

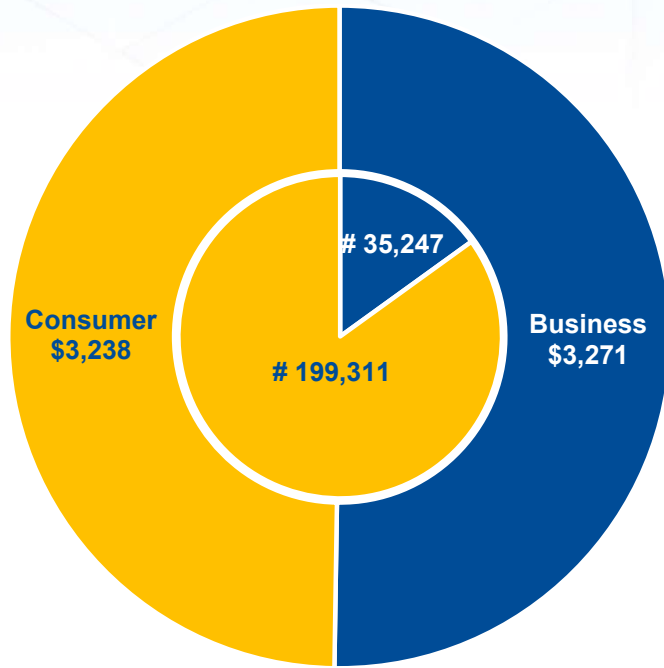
# Deposits: Strength in Cost of Funds



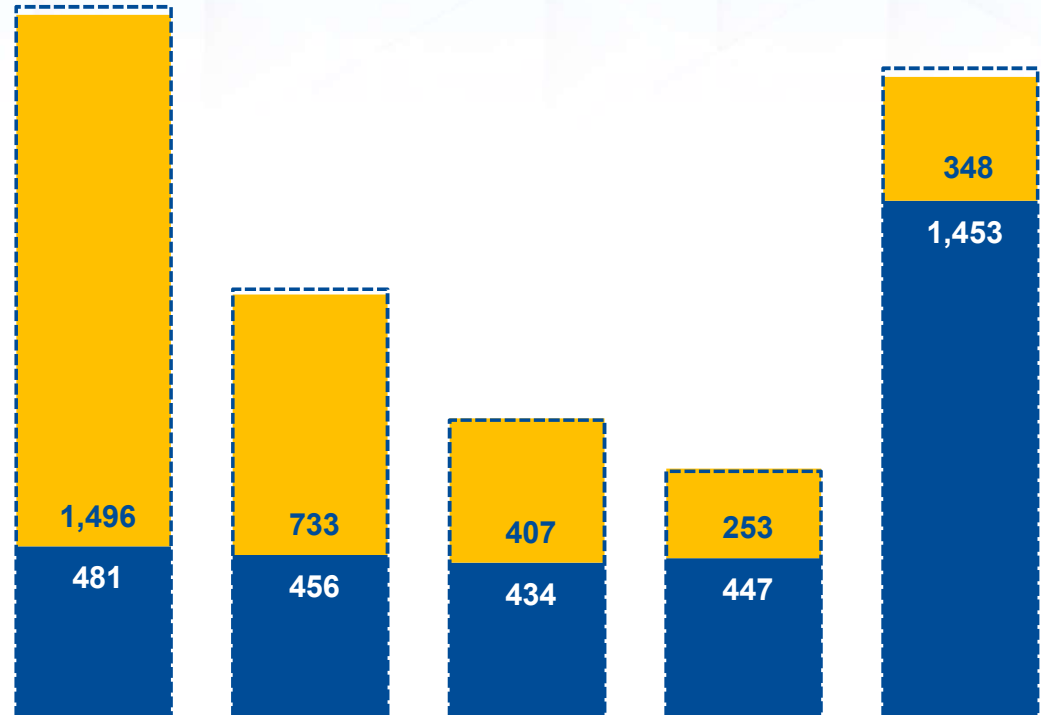
• Balances presented in millions, end of period

# Deposits: Demand & Savings Deposit Mix

Total Demand & Savings  
(\$ millions-exterior, # of accounts-interior)



Balance Tier, \$ millions [1]

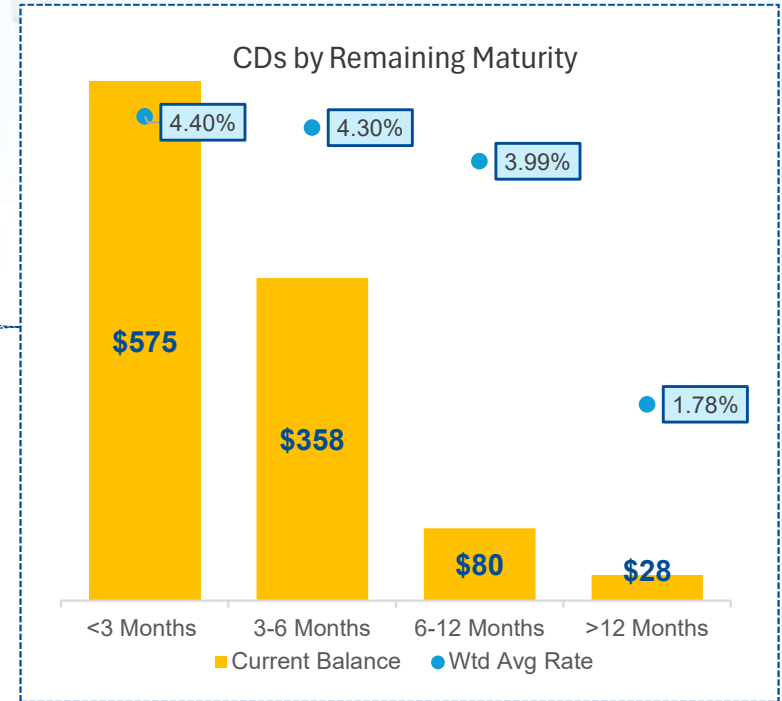
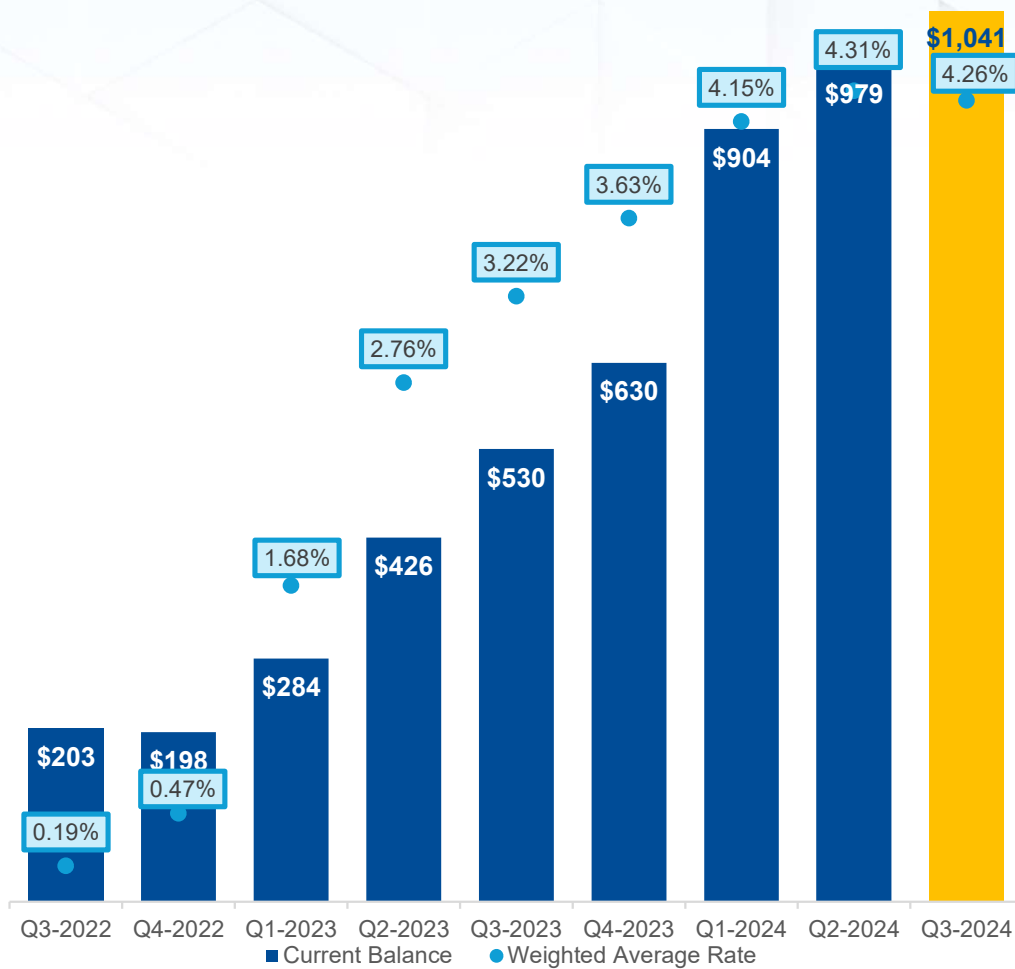


Business	\$0-\$100k	>\$100k-\$250k	>\$250k-\$500k	>\$500k-\$1 mn	>\$1 mn
# of Accounts	29,947	2,870	1,258	651	521
Avg Bal / Account (\$000s)	\$16	\$159	\$345	\$686	\$2,789
Consumer	\$0-\$100k	>\$100k-\$250k	>\$250k-\$500k	>\$500k-\$1 mn	>\$1 mn
# of Accounts	192,726	4,846	1,206	377	156
Avg Bal / Account (\$000s)	\$8	\$151	\$338	\$671	\$2,231

[1] Excludes time deposits, bank owned operational deposits and public funds.

# Deposits: CD Balance and Maturity Composition

## CD Growth



### Current CD Rate Special\*

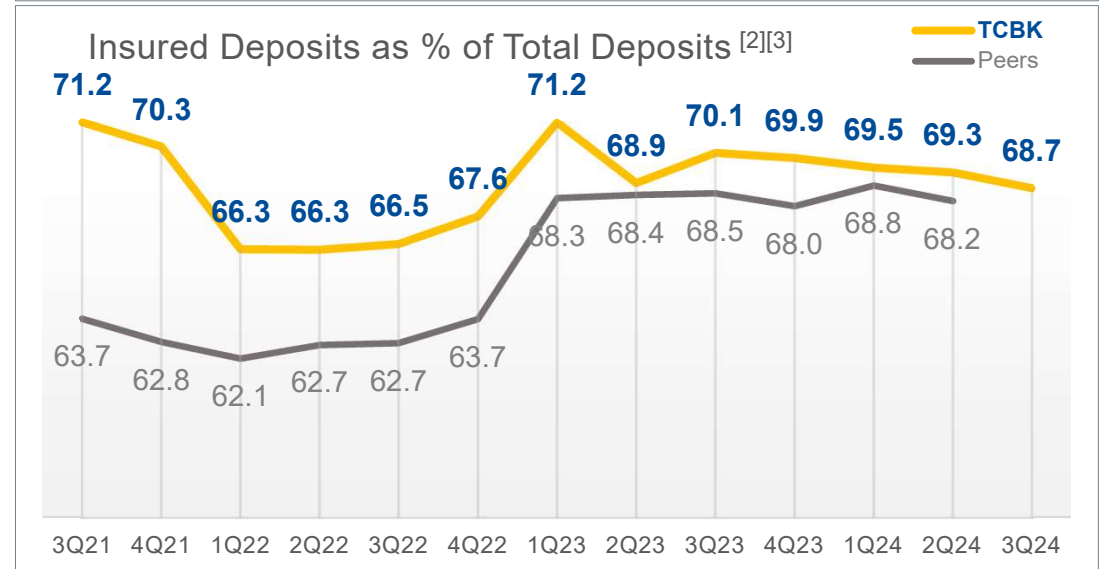
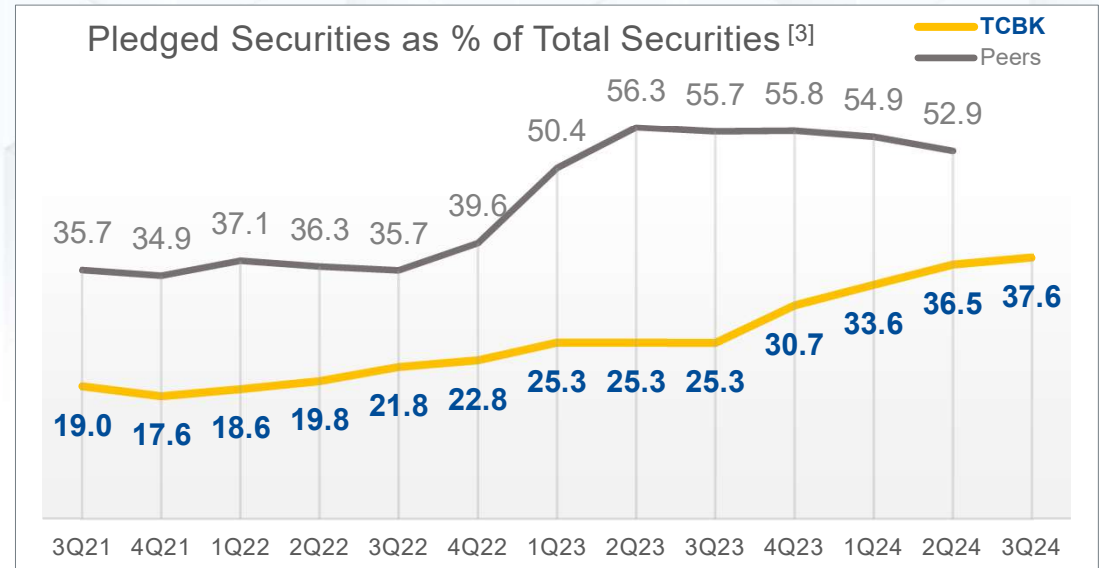
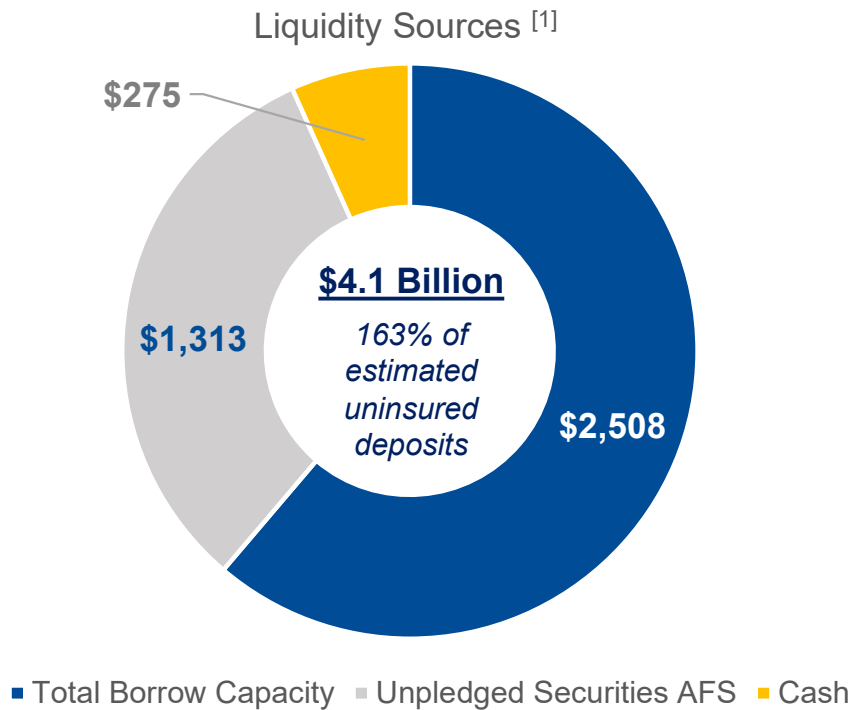
**5-Month CD: 4.00% Annual Percentage Yield (APY)**

\* CD special as of September 30, 2024, subject to change

• Note: Excludes CDARS

# Liquidity

In addition to a strong deposit base, Tri Counties Bank maintains a variety of easily accessible funding sources.



[1] \$ millions, as of 9/30/2024, cash based upon total held at or in transit with FRB

[2] Based upon estimated uninsured deposits reported in Call Report schedule RC-O includes demand and time deposits

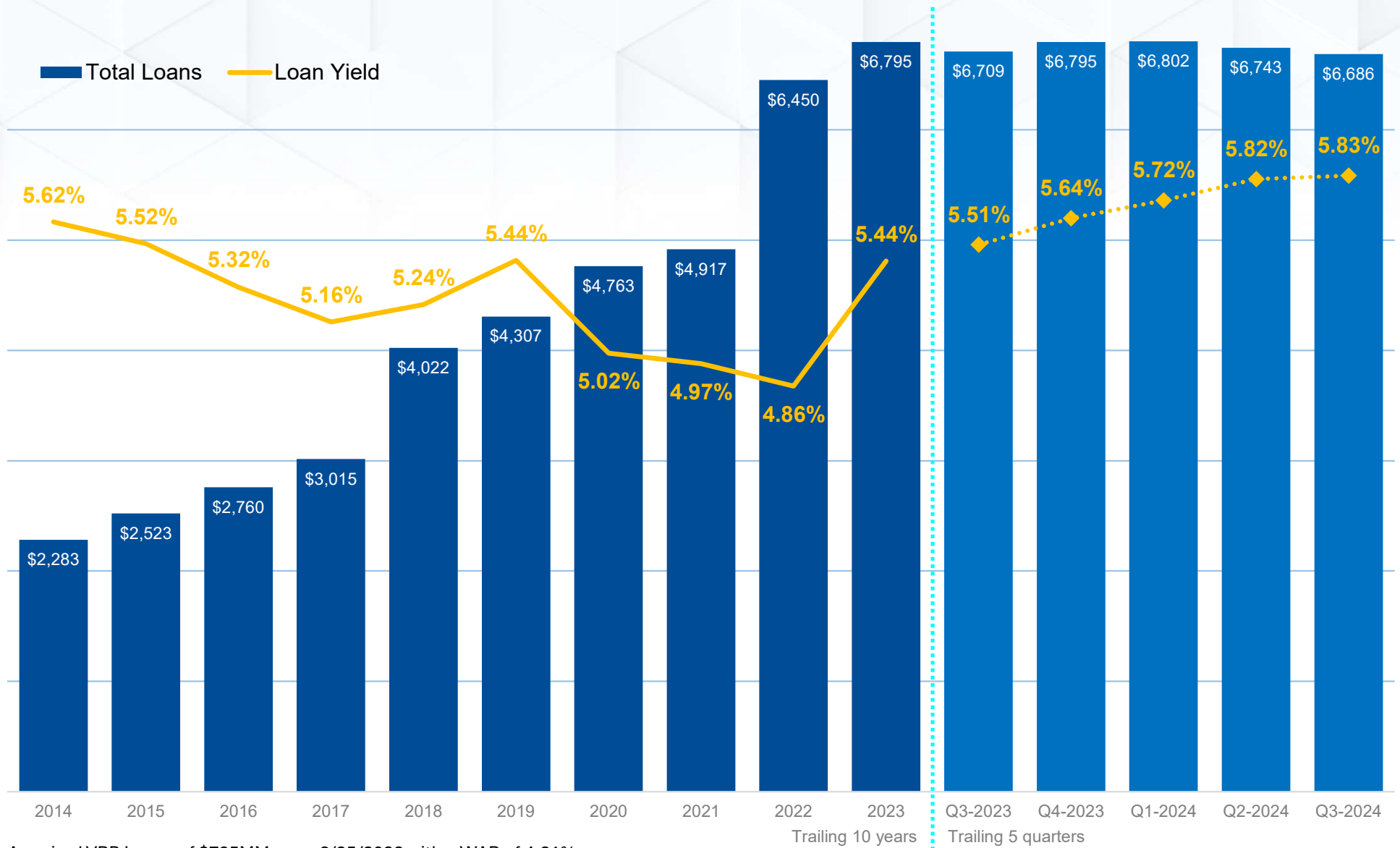
[3] Peer group consists of closest 99 peers in terms of assets, sourced from BankRegData.com





## Loans and Credit Quality

# Loan Portfolio and Yield



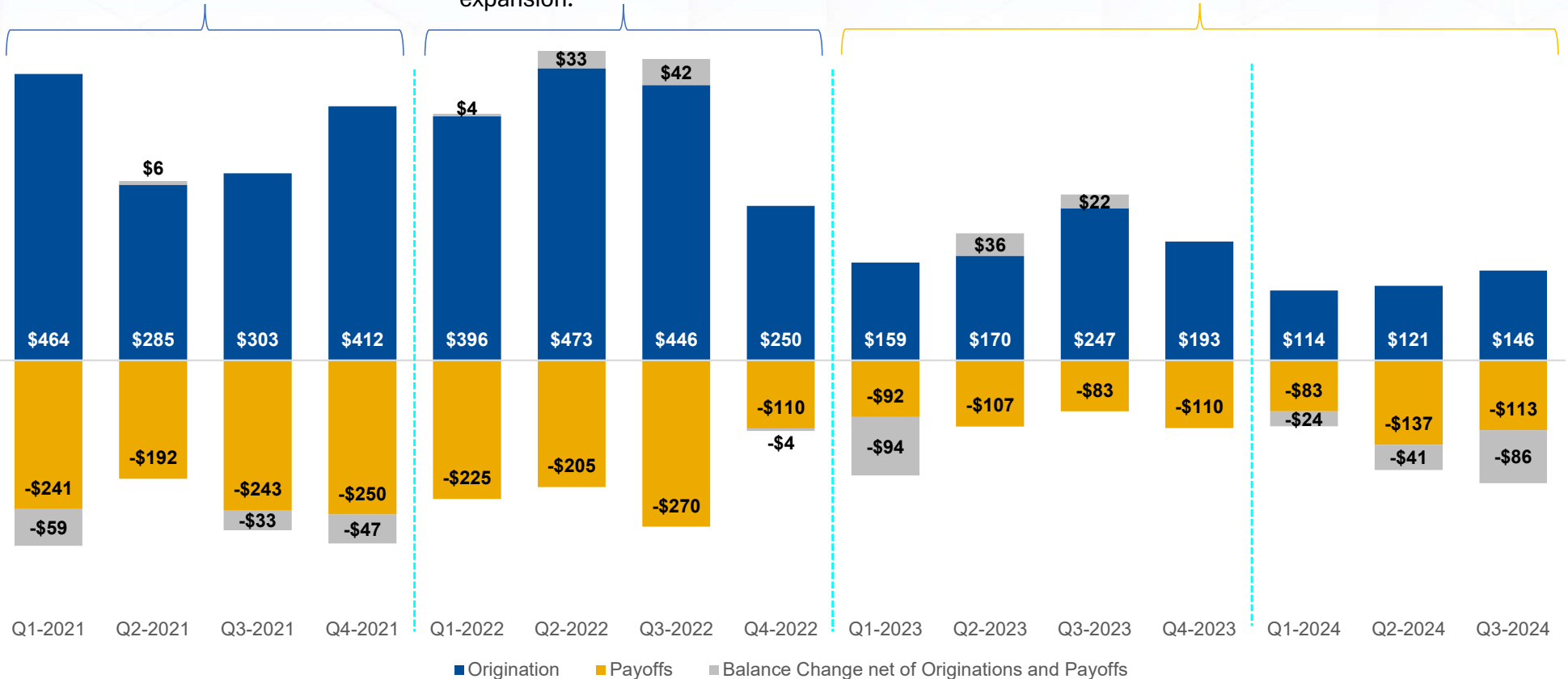
- Acquired VRB Loans of \$795MM upon 3/25/2022 with a WAR of 4.31%.
- Yield scaled to range of 3% to 6% in the visual
- End of period balances are presented net of fees and include LHFS. Yields based on average balance and annualized interest income for quarterly periods.

# Gross Production vs. Payoff

TCBK originated nearly \$1.5 billion in 2021, while facing headwinds of an increased \$372 million in payoffs during 2021.

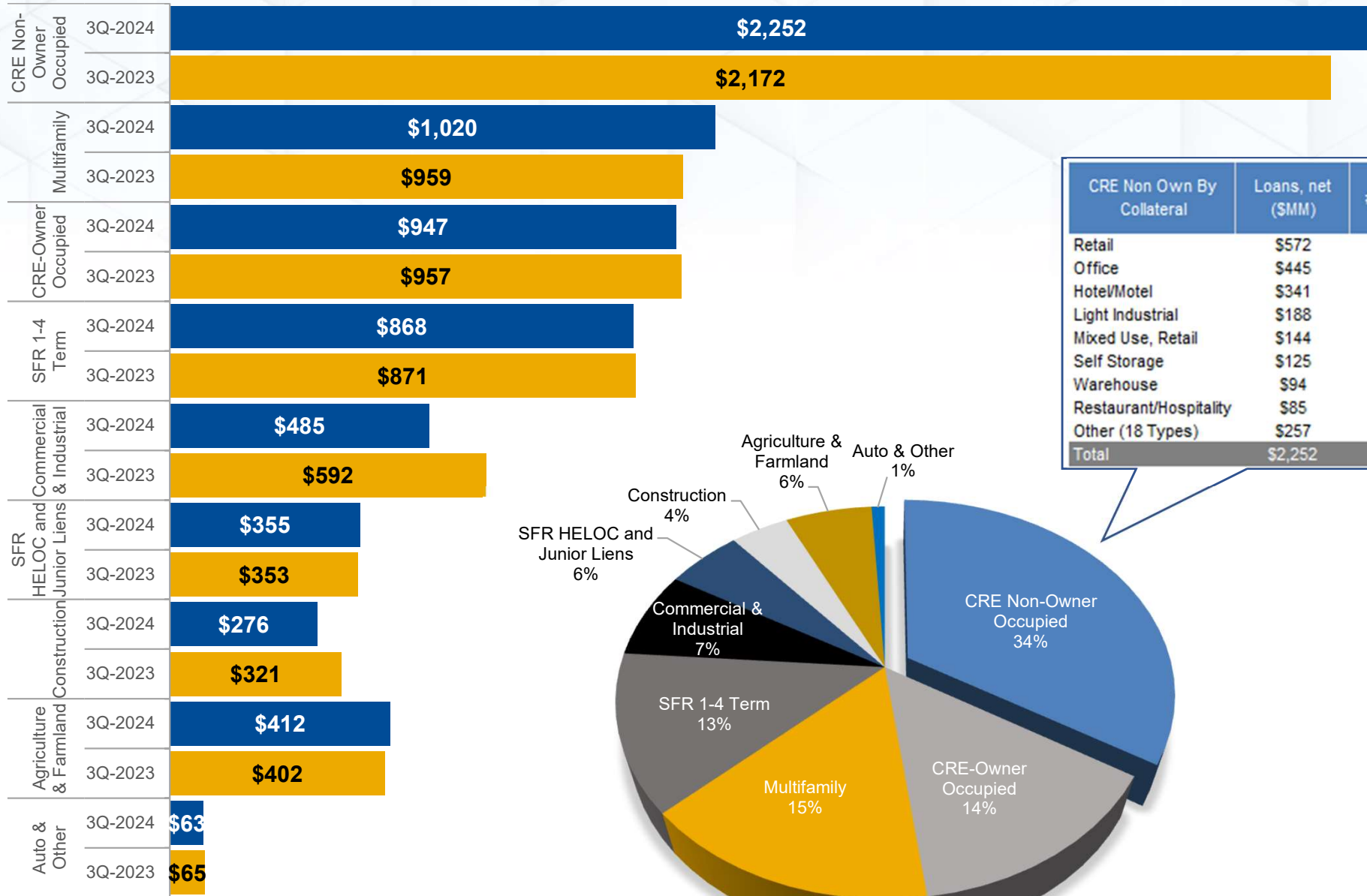
Originations and net loan growth in 2022 were supportive of the positive mix shift in earning assets and facilitated both NII and NIM expansion.

Slower pace of originations commensurate with market rate changes, liquidity management, and NIM preservation.

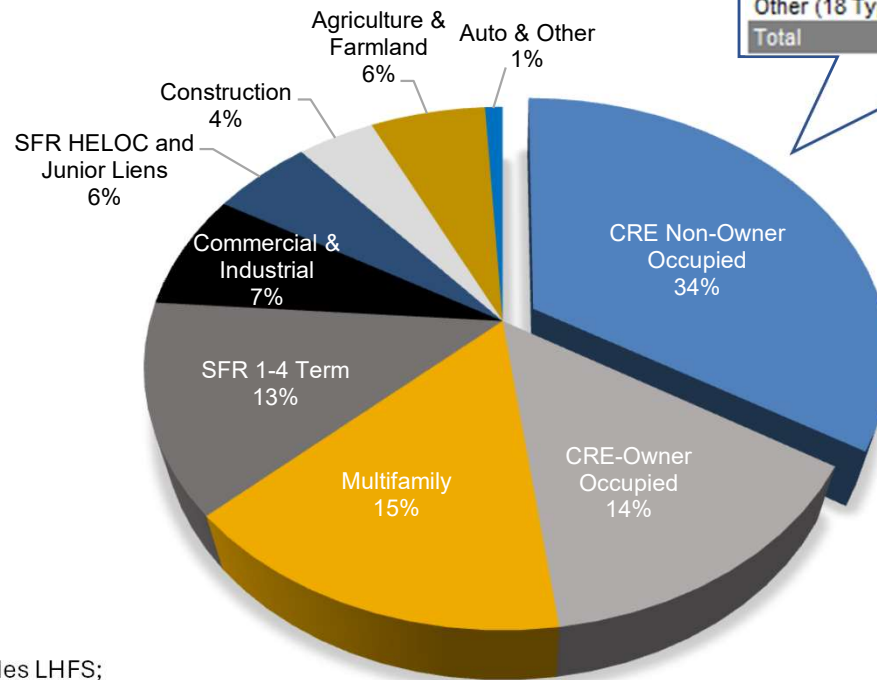


- Outstanding Principal in Millions, excludes PPP and Credit Card balances
- Includes Q1 2021 increase of \$98MM and Q4 2020 increase of \$40MM in Jumbo Mortgage pool purchases
- \$800MM in outstanding at close of Q1-2022 related to VRB Acquisitions (\$795MM at acquisition) excluded from the chart

# Diversified Loan Portfolio



CRE Non Own By Collateral	Loans, net (\$MM)	# Loans	% of CRE NOO
Retail	\$572	349	25%
Office	\$445	352	20%
Hotel/Motel	\$341	94	15%
Light Industrial	\$188	187	8%
Mixed Use, Retail	\$144	100	6%
Self Storage	\$125	48	6%
Warehouse	\$94	102	4%
Restaurant/Hospitality	\$85	62	4%
Other (18 Types)	\$257	194	11%
<b>Total</b>	<b>\$2,252</b>	<b>1,488</b>	<b>100%</b>

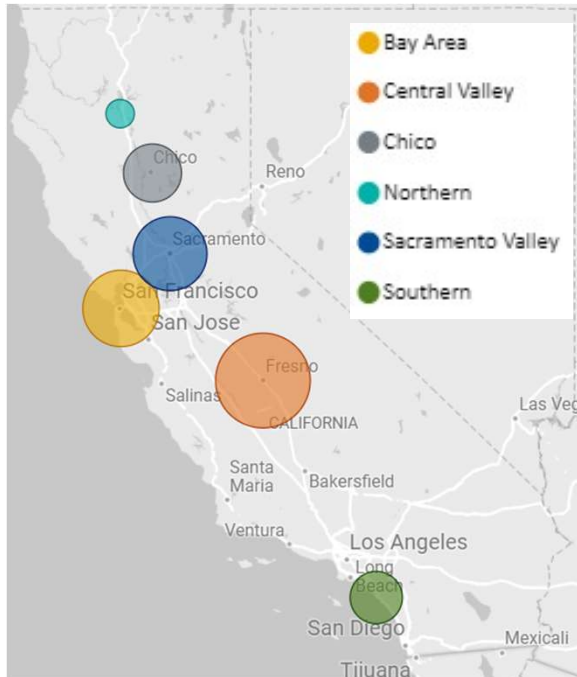


- Dollars in millions, Net Book Value at period end, excludes LHFS;
- Auto & other includes Leases; Commercial & Industrial includes Municipality Loans.

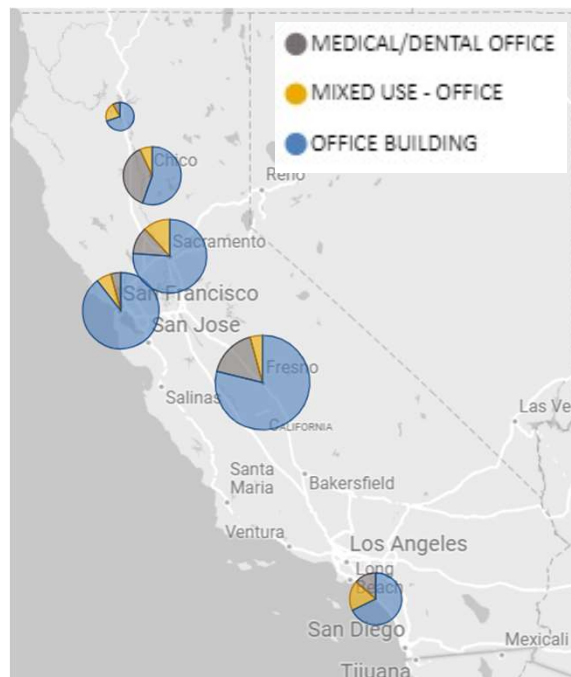
# Office RE Collateral

TCBK Regions	Office RE Collateral					Top 5 Customers within Largest Regions				
	Loan Count	Commitments	Net Book Balance	Per Loan Avg Book Balance	Wtd Avg LTV	Loan Count	Commitments	Net Book Balance	Per Loan Avg Book Balance	Wtd Avg LTV
Central Valley	301	\$316,510,292	\$295,897,489	\$983,048	60.6%	6	\$56,965,034	\$56,177,361	\$9,362,894	59.5%
Bay Area	120	\$174,267,241	\$162,104,412	\$1,350,870	51.6%	6	\$62,058,472	\$61,796,497	\$10,299,416	50.7%
Sacramento Valley	170	\$159,013,201	\$151,228,192	\$889,578	60.1%	12	\$54,102,256	\$50,651,827	\$4,220,986	62.6%
Chico	125	\$79,262,969	\$74,738,595	\$597,909	63.2%	9	\$28,029,227	\$24,715,614	\$2,746,179	58.6%
<b>Subtotal</b>	<b>716</b>	<b>\$729,053,703</b>	<b>\$683,968,688</b>	<b>\$955,264</b>	<b>58.6%</b>	<b>33</b>	<b>\$201,154,990</b>	<b>\$193,341,299</b>	<b>\$5,858,827</b>	<b>57.0%</b>
Southern	34	\$58,418,516	\$54,156,953	\$1,592,852	58.8%					
Northern	51	\$20,388,723	\$18,510,391	\$362,949	63.9%					
Outside CA	17	\$23,649,835	\$22,603,240	\$1,329,602	55.0%					
<b>Total Office RE</b>	<b>818</b>	<b>\$831,510,777</b>	<b>\$779,239,272</b>	<b>\$952,615</b>	<b>58.7%</b>					

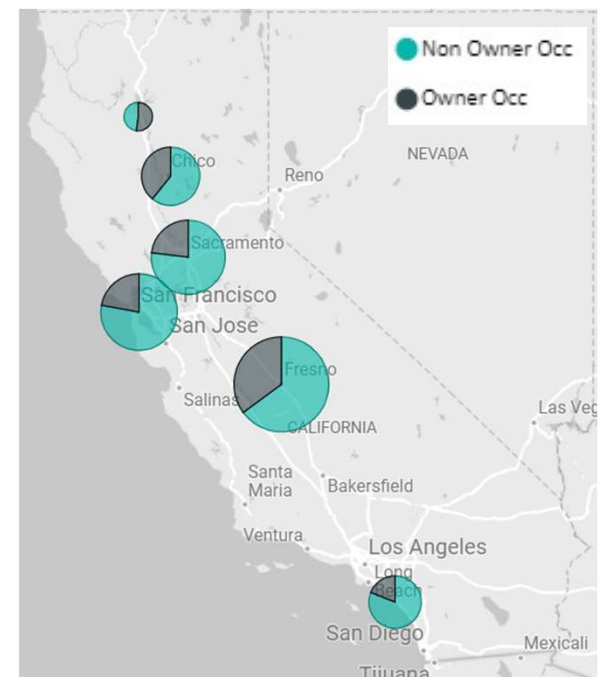
California Office Secured by Region



Regions by Collateral Code



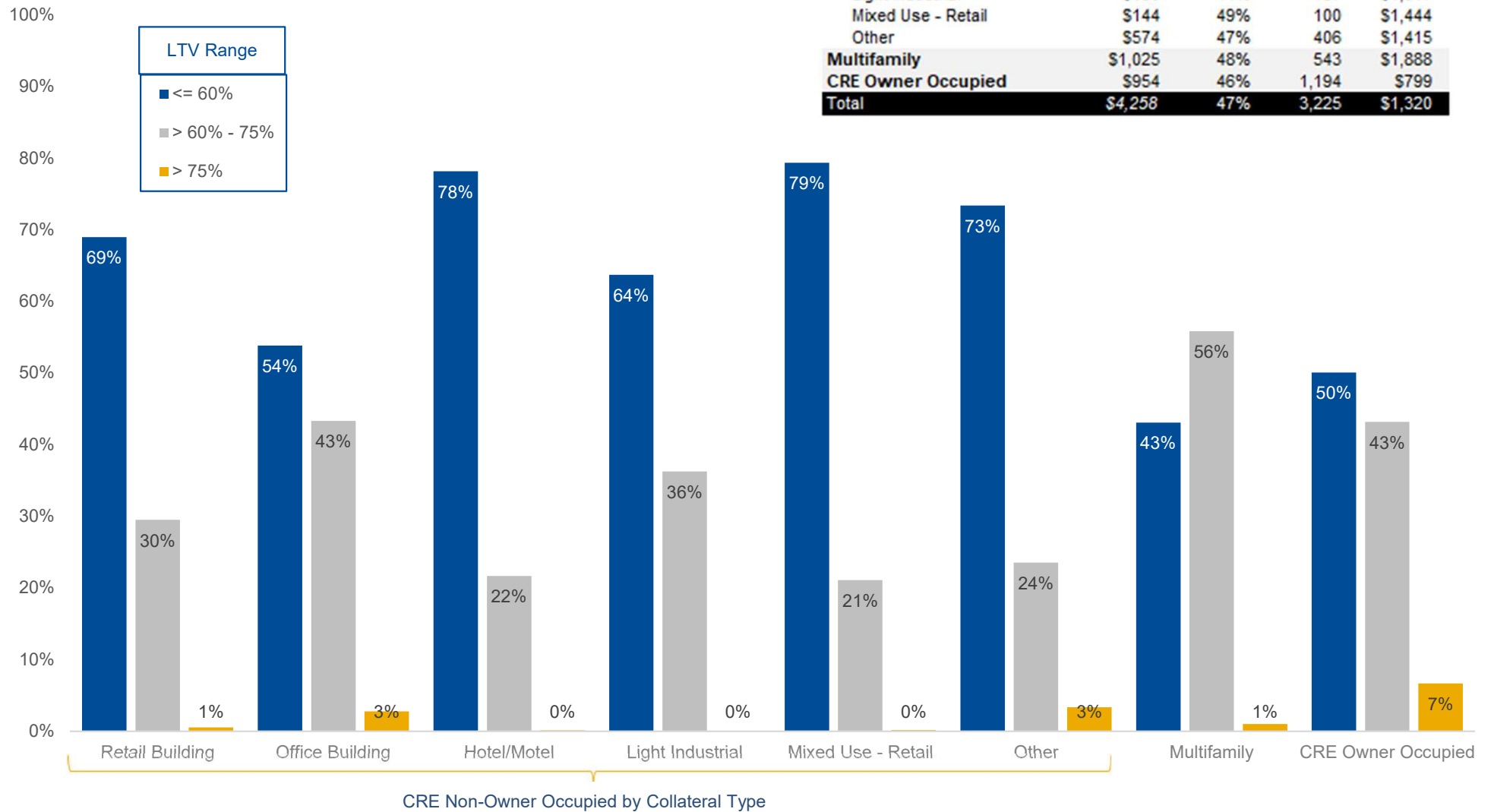
Regions by Occupancy Type



Graph circle size represent total loan Commitments in the Region; regional assignment based upon ZIP code of collateral

# CRE Collateral Values

## Distribution by LTV <sup>(1)</sup>

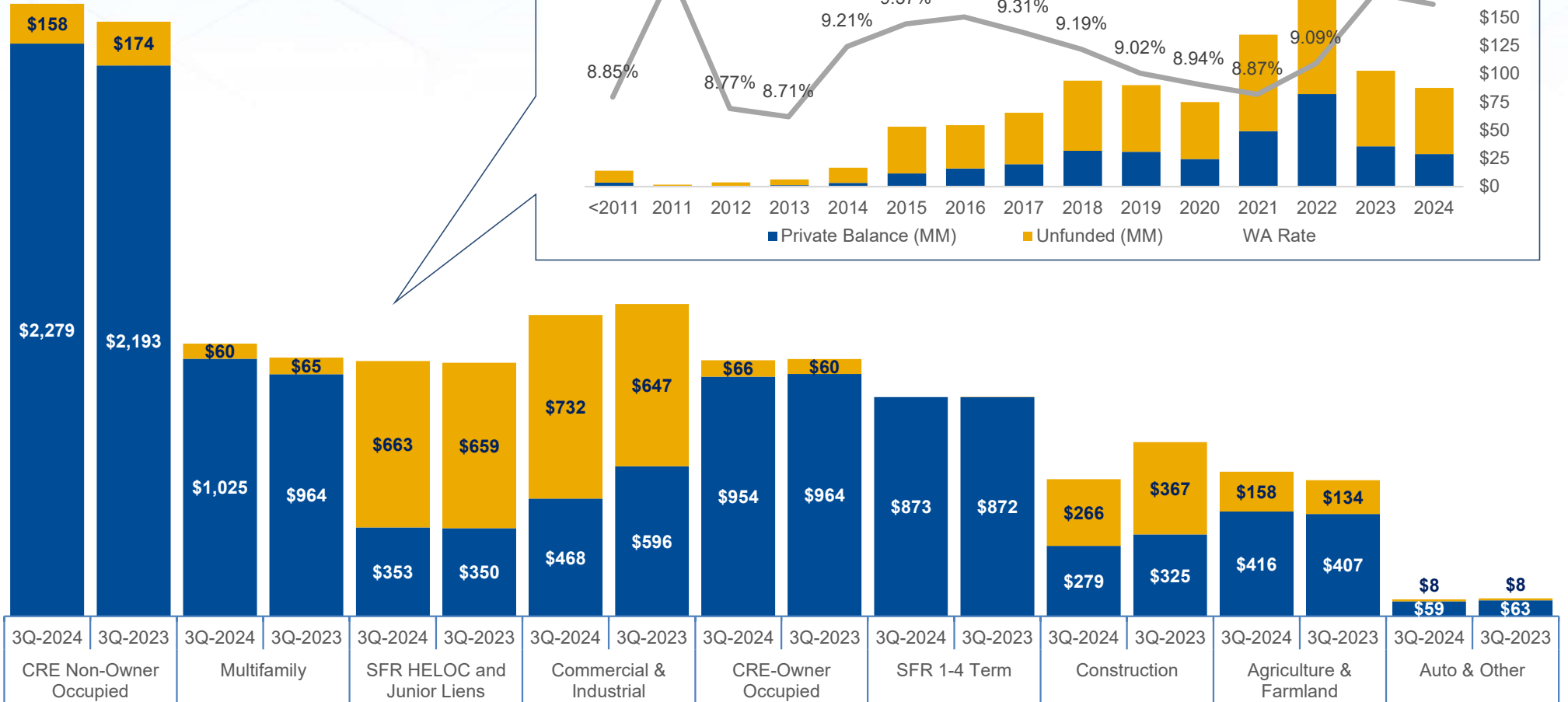


Loan Segment	Outstanding (\$MM)	LTV	# Loans	Avg Loan Size (000s)
<b>CRE Non Owner Occupied</b>	\$2,279	47%	1,488	\$1,532
Retail Building	\$576	49%	349	\$1,650
Office Building	\$450	49%	352	\$1,277
Hotel/Motel	\$345	43%	94	\$3,671
Light Industrial	\$190	44%	187	\$1,017
Mixed Use - Retail	\$144	49%	100	\$1,444
Other	\$574	47%	406	\$1,415
<b>Multifamily</b>	\$1,025	48%	543	\$1,888
<b>CRE Owner Occupied</b>	\$954	46%	1,194	\$799
<b>Total</b>	<b>\$4,258</b>	<b>47%</b>	<b>3,225</b>	<b>\$1,320</b>

(1) LTV as of most recent origination or renewal date.

# Unfunded Loan Commitments

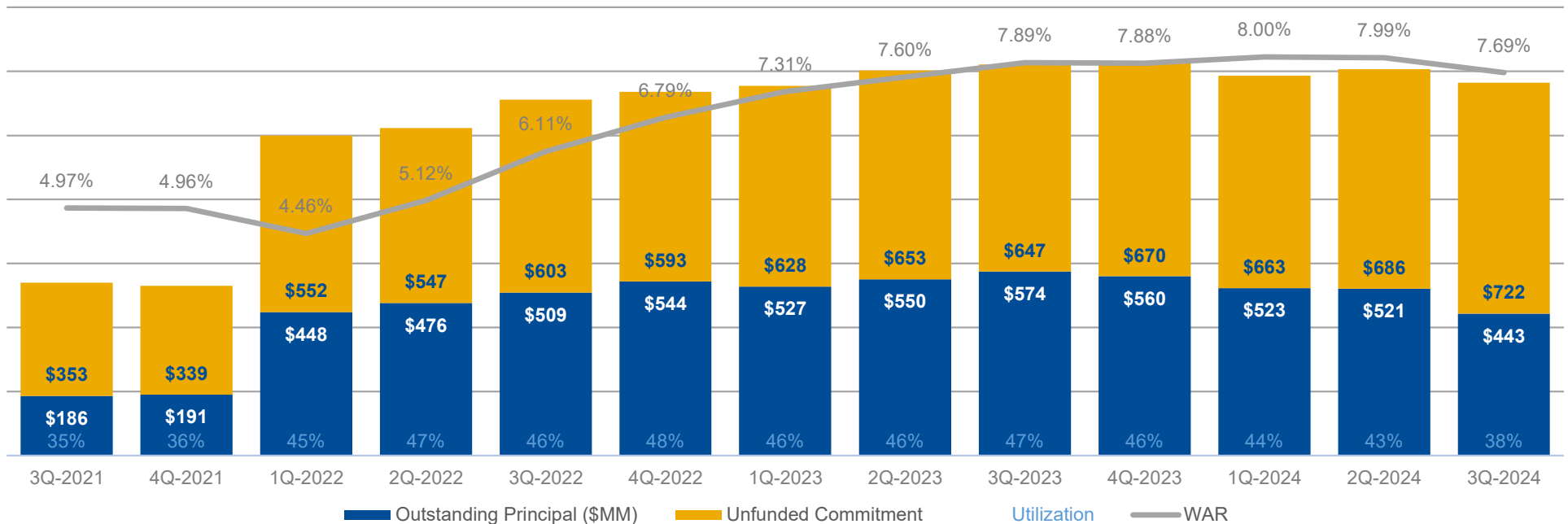
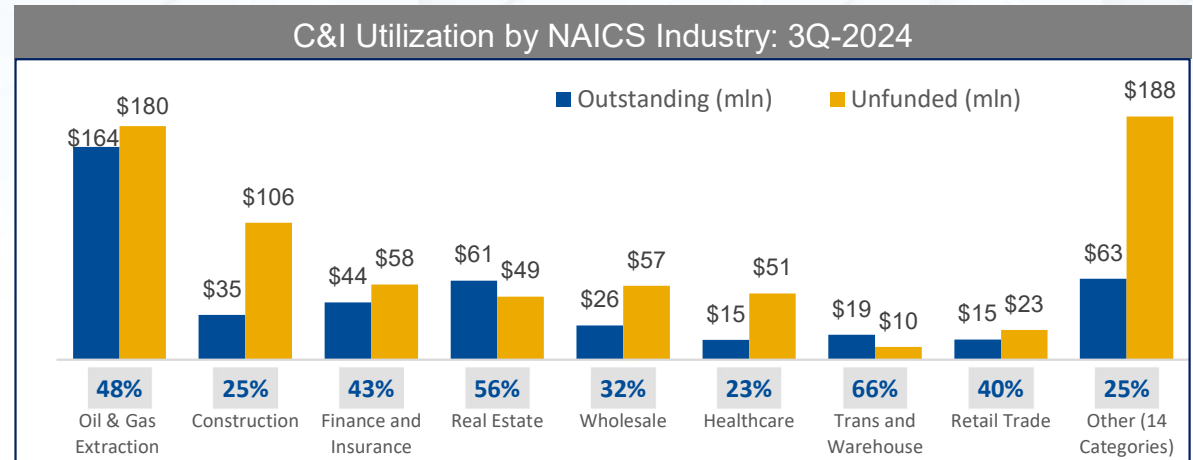
■ Outstanding Principal (\$MM)  
 ■ Unfunded Commitment (\$MM)



■ Outstanding Principal and Commitments exclude unearned fees and discounts/premiums, Leases, DDA Overdraft, and Credit Cards

# C&I Utilization

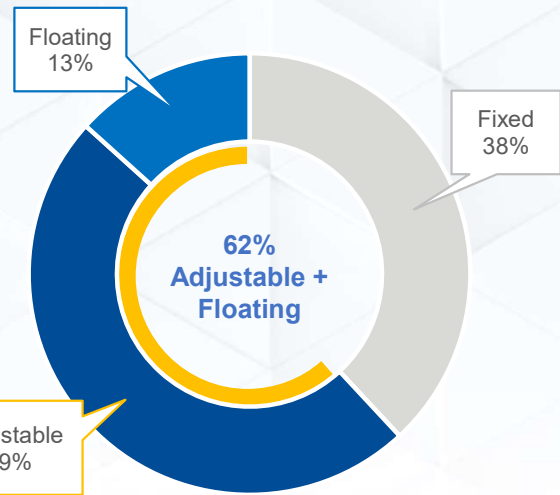
- Utilization has remained stable throughout the rising rate environment
- C&I yields are generally tied to changes in the Prime Rate.
- Paired with treasury management services, C&I customers will be a continued source of fee income and deposits.



• Outstanding Principal excludes unearned fees and discounts/premiums (\$ millions)



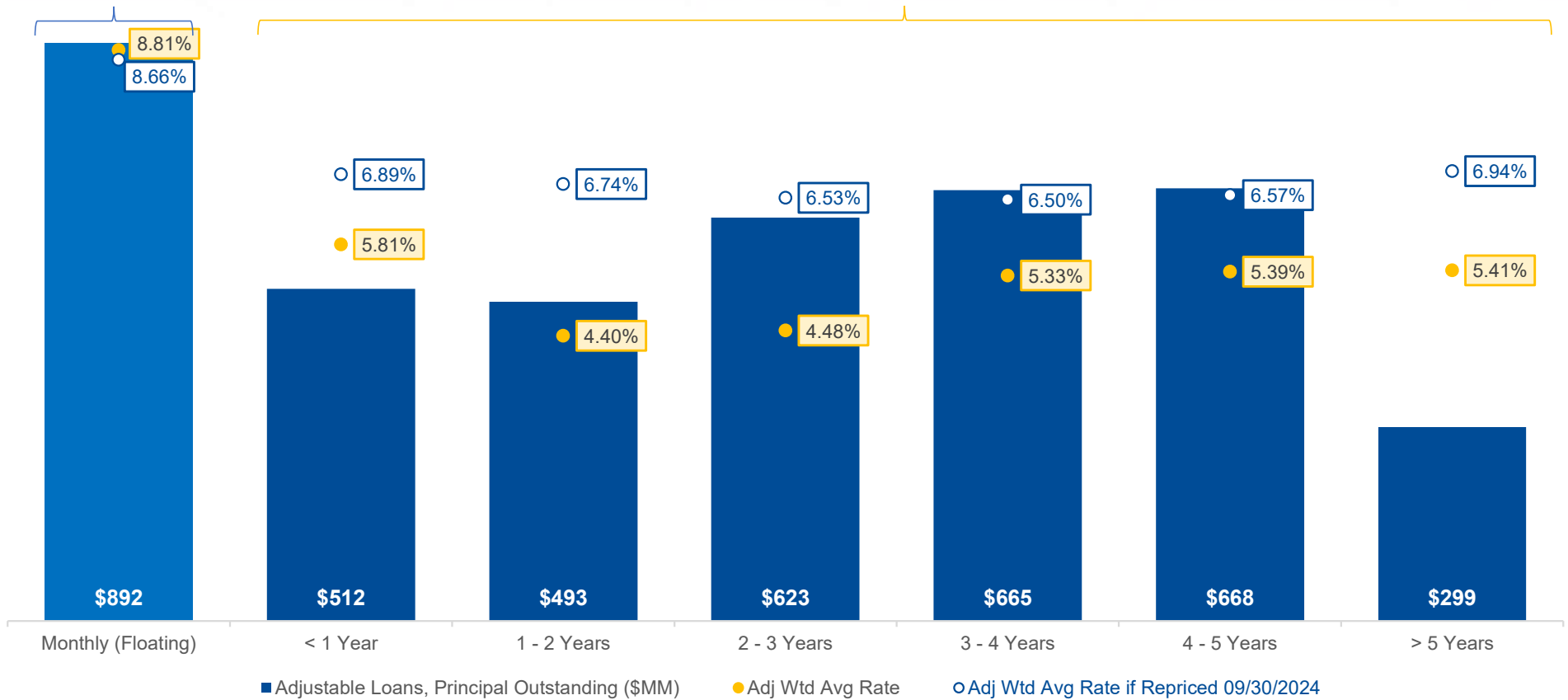
# Loan Yield Composition



99% of Floating benchmarked to Prime

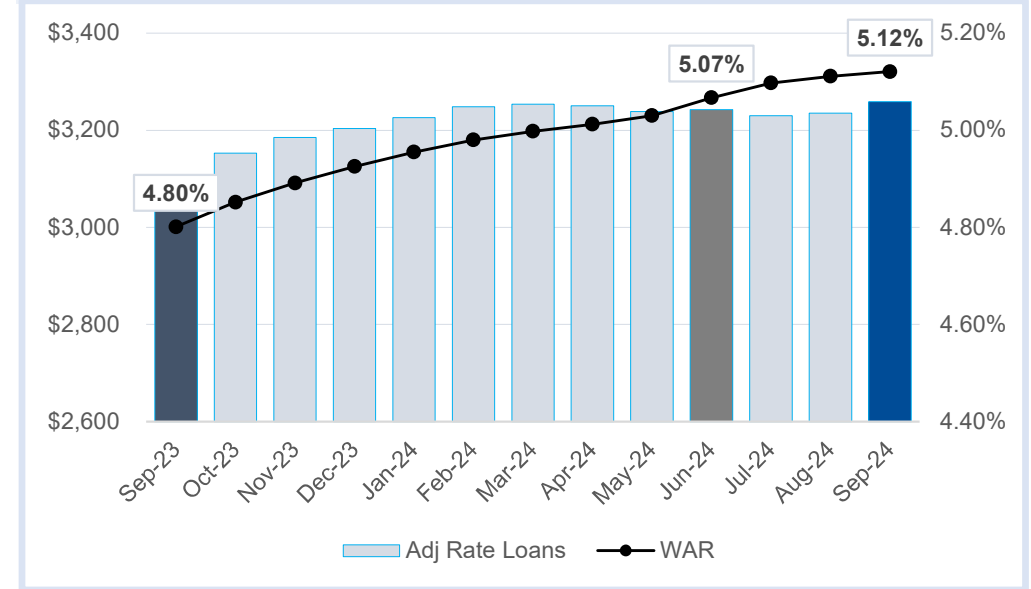
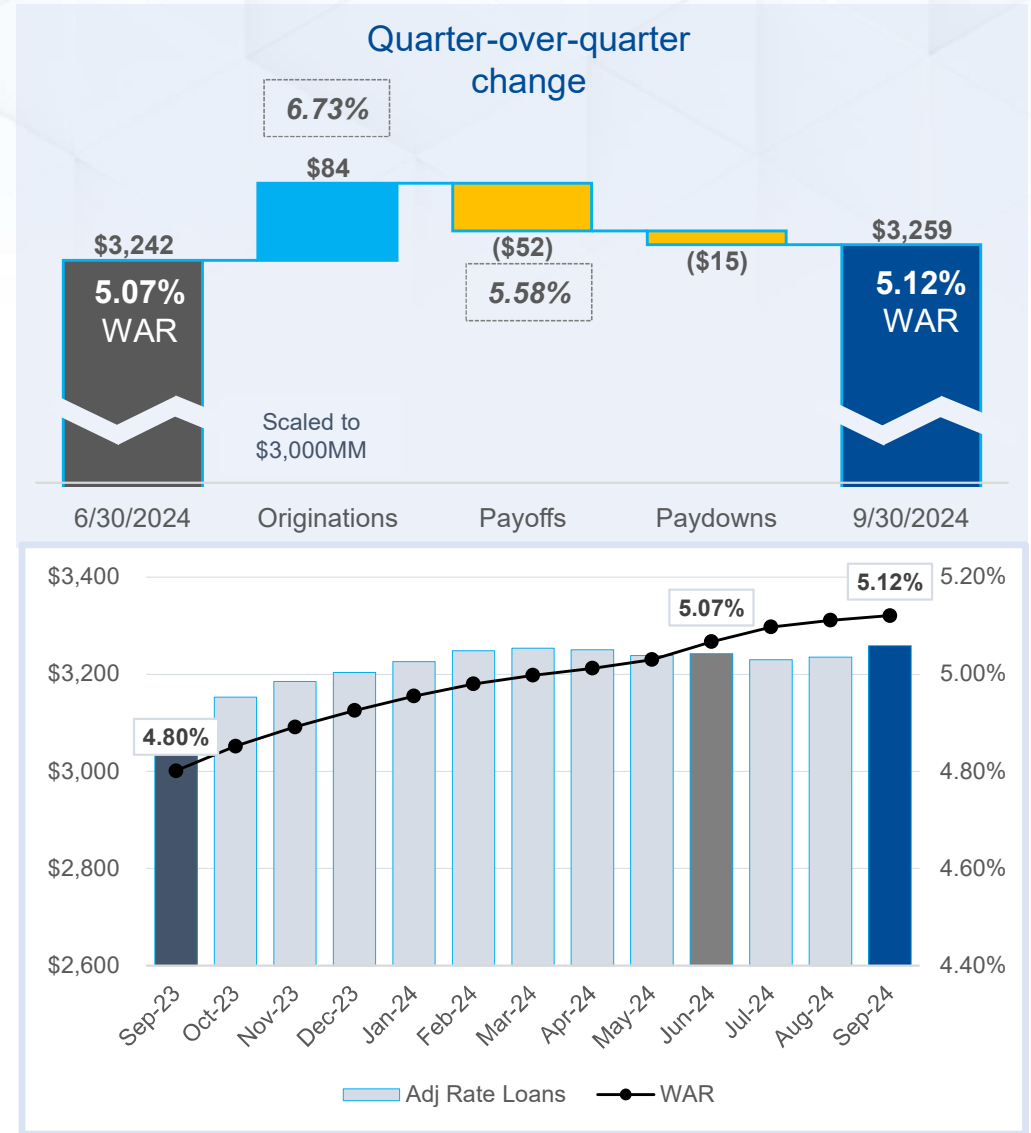
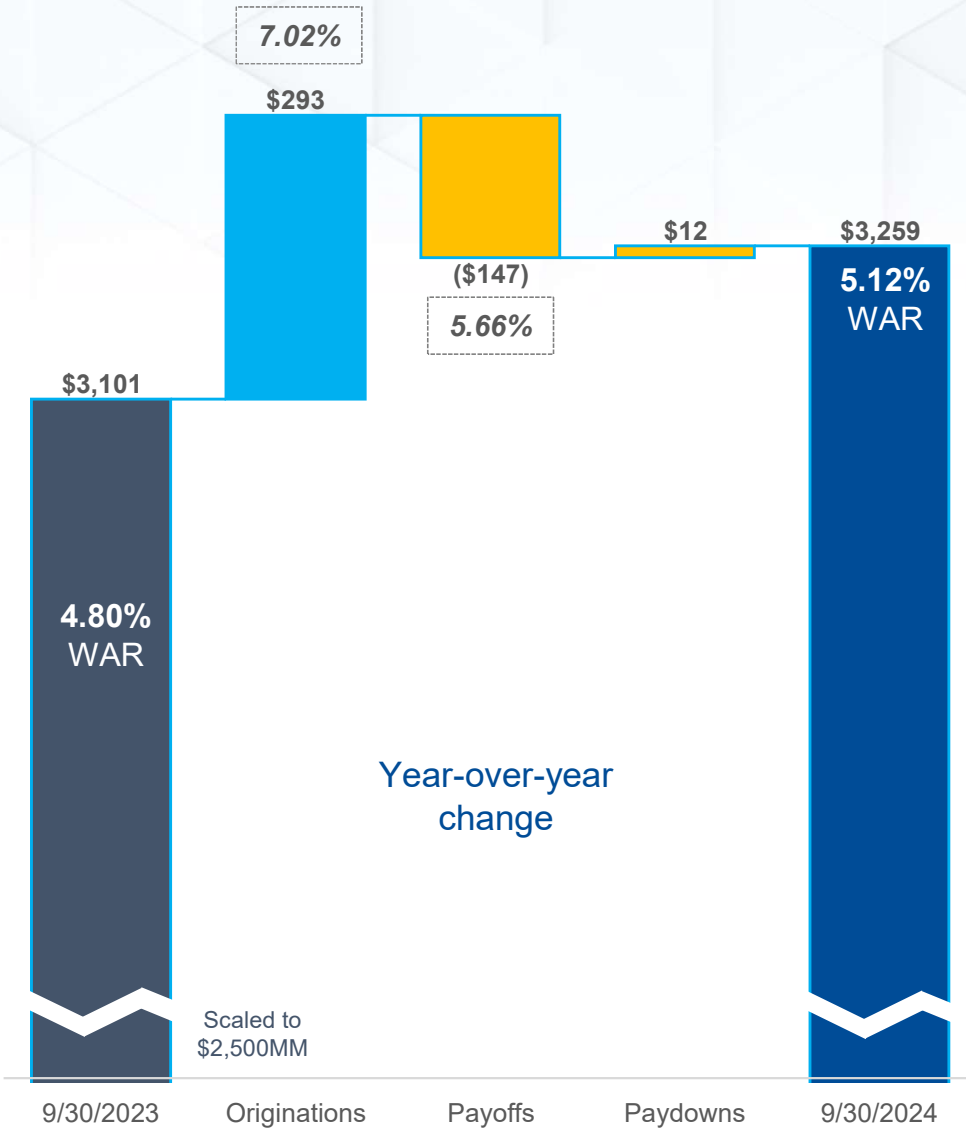
Predominantly benchmarked to 5 Year Treasury

Adjustable 49%



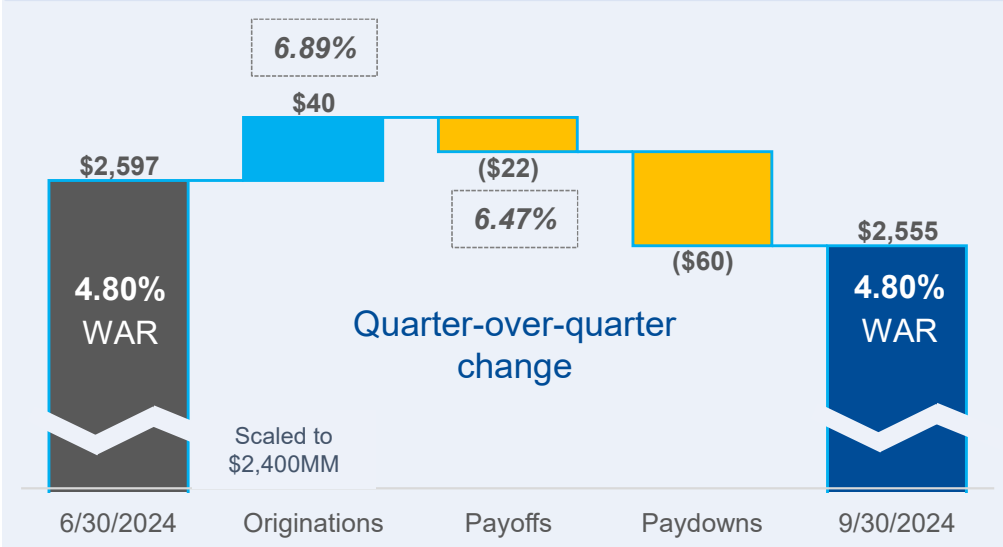
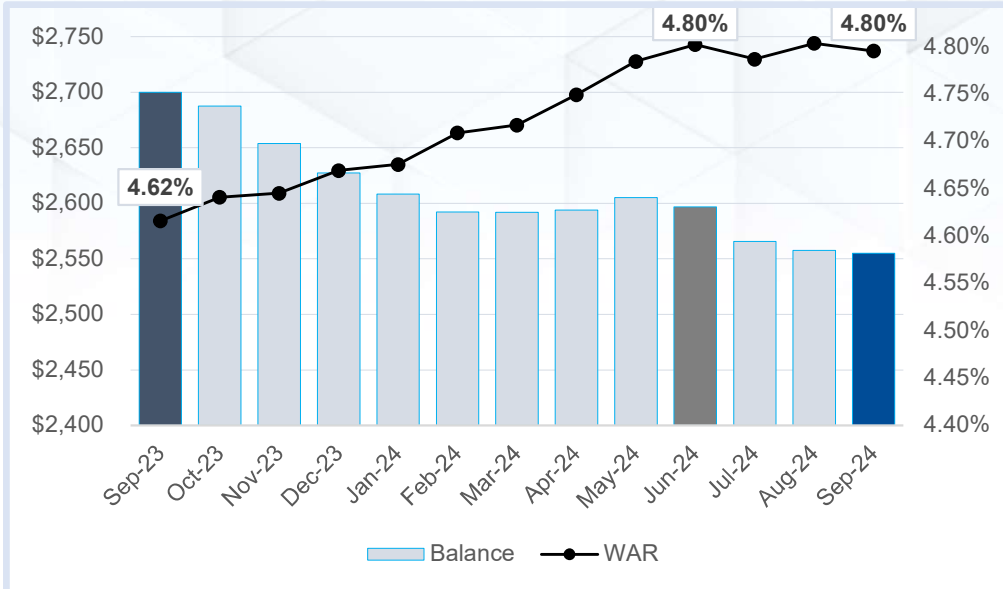
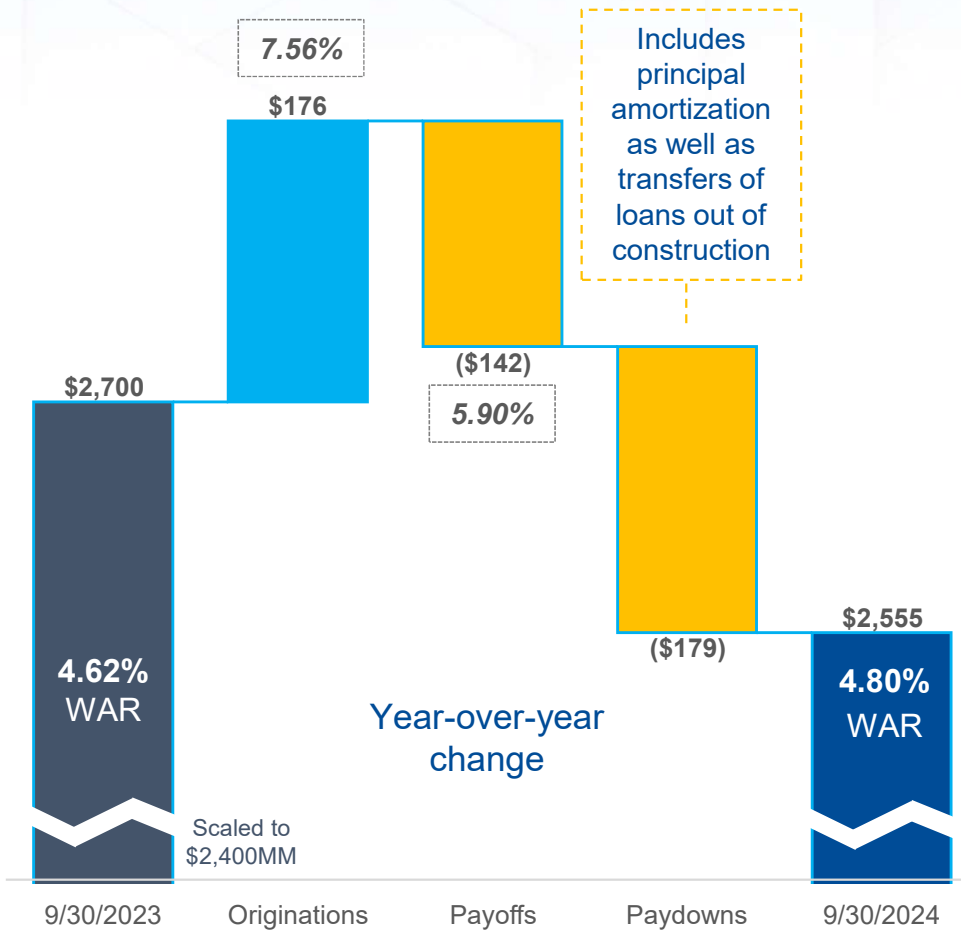
- Dollars in millions, excludes PPP as well as unearned fees and accretion/amortization therein.
- Wtd Avg Rate (weighted average rate) as of 09/30/2024 and based upon outstanding principal; Next Reprice signifies either the next scheduled reprice date or maturity.

# Adjustable Rate Loans



- Dollars in millions, principal outstanding, excludes unearned fees; Draws are net of Paydowns in YoY view, Paydowns are net of Draws on existing loans in second quarter
- WAR (weighted average rate) based upon outstanding principal, excludes unearned fees

# Fixed Rate Loans



- Dollars in millions, principal outstanding, excludes unearned fees; Paydowns are net of draws on existing loans within period
- WAR (weighted average rate) based upon outstanding principal, excludes unearned fees

# Allowance for Credit Losses

## Drivers of Change under CECL

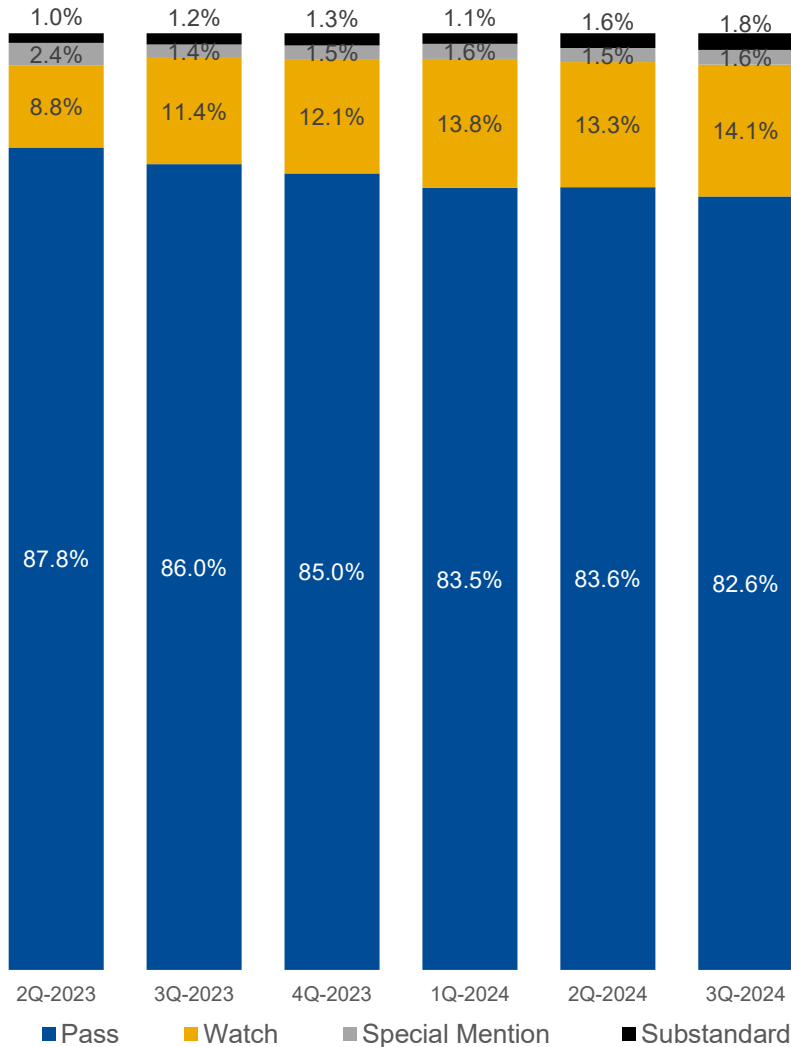


# Allowance for Credit Losses

## Allocation of Allowance by Segment

(\$ Thousands)	CECL Adoption January 1, 2020			June 30, 2024			September 30, 2024		
	Loans (Excl LHFS)	ACL Amount	ACL % of Loans	Loans (Excl LHFS)	ACL Amount	ACL % of Loans	Loans (Excl LHFS)	ACL Amount	ACL % of Loans
<b>Allowance for Credit Losses</b>									
<b>Commercial real estate:</b>									
CRE non-owner occupied	\$ 1,609,556	\$ 12,649	0.79%	\$ 2,242,120	\$ 37,155	1.66%	\$ 2,251,705	\$ 36,206	1.61%
CRE owner occupied	546,434	4,308	0.79%	952,496	15,873	1.67%	947,278	15,382	1.62%
Multifamily	517,725	5,633	1.09%	1,000,806	15,973	1.60%	1,020,466	15,735	1.54%
Farmland	145,067	1,253	0.86%	265,689	4,031	1.52%	268,075	4,016	1.50%
<b>Total commercial real estate loans</b>	<b>\$ 2,818,782</b>	<b>\$ 23,843</b>	<b>0.85%</b>	<b>\$ 4,461,111</b>	<b>\$ 73,032</b>	<b>1.64%</b>	<b>\$ 4,487,524</b>	<b>\$ 71,339</b>	<b>1.59%</b>
<b>Consumer:</b>									
SFR 1-4 1st DT	\$ 509,508	\$ 4,981	0.98%	\$ 884,964	\$ 14,604	1.65%	\$ 865,756	\$ 14,366	1.66%
SFR HELOCs and junior liens	362,886	10,821	2.98%	346,390	10,087	2.91%	355,341	10,185	2.87%
Other	82,656	2,566	3.10%	69,373	2,983	4.30%	62,869	2,953	4.70%
<b>Total consumer loans</b>	<b>\$ 955,050</b>	<b>\$ 18,368</b>	<b>1.92%</b>	<b>\$ 1,300,727</b>	<b>\$ 27,674</b>	<b>2.13%</b>	<b>\$ 1,283,966</b>	<b>\$ 27,504</b>	<b>2.14%</b>
Commercial and industrial	\$ 249,791	\$ 2,906	1.16%	\$ 548,625	\$ 12,128	2.21%	\$ 484,763	\$ 14,453	2.98%
Construction	249,827	4,321	1.73%	283,374	7,466	2.63%	276,095	7,119	2.58%
Agriculture production	32,633	82	0.25%	140,239	3,180	2.27%	144,123	3,312	2.30%
Leases	1,283	9	0.70%	8,450	37	0.44%	7,423	33	0.44%
<b>Total Loans and ACL</b>	<b>\$ 4,307,366</b>	<b>\$ 49,529</b>	<b>1.15%</b>	<b>\$ 6,742,526</b>	<b>\$ 123,517</b>	<b>1.83%</b>	<b>\$ 6,683,894</b>	<b>\$ 123,760</b>	<b>1.85%</b>
Reserve for Unfunded Loan Commitments		2,775			6,210			6,110	
<b>Allowance for Credit Losses</b>	<b>\$ 4,307,366</b>	<b>\$ 52,304</b>	<b>1.21%</b>	<b>\$ 6,742,526</b>	<b>\$ 129,727</b>	<b>1.92%</b>	<b>\$ 6,683,894</b>	<b>\$ 129,870</b>	<b>1.94%</b>
Discounts on Acquired Loans		33,033			22,456			21,440	
<b>Total ACL Plus Discounts</b>	<b>\$ 4,307,366</b>	<b>\$ 85,337</b>	<b>1.98%</b>	<b>\$ 6,742,526</b>	<b>\$ 152,183</b>	<b>2.26%</b>	<b>\$ 6,683,894</b>	<b>\$ 151,310</b>	<b>2.26%</b>

# Risk Grade Migration



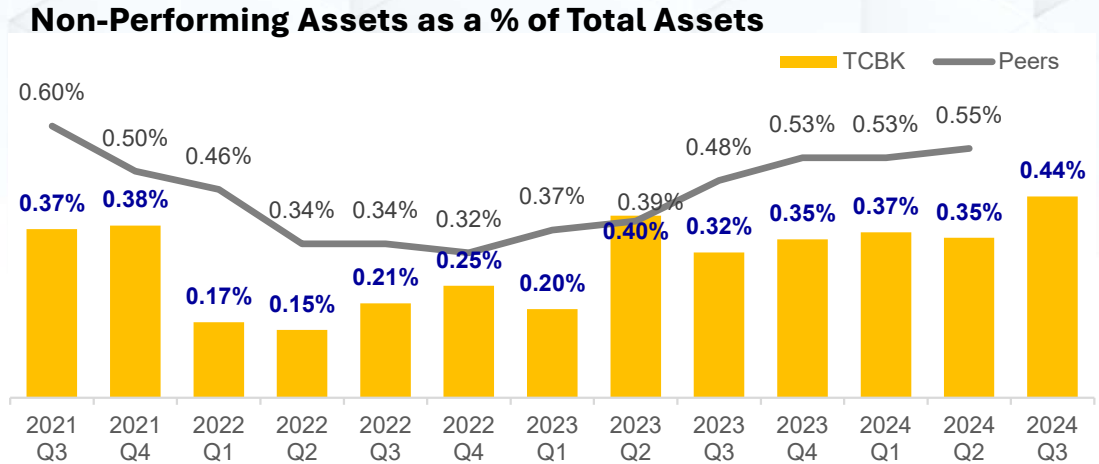
Special Mention (NBV)								
Pool	Q3-2023			Q3-2024			Diff	
	%	(mln)	# Loans	%	(mln)	# Loans	(mln)	# Loans
CRE Non-Owner Occupied	1.7%	\$35.9	11	1.3%	\$30.4	12	-\$5.5	1
CRE-Owner Occupied	1.2%	\$11.2	10	0.9%	\$8.5	12	-\$2.7	2
Multifamily	1.2%	\$11.9	1	1.2%	\$12.5	3	\$0.6	2
Agriculture & Farmland	3.4%	\$13.6	20	6.7%	\$27.7	32	\$14.1	12
SFR 1-4 Term	0.5%	\$4.1	11	0.1%	\$1.1	8	-\$2.9	-3
SFR HELOC and Junior Liens	0.5%	\$1.7	31	1.5%	\$5.4	51	\$3.7	20
Commercial & Industrial	1.2%	\$7.3	33	1.1%	\$5.2	44	-\$2.1	11
Construction	2.7%	\$8.7	1	4.9%	\$13.4	1	\$4.8	0
Auto & Other	0.3%	\$0.2	22	0.8%	\$0.5	32	\$0.3	10
Leases	0.0%	\$0.0	0	0.0%	\$0.0	2	\$0.0	2
<b>Grand Total</b>	<b>1.4%</b>	<b>\$94.6</b>	<b>140</b>	<b>1.6%</b>	<b>\$104.8</b>	<b>195</b>	<b>\$10.1</b>	<b>55</b>

Substandard/Doubtful/Loss (NBV)								
Pool	Q3-2023			Q3-2024			Diff	
	%	(mln)	# Loans	%	(mln)	# Loans	(mln)	# Loans
CRE Non-Owner Occupied	0.8%	\$17.3	11	0.7%	\$16.8	14	-\$0.6	3
CRE-Owner Occupied	0.8%	\$7.6	9	2.1%	\$20.1	19	\$12.5	10
Multifamily	0.0%	\$0.0	0	0.1%	\$0.7	2	\$0.7	2
Agriculture & Farmland	9.7%	\$38.9	30	11.2%	\$46.2	27	\$7.3	-3
SFR 1-4 Term	1.1%	\$9.5	35	1.5%	\$13.3	42	\$3.9	7
SFR HELOC and Junior Liens	0.9%	\$3.1	62	1.4%	\$4.8	76	\$1.7	14
Commercial & Industrial	0.7%	\$4.3	54	3.1%	\$15.0	67	\$10.7	13
Construction	0.0%	\$0.1	1	0.0%	\$0.1	1	\$0.0	0
Auto & Other	1.2%	\$0.8	30	1.1%	\$0.7	22	-\$0.1	-8
Leases	0.0%	\$0.0	5	0.0%	\$0.0	4	\$0.0	-1
<b>Grand Total</b>	<b>1.2%</b>	<b>\$81.6</b>	<b>237</b>	<b>1.8%</b>	<b>\$117.7</b>	<b>270</b>	<b>\$36.1</b>	<b>33</b>

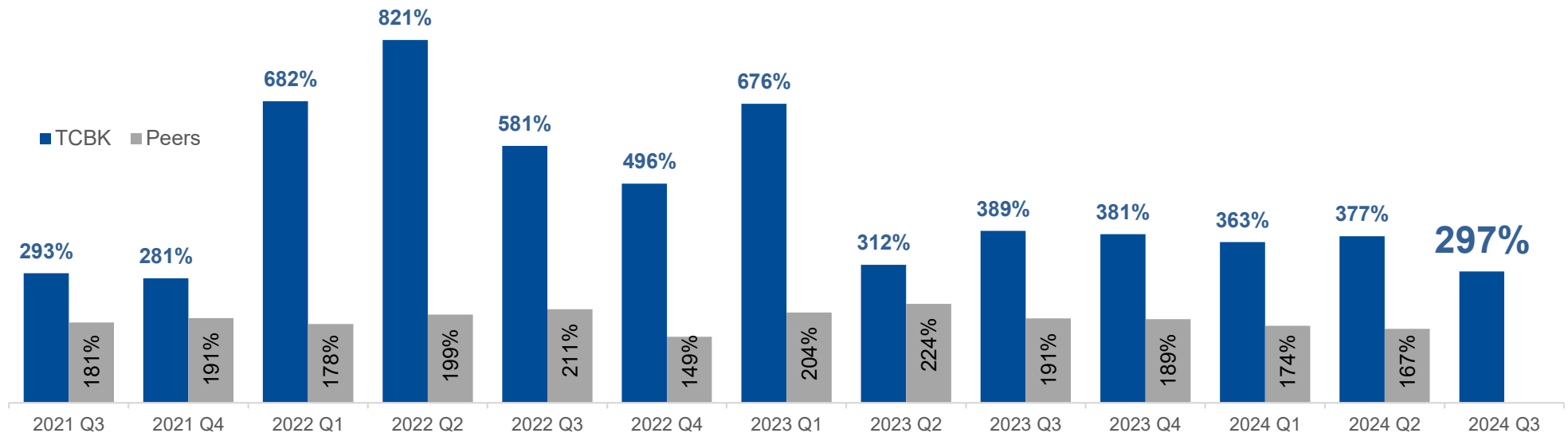
Zero balance in Doubtful and Loss

# Asset Quality

- The Bank continues to actively and aggressively address potential credit issues with short resolution timelines.
- Over the past three years, both the Bank's total non-performing assets and coverage ratio have remained better than peers.



### Coverage Ratio: Allowance as % of Non-Performing Loans



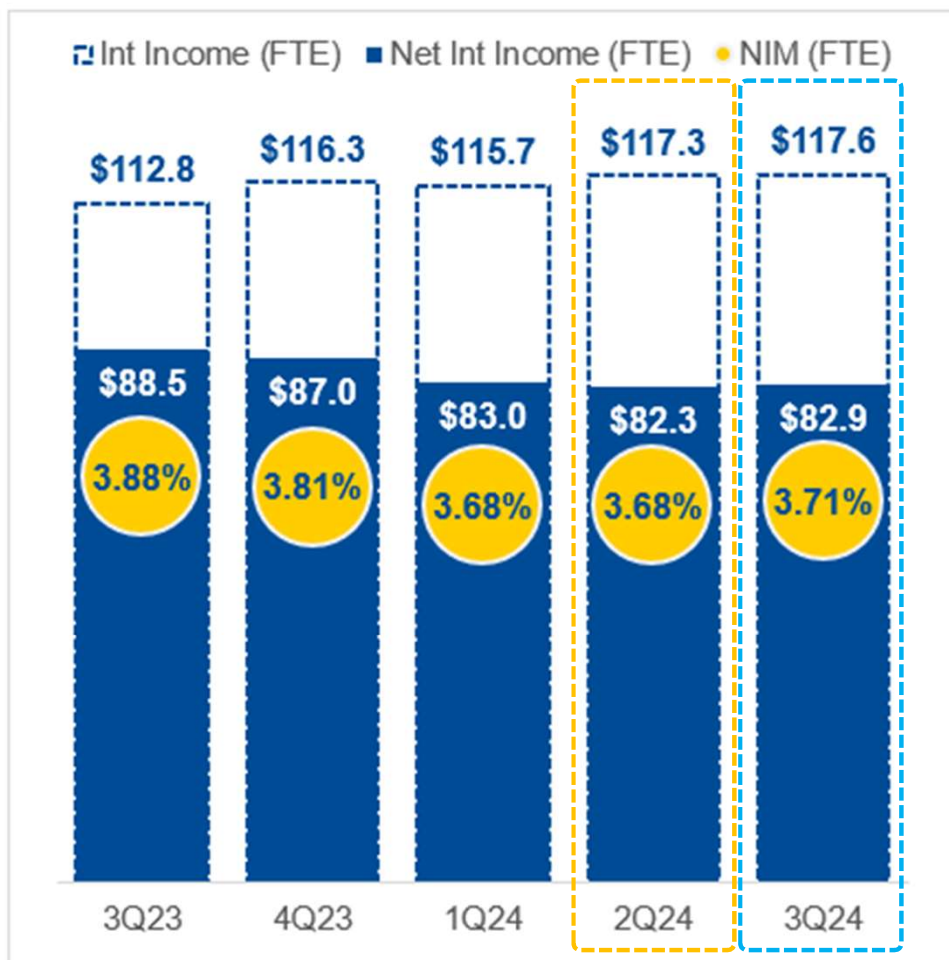
- Peer group consists of 99 closest peers in terms of asset size, range \$6.2-13.4 Billion, source: BankRegData.com
- NPAs as presented are net of guarantees, NPLs as presented are not adjusted for guarantees.



## Financials



# Net Interest Income (NII) and Margin (NIM)

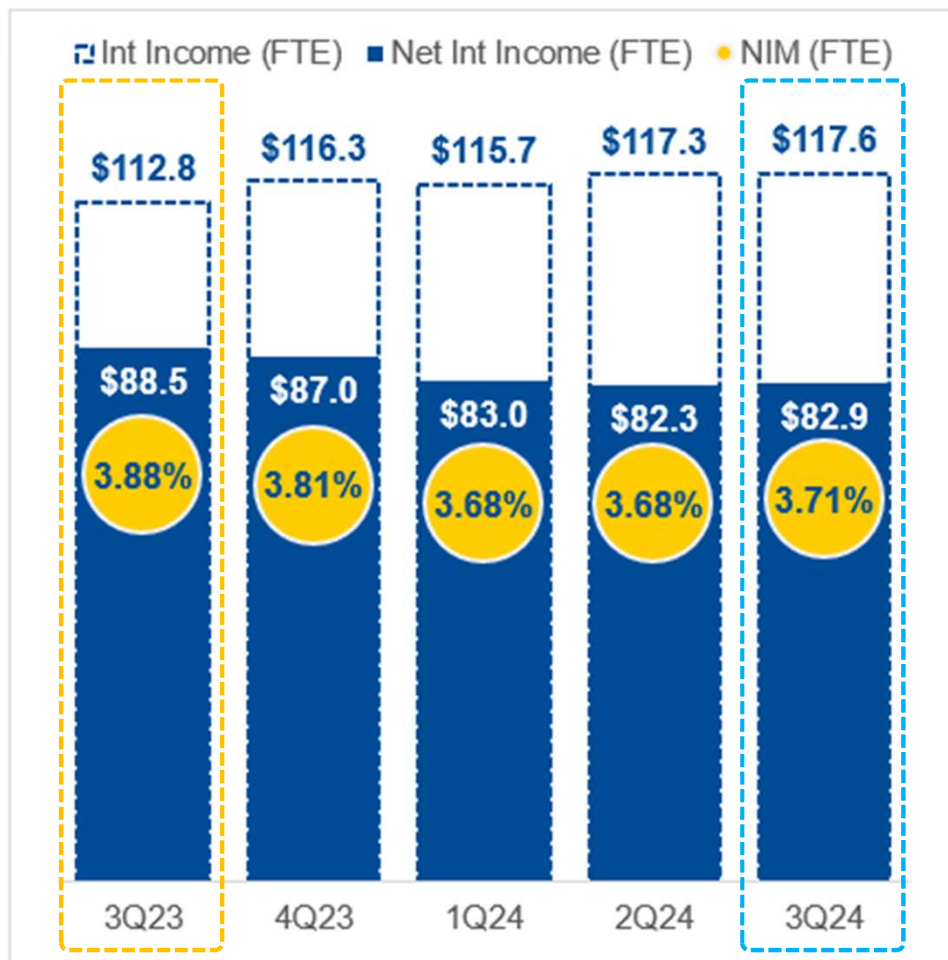


## 2Q24 to 3Q24 Reported Net Interest Income (NII) & NIM Walk

NII \$ in millions, NIM change in bps, all full taxable equivalent (FTE)

	NII	NIM
<b>2Q24</b>	<b>\$82.3</b>	<b>3.68%</b>
Borrowings, balance reductions	2.0	8
Securities and Fed Funds	0.4	2
Loan yields	0.3	2
Deposits, mix shift toward CDs	(0.6)	(2)
Non-maturing deposit rate changes	(0.7)	(2)
Loan balances, mix and fees	(1.5)	(5)
Day Count	0.7	
<b>3Q24</b>	<b>\$82.9</b>	<b>3.71%</b>

# Net Interest Income (NII) and Margin (NIM)



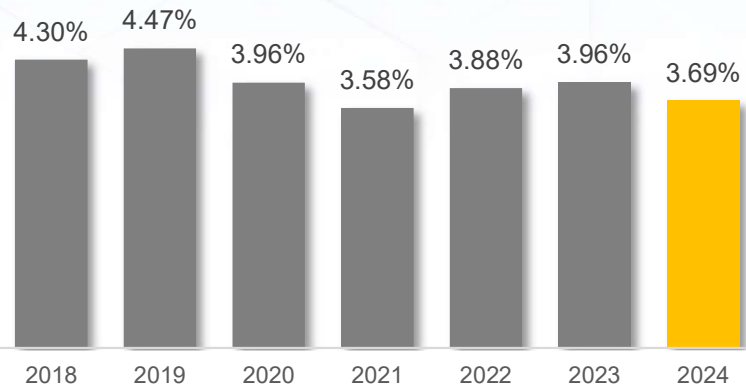
## 3Q23 to 3Q24 Reported Net Interest Income (NII) & NIM Walk

NII \$ in millions, NIM change in bps, all full taxable equivalent (FTE)

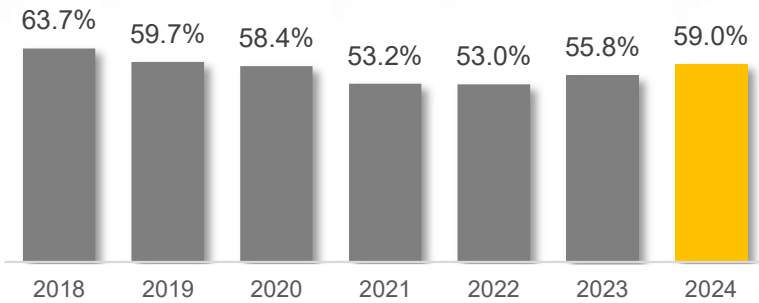
	NII	NIM
<b>3Q23</b>	<b>\$88.5</b>	<b>3.88%</b>
Yield on Earning Assets	5.9	18
Borrowings, balance reductions	2.8	8
Loan balances & mix	1.1	3
Interest-bearing cash balances	0.9	3
Securities portfolio balances & mix	(3.0)	(9)
Non-maturing deposits - primarily rate driven	(5.9)	(18)
Time deposits, rates and volume	(7.4)	(22)
<b>3Q24</b>	<b>\$82.9</b>	<b>3.71%</b>

# Current Operating Metrics

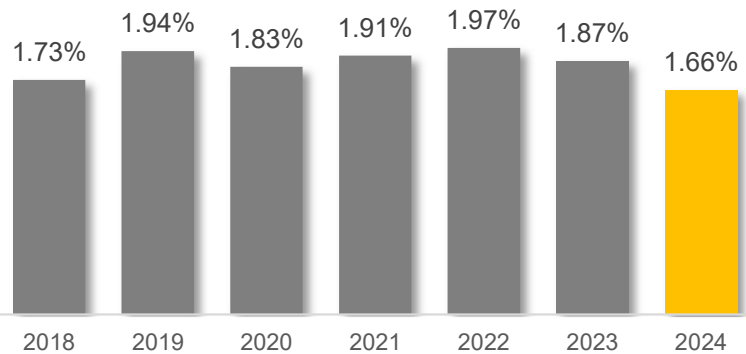
## Net Interest Margin (FTE)



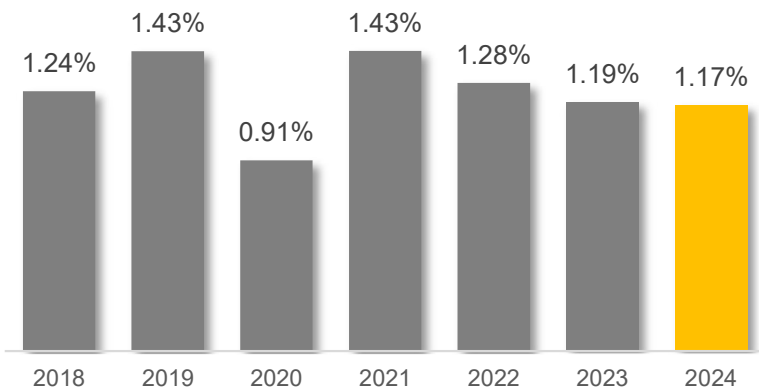
## Efficiency Ratio



## PPNR as % of Average Assets



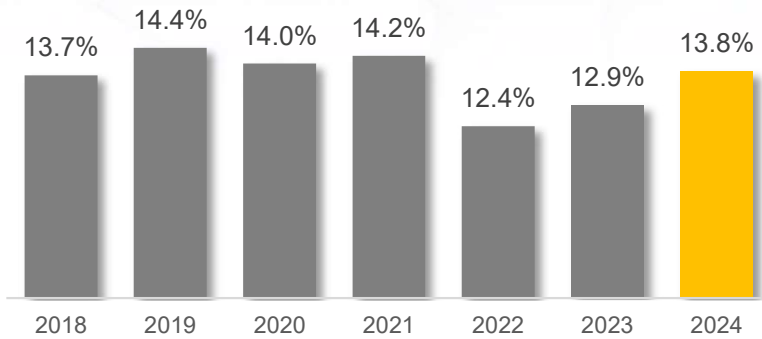
## ROAA



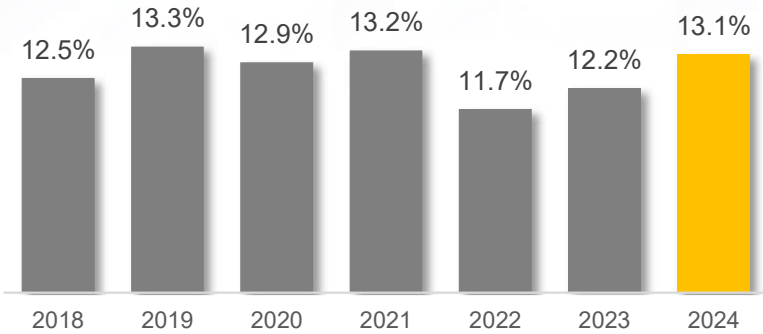
2024 values through the 9 months ended 9/30/2024, annualized where applicable

# Well Capitalized

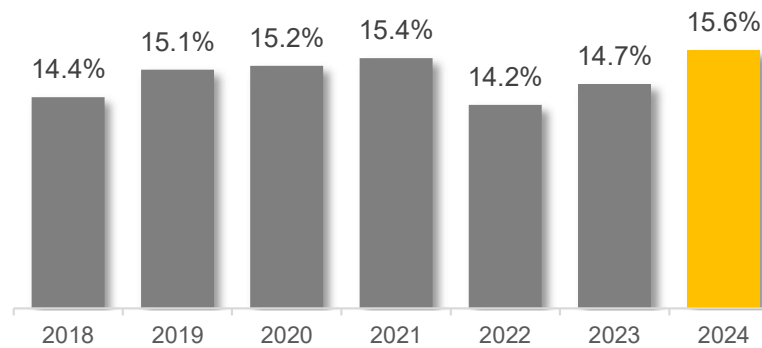
## Tier 1 Capital Ratio



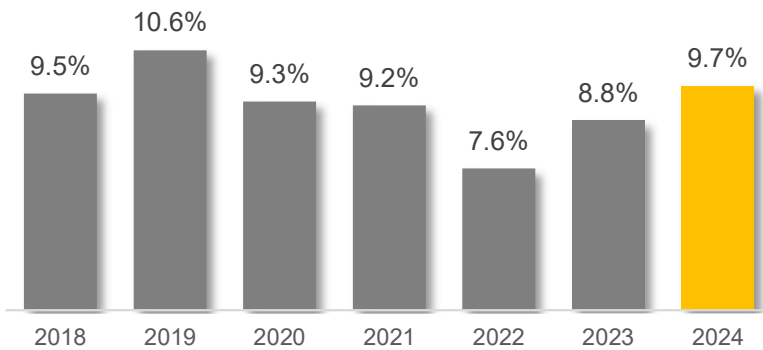
## CET1 Ratio



## Total Risk Based Capital



## Tangible Capital Ratio



2024 values at quarter ended 9/30/2024



## Our Mission

Tri Counties Bank exists for just one purpose: to improve the financial success and well-being of our shareholders, customers, communities and employees.

## Core Values

- T**rust
- R**espect
- I**ntegrity
- C**ommunication
- O**ppportunity

## Team Ethos

We are one team, aligned, customer-focused and collaborative to achieve next-level performance.