



Atlantic Capital[®]

INVESTOR PRESENTATION | Q1 2021

atlanticcapitalbank.com



Forward-Looking Statements Disclaimer and Non-GAAP Financial Information

This presentation contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “strive,” “projection,” “would,” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates, and projections about our industry, management’s beliefs, and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

The following risks, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: The impact of the COVID-19 pandemic and the responses of governmental authorities on our operations, including declines in credit quality, strains on capital and liquidity, fluctuations in our fintech and payments processing business, and declines in deposits; our participation in the Paycheck Protection Program administered by the Small Business Administration (“SBA”); our strategic decision to focus on the greater Atlanta market may not positively impact our financial condition in the expected timeframe, or at all; costs associated with our growth and hiring initiatives in the Atlanta market area; risks associated with geographic concentration, borrower concentration and concentration in commercial real estate and commercial and industrial loans; our strategic decision to increase our focus on SBA and franchise lending may expose us to additional risks associated with these types of lending, including industry concentration risks, our ability to sell the guaranteed portion of SBA loans, the impact of negative economic conditions on small businesses’ ability to repay the non-guaranteed portions of SBA loans, and changes to applicable federal regulations; risks associated with our ability to manage the planned growth of our fintech and payments processing business, including evolving regulations, security risks, and unforeseen increases in transaction volume resulting from changes in our customers’ businesses and changes in the competitive landscape for fintech and payments processing; changes in asset quality and credit risk; the cost and availability of capital; customer acceptance of our products and services; customer borrowing, repayment, investment and deposit practices; the introduction, withdrawal, success and timing of business initiatives; the impact, extent, and timing of technological changes; severe catastrophic events in our geographic area; a weakening of the economies in which we conduct operations may adversely affect our operating results; the U.S. legal and regulatory framework could adversely affect the operating results of the Company; the interest rate environment may compress margins and adversely affect net interest income; our ability to anticipate or respond to interest rate changes correctly and manage interest rate risk presented through unanticipated changes in our interest rate risk position and/or short- and long-term interest rates; changes in trade, monetary and fiscal policies of various governmental bodies and central banks could affect the economic environment in which we operate; our ability to determine accurate values of certain assets and liabilities; adverse developments in securities, public debt, and capital markets, including changes in market liquidity and volatility; unanticipated changes in our liquidity position, including but not limited to our ability to enter the financial markets to manage and respond to any changes to our liquidity position; the impact of the transition from LIBOR and our ability to adequately manage such transition; adequacy of our risk management program; increased competitive pressure due to consolidation in the financial services industry; risks related to security breaches, cybersecurity attacks, and other significant disruptions in our information technology systems; and other risks and factors identified in our most recent annual report on Form 10-K and our other reports filed with or furnished to the Securities and Exchange Commission (“SEC”) from time to time.

Statements included in this presentation include non-GAAP financial measures and should be read along with the accompanying tables, which provide a reconciliation of non-GAAP financial measures common to GAAP financial measures. Atlantic Capital management uses non-GAAP financial measures, including: (i) taxable equivalent net interest income, (ii) taxable equivalent net interest margin, (iii) tangible book value per common share, (iv) tangible common equity to tangible assets; (v) pre-provision net revenue, (vi) allowance for credit losses to loans held for investment excluding PPP, and (vii) allowance for loan losses to loans held for investment excluding PPP. Tangible common equity excludes goodwill from shareholders’ equity.

Management believes that non-GAAP financial measures provide a greater understanding of ongoing performance and operations, and enhance comparability with prior periods. Non-GAAP financial measures should not be considered as an alternative to any measure of performance or financial condition as determined in accordance with GAAP, and investors should consider Atlantic Capital’s performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results or financial condition as reported under GAAP. Non-GAAP financial measures may not be comparable to non-GAAP financial measures presented by other companies.

Q1 2021 Overview

Atlantic Capital produced another quarter of strong operating results.

Performance Highlights

- Reported net income was \$13.4 million or \$0.65 per diluted share.
- Taxable equivalent revenue increased 19.5% annualized from Q4 2020 and 15.4% year over year.
- Loans increased 9% annualized on a linked quarter basis and 19% year over year.
- Quarterly average deposits increased 39% annualized on a linked quarter basis and 40% year over year.
- Cost of deposits decreased to 0.12% compared to 0.16% in the fourth quarter of 2020.

Credit Update

- The provision for credit losses was negative \$4.5 million reflecting positive credit migration and an improved economic outlook.
- Credit quality improved as classified loans decreased 34% from the fourth quarter of 2021.
- Annualized net charge-offs remained low at 0.04% of average loans.
- Nonperforming assets decreased to 0.06% of total assets.

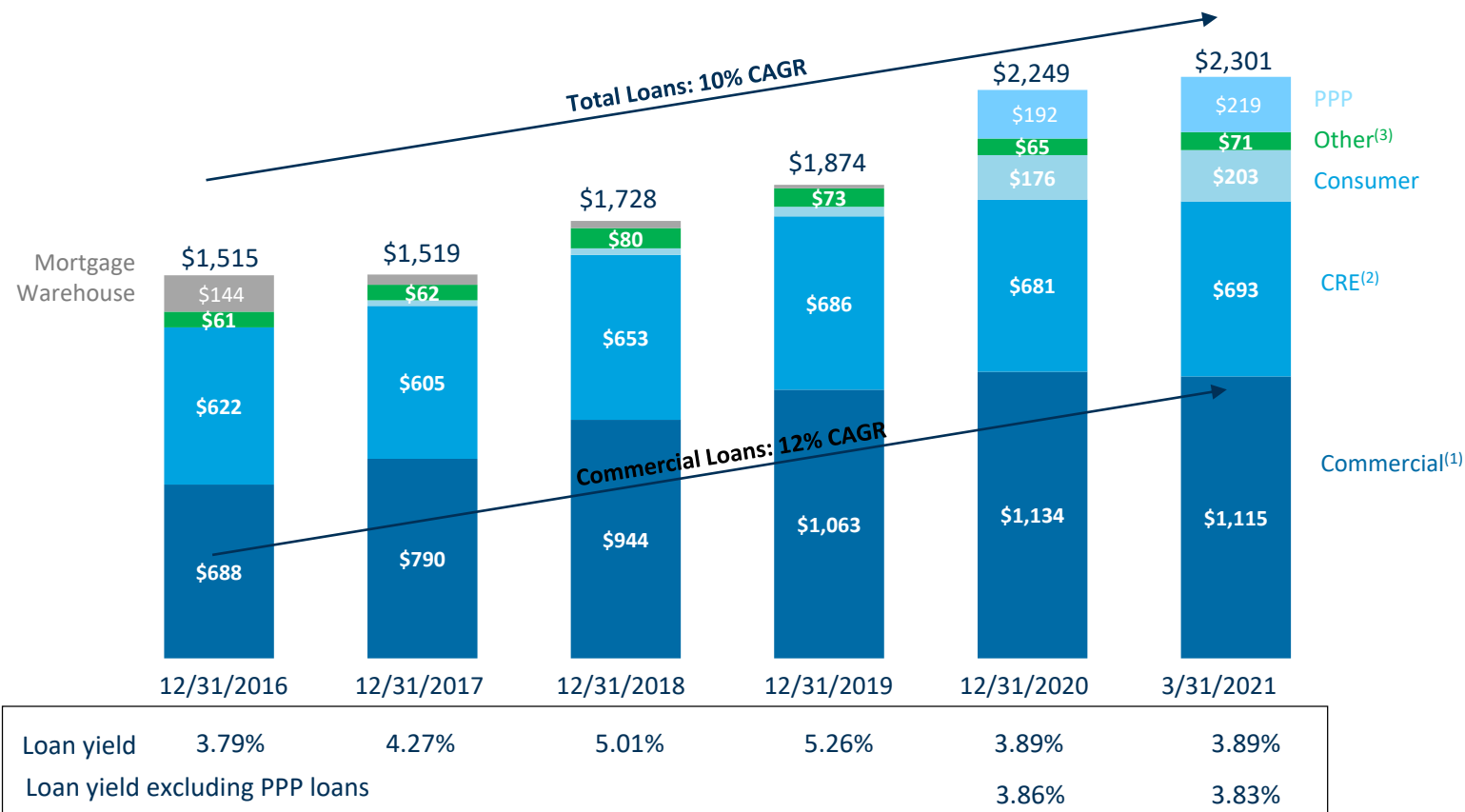
Financial Highlights: Continuing Operations

	METRICS	Q1 2021	Q4 2020	Q1 2020	Change vs				
					Q4 2020 ⁽⁵⁾		Q1 2020		
Income	Diluted EPS	\$ 0.65	\$ 0.48	\$ 0.10	\$ 0.17	142%	\$ 0.55	550%	
	Pre-provision net revenue (PPNR) ⁽¹⁾	12.1	12.8	10.7	(0.7)	(22%)	1.4	13%	
Balance Sheet ⁽²⁾	Total loans held for investment (period-end)	\$ 2,301	\$ 2,249	\$ 1,933	\$ 52	9%	\$ 368	19%	
	Total loans excluding PPP loans	2,082	2,057	1,933	25	5%	149	8%	
	Total deposits (quarterly average)	3,157	2,874	2,255	283	39%	902	40%	
	Non-interest bearing deposits (quarterly average)	1,137	977	713	160	66%	424	59%	
Performance Measures	Tangible book value per common share	\$ 15.74	\$ 15.62	\$ 14.54	\$0.12		\$1.20		
	Net interest margin ⁽³⁾	2.81 %	2.91 %	3.41 %	(10 bps)		(60 bps)		
	Efficiency ratio	56.30	51.30	55.03	(500 bps)		(127 bps)		
Capital Ratios	Tangible common equity to tangible assets	8.63 %	8.86 %	11.57 %	(23 bps)		(294 bps)		
	Leverage ratio ⁽⁴⁾	8.4	8.9	10.7	(50 bps)		(230 bps)		
	Total risk based capital ⁽⁴⁾	16.4	16.1	14.9	30 bps		150 bps		

⁽¹⁾ Pre-provision net revenue (PPNR) is calculated as the sum of taxable equivalent net interest income and noninterest income less noninterest expense (except provision for credit losses). Dollars in millions. For a reconciliation of this non-GAAP financial measure, see slides 31-32. ⁽²⁾ Dollars in millions. ⁽³⁾ Taxable equivalent. ⁽⁴⁾ Amounts are estimates as of March 31, 2021. Please see reconciliation on slides 31-32 for more details. ⁽⁵⁾ Percentage changes are annualized.

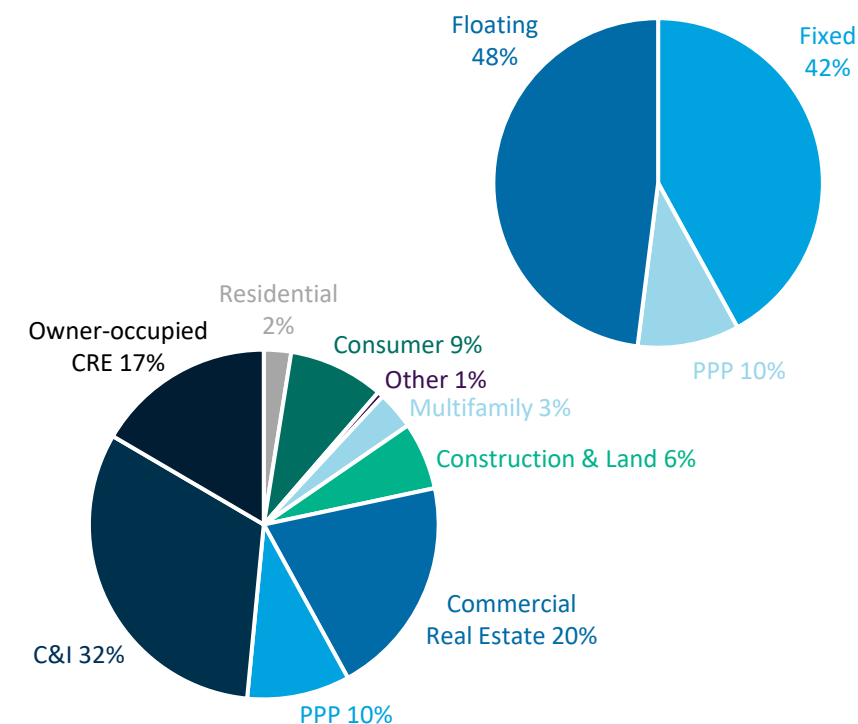
Commercial Lending Focus

Loans from Continuing Operations



Highlights

- Loan growth:
 - Year-over-year: 9%
 - Linked-quarter: 19% annualized

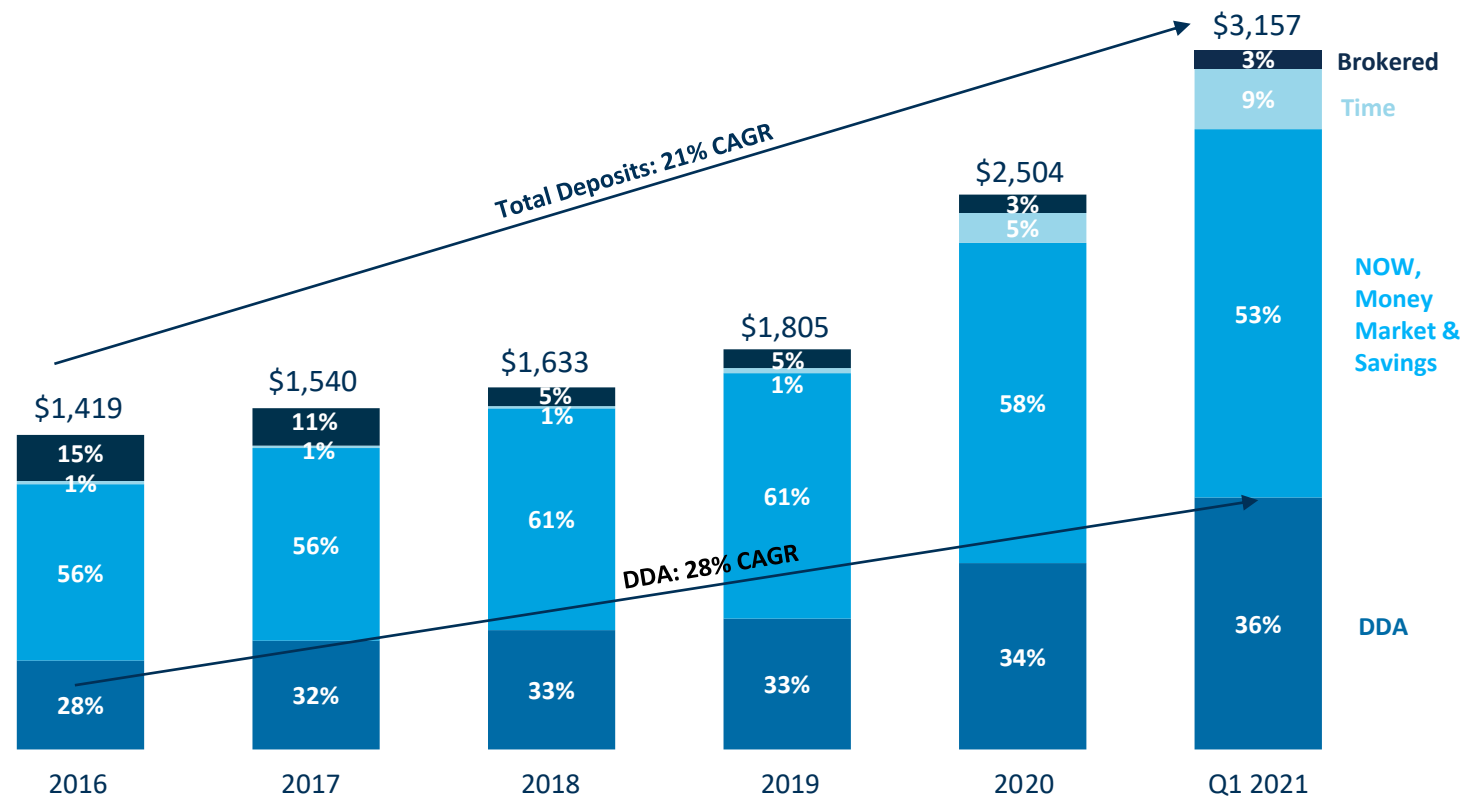


Dollars in millions. Prior periods have been retrospectively adjusted for the impact of discontinued operations.

⁽¹⁾ Commercial loans include commercial and industrial and owner occupied CRE loans. ⁽²⁾ CRE loans include non-owner occupied and construction and land. ⁽³⁾ Other loans include residential mortgages, home equity, and other loans.

Strong Core Deposit Franchise

Average Deposits from Continuing Operations



Highlights

- Continued strong growth in deposits:
 - Q1 2021 vs Q1 2020: 40%
 - Q1 2021 vs Q4 2020: 39% annualized
- Growth in treasury management and processing relationships has resulted in strong DDA growth.
 - 36% of total deposits
 - Q1 2021 vs Q1 2020: 59%
 - Q1 2021 vs Q4 2020: 65% annualized
- The growth in time deposits was generated from a fintech partnership.
- The cost of interest bearing deposits decreased 0.06% to 0.19% in Q1 2021.

Deposit cost 0.28% 0.38% 0.52% 0.77% 0.31% 0.12%

Dollars in millions. Deposit figures represent average balances. Prior periods have been retrospectively adjusted for the impact of discontinued operations.

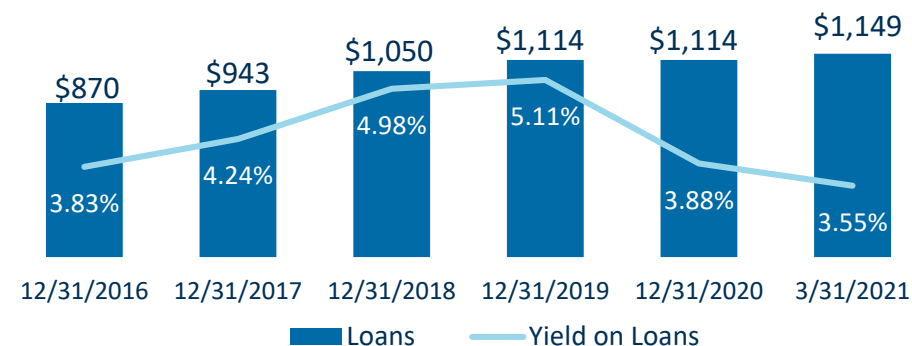
Atlanta's Hometown Business Bank

Focused on commercial clients and individuals that value high touch relationships and expertise

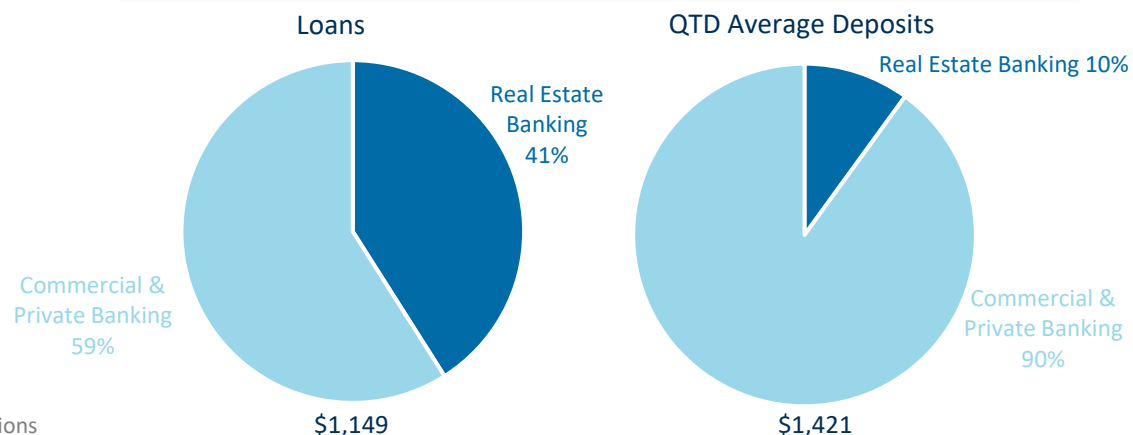
Atlanta Market Highlights

- **C&I Banking** – Entrepreneurs and emerging growth companies value experienced commercial bankers attuned to clients' needs.
- **Commercial Real Estate** – Established relationships with experienced developers of institutional grade properties.
- **Private Banking** - Personalized banking service for owners/operators and other private clients.

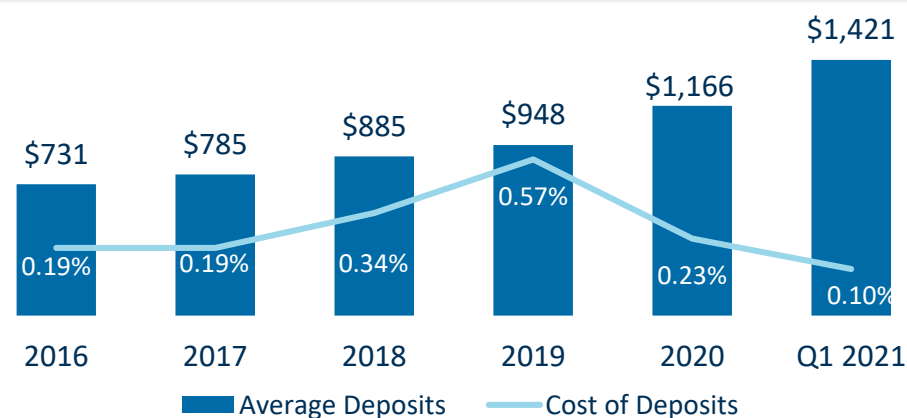
Atlanta Loans



Atlanta Loan and Deposit Composition – 3/31/2021



Atlanta Deposits



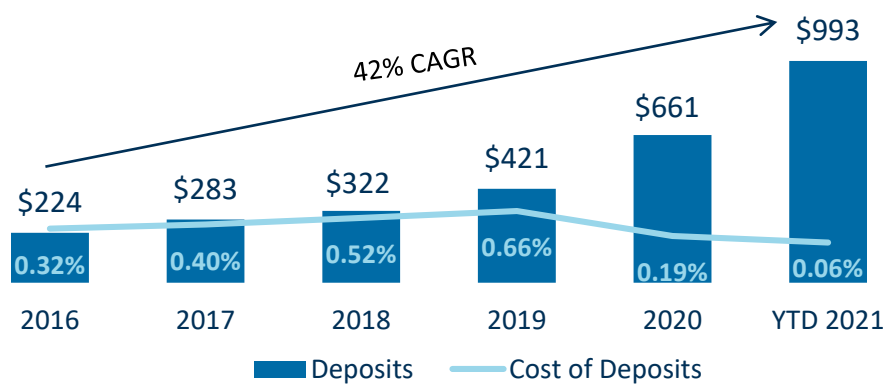
Dollars in millions

Rapidly Growing Fintech & Payments Businesses

Highlights

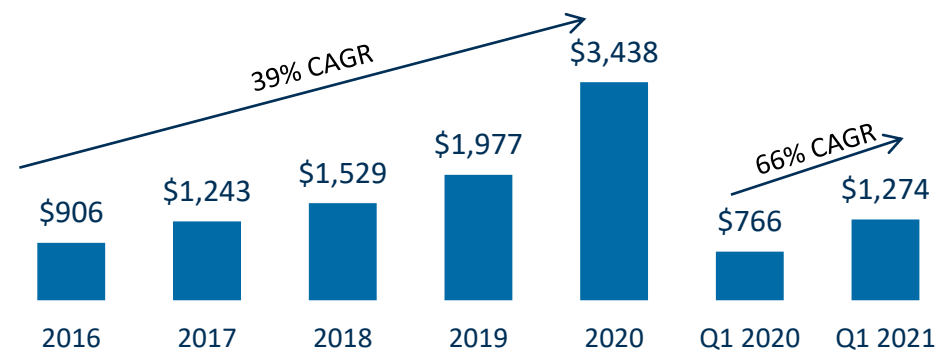
- Powering fintech and payments companies across the US
- Rapidly growing recurring revenue stream
- Top 40 ACH Bank in the US⁽¹⁾
- Diversified platform of capabilities
 - High volume ACH
 - Fintech partnerships
 - Card issuance (focused on debit & prepaid)
 - Private Equity banking

Average Deposits – Payments & Processing Businesses (\$ in millions)



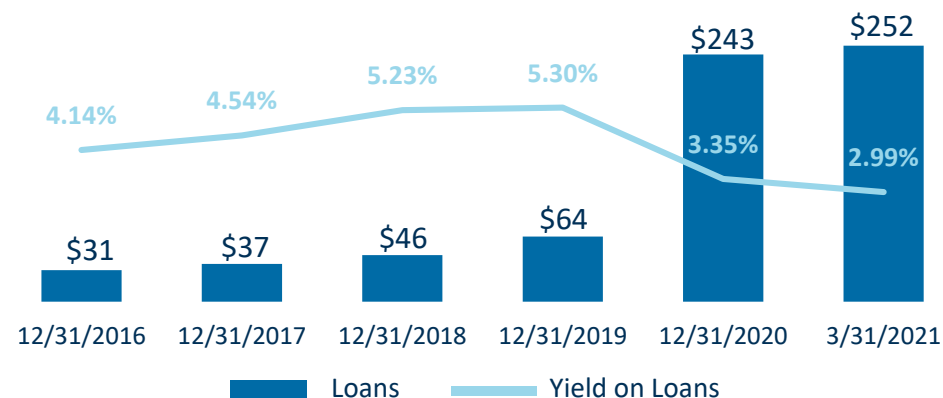
Service Charge Income

(\$ in thousands)



Loans

(\$ in millions)



⁽¹⁾by National Automated Clearing House Association (NACHA)

Financial Update: Q1 2021 Income Summary

	Q1 2021	Q4 2020	Q1 2020	Change vs Q1 20
Net interest income ⁽¹⁾	\$ 23,710	\$ 22,989	\$ 21,203	12%
Provision for credit losses	(4,519)	481	8,074	-156%
Noninterest income	3,562	3,016	2,422	47%
Noninterest expense	15,149	13,164	12,877	18%
Income before taxes	16,642	12,360	2,674	522%
Income tax expense	3,280	2,410	550	496%
Net income from continuing operations	\$ 13,362	\$ 9,950	\$ 2,124	529%
Diluted EPS - continuing operations	\$ 0.65	\$ 0.48	\$ 0.10	550%
Pre-provision net revenue (PPNR)⁽²⁾	\$ 12,123	\$ 12,841	\$ 10,748	13%

Q1 2021 Highlights ⁽³⁾
<ul style="list-style-type: none"> • Net interest income benefitted from strong balance sheet growth along with income from PPP loans. • Reversal of allowance for credit losses was due to loan upgrades and improved forecasts. • Noninterest income increased from higher service charge income and an increase in SBA income. • Higher expenses due to increase in personnel expenses.

Dollars in thousands except EPS.

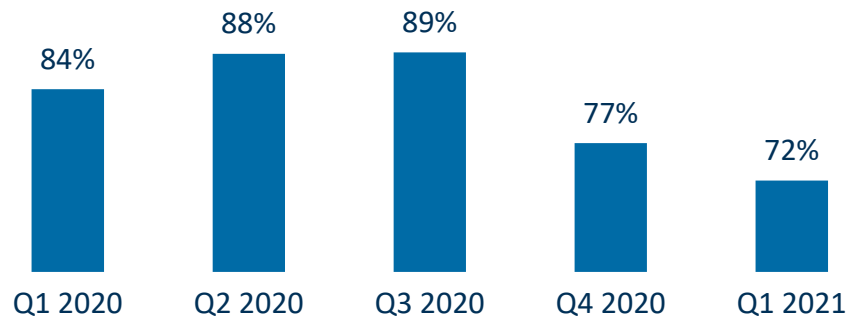
⁽¹⁾Net interest income is taxable equivalent and a non-GAAP financial measure. Please see reconciliation on slides 31-32 for more details.

⁽²⁾ Pre-provision net revenue (PPNR) is calculated as the sum of taxable equivalent net interest income and noninterest income less noninterest expense (except provision for credit losses). Dollars in thousands. For a reconciliation of this non-GAAP financial measure, see slides 31-32.

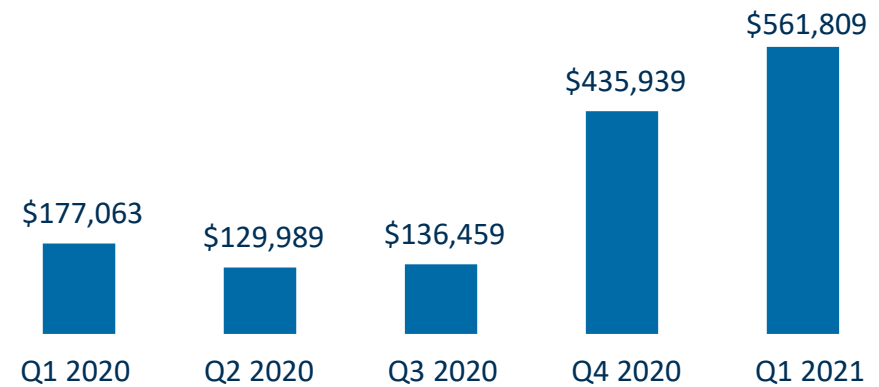
⁽³⁾Q1 2021 results compared to Q4 2020 results.

Balance Sheet Liquidity

Average Loan / Deposit Ratio



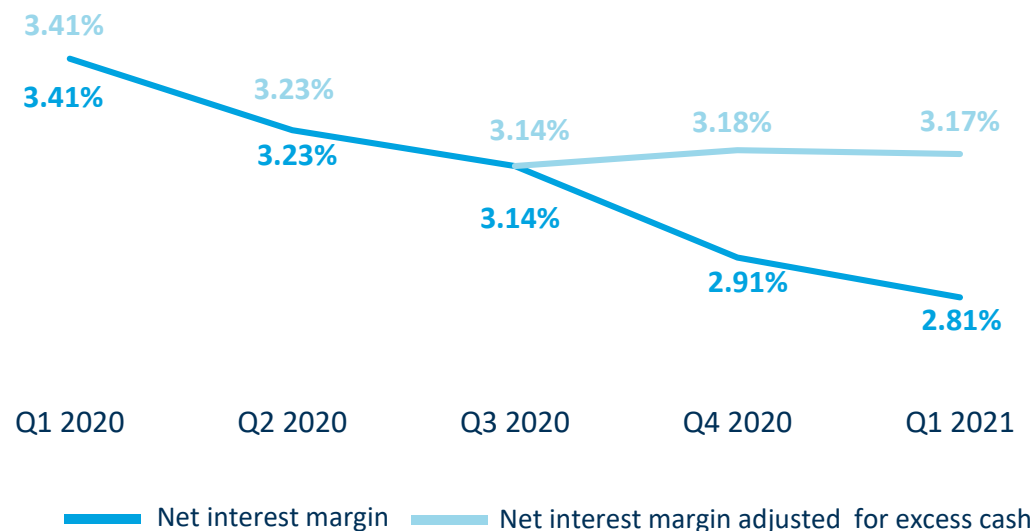
Average Interest Bearing Deposits in Other Banks



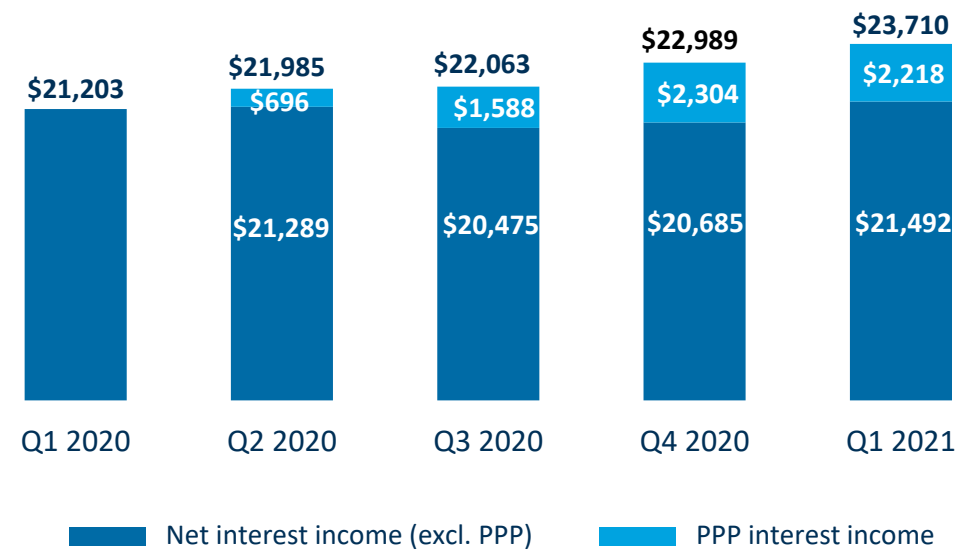
- Atlantic Capital's liquidity position remains strong benefitting from continued deposit growth across most lines of business.
- Liquidity is expected to remain strong in 2021 even as deposit growth is anticipated to moderate.

Net Interest Margin

NIM by Quarter⁽¹⁾



Net Interest Income by Quarter⁽¹⁾



- Excess cash balances from strong deposit growth negatively impacted the net interest margin by 27bps in Q4 2020 and 36bps in Q1 2021.
- PPP loans benefitted the net interest margin by 10 bps in Q4 2020 and 11 bps in Q1 2021.

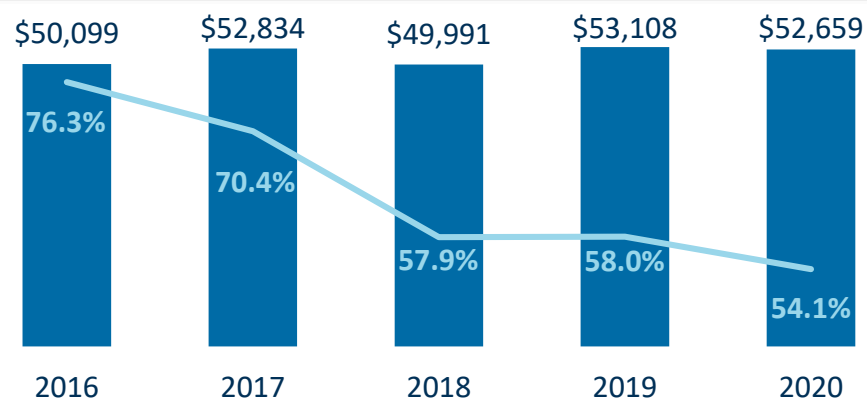
Dollars in thousands

Income and margin from continuing operations

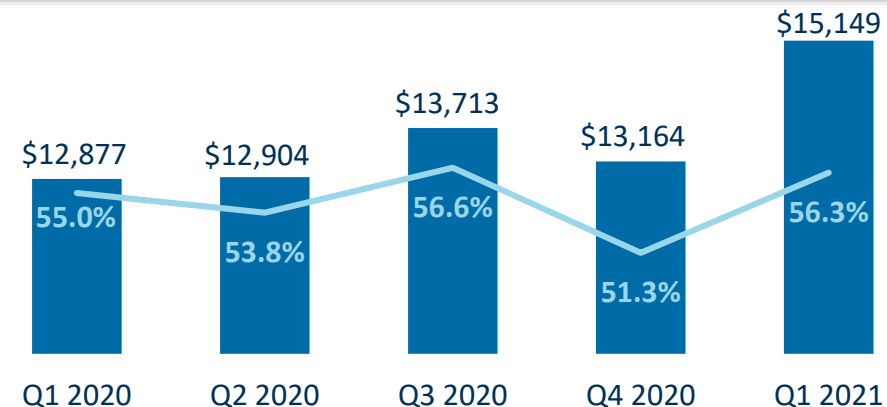
⁽¹⁾Net interest income and net interest margin are taxable equivalent and are non-GAAP financial measures. Taxable equivalent net interest income is used in calculating taxable equivalent net interest margin. Please see reconciliation on slides 31-32 for more details.

Disciplined Expense Management

Noninterest Expense and Efficiency Ratio by Year⁽¹⁾



Noninterest Expense and Efficiency Ratio by Quarter



■ Noninterest Expense — Efficiency Ratio

Noninterest Expense

	Q1 2021	Q4 2020	Q1 2020	Year-over-Year change	
Salaries and employee benefits	\$ 10,421	\$ 8,437	\$ 8,476	\$ 1,945	23%
Occupancy	734	767	794	(60)	(8%)
Equipment and software	774	969	779	(5)	(1%)
Professional services	922	686	705	217	31%
Communications and data processing	792	789	897	(105)	(12%)
FDIC	275	241	-	275	
Other noninterest expense	1,231	1,275	1,226	5	0%
Noninterest expense	\$ 15,149	\$ 13,164	\$ 12,877	\$ 2,272	18%

Q1 2021 Highlights

- Salaries and employee benefits included \$700,000 seasonal increase in benefit costs, \$255,000 in PPP expenses, increase in short-term and long-term incentive costs, and the partial impact of eight net new hires and merit increases.
- Professional services expense included approximately \$200,000 in PPP expenses.

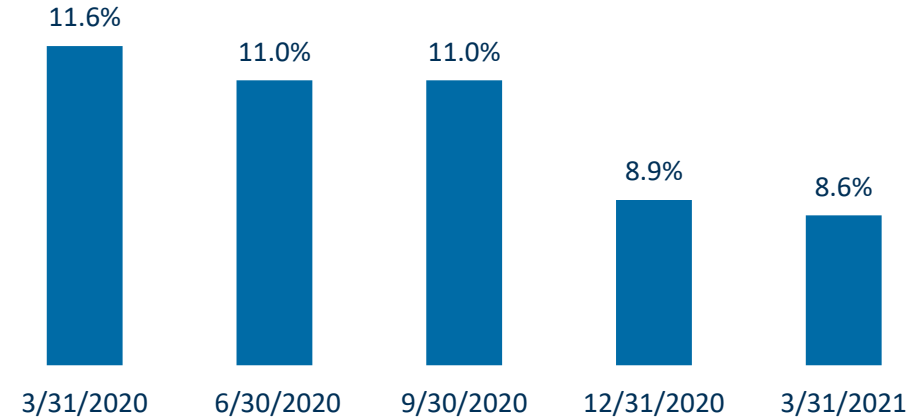
Dollars in thousands ⁽¹⁾ Continuing operations

Strong Capital Position

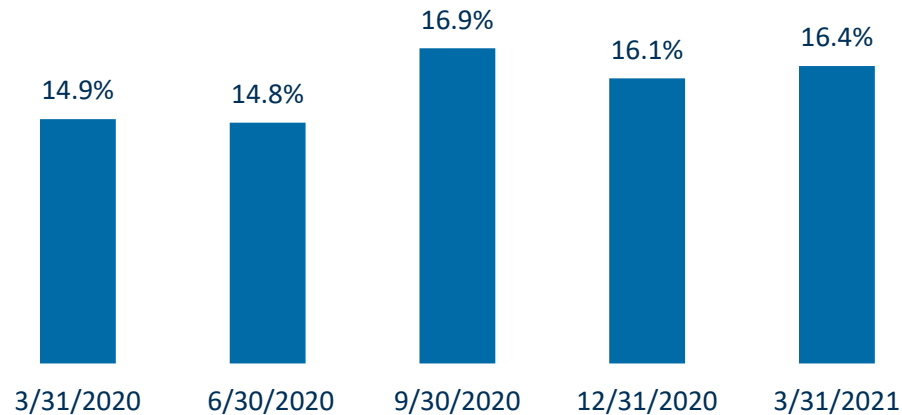
Highlights

- Capital levels remained strong but were impacted by the increase in deposits and corresponding increase in the size of the balance sheet.
 - Reduced TCE and Tier 1 Leverage Ratios.
- Continued share repurchase program:
 - Repurchased 222,000 shares totaling \$4.2 million at an average price of \$18.87 in Q1 2021.
 - \$3.1 million of the \$25 million program remaining.

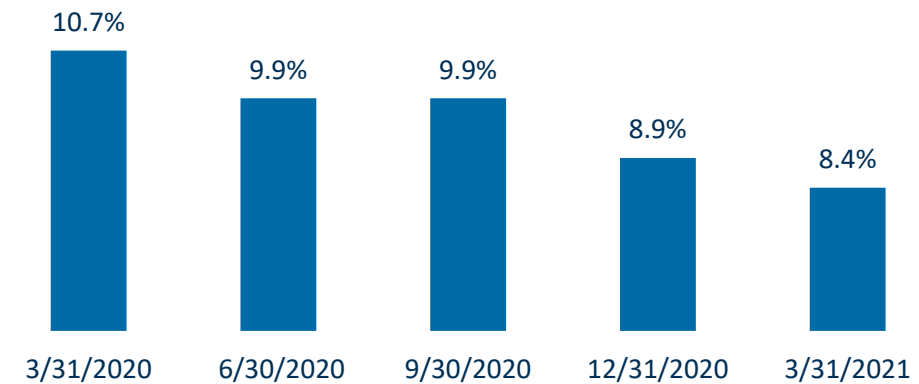
Tangible Common Equity Ratio⁽¹⁾



Total Risk Based Capital Ratio⁽²⁾



Tier 1 Leverage Ratio⁽²⁾



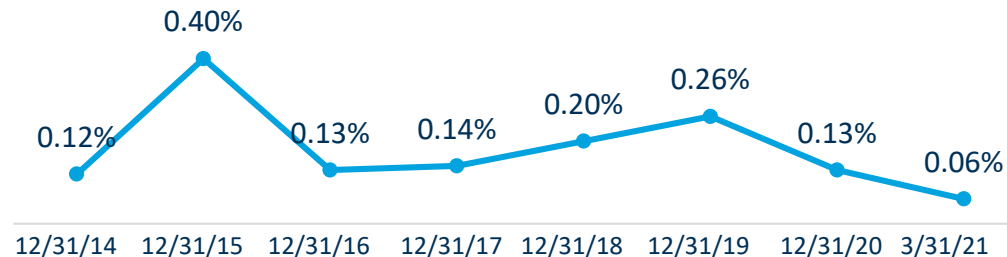
⁽¹⁾For a reconciliation of this non-GAAP financial measure, see slides 31-32. ⁽²⁾Amounts are estimates as of March 31, 2021

Strong Historical Credit Quality

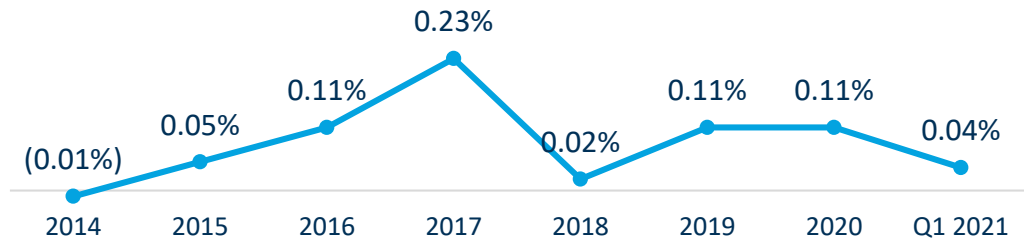
Highlights

- Overall credit quality remained solid with limited charge-offs and non-accruals.
- Classified loans decreased 34% from 12/31/2020 primarily due to upgrades.
- Criticized loans decreased from 7.9% of total loans as of 12/31/2020 to 7.0% as of 3/31/2021.
- Deferrals declined and remained less than 1% of total loans.
- Allowance for credit losses decreased from 1.70% of loans excluding PPP to 1.45%.
- Net charge-offs were 0.04% annualized, non-performing assets remain low at 0.06% of totals assets.

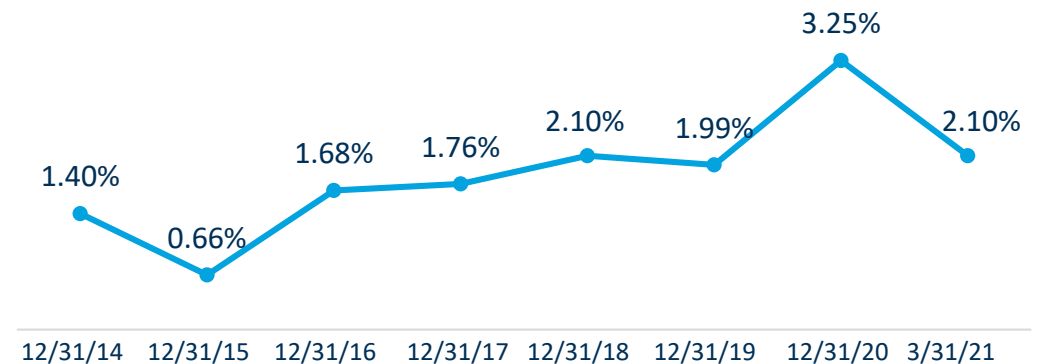
Non-performing Assets / Total Assets



Net Charge-Offs / Total Average Loans

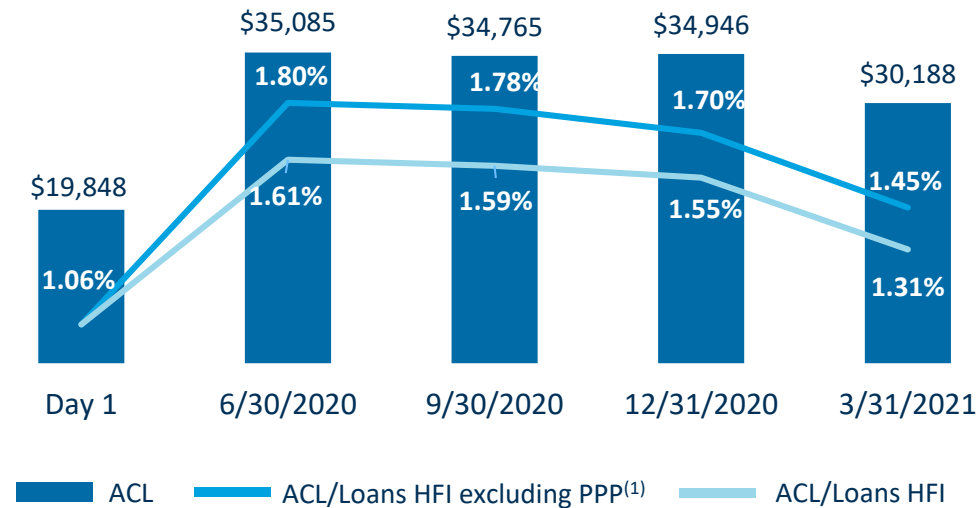


Classified Loans / Total Loans

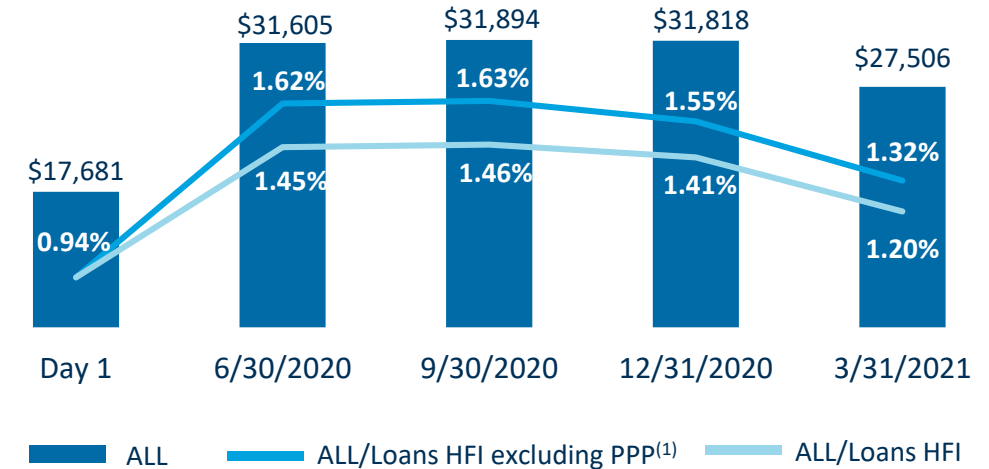


Current Expected Credit Losses (CECL)

Allowance for Credit Losses (ACL)



Allowance for Loan Losses (ALL)



- Reversal of allowance for credit losses was due to loan upgrades and improved forecasts.
- ACL remains robust at 1.31% of loans (1.45% excluding PPP loans).

Dollars in thousands

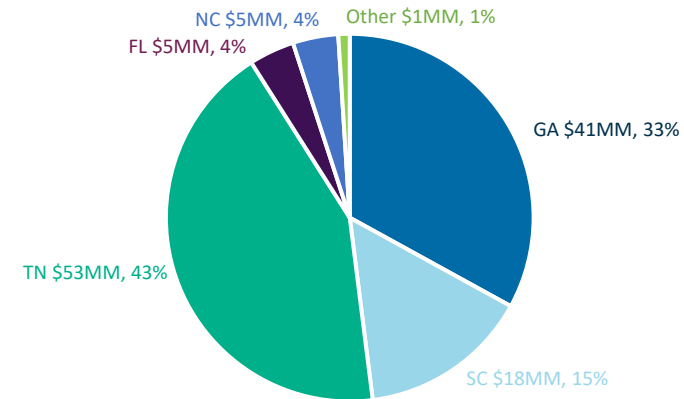
⁽¹⁾For a reconciliation of this non-GAAP financial measure, see slides 31-32.

Hotel Portfolio

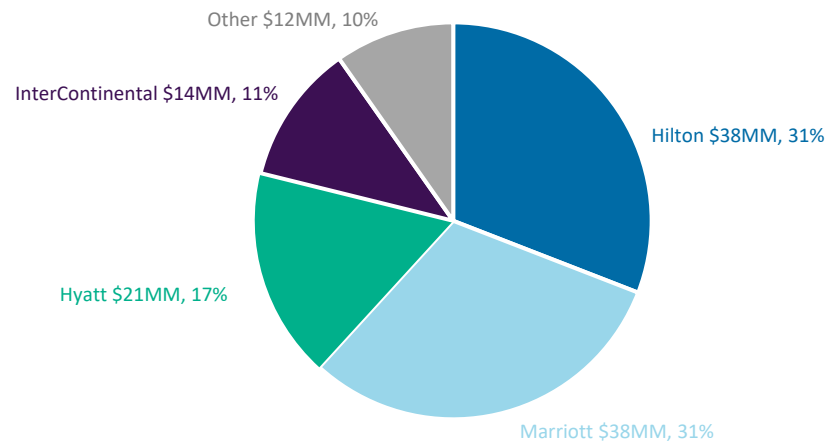
Hotel Portfolio Highlights

- \$101 million outstanding net of SBA/USDA guaranteed portions as of 3/31/2021
- Weighted average original LTV 66%
- Breakeven occupancy 45 – 60%
- Average occupancy November 2020 – 50% (CRE 56%, SBA 48%)
- Average occupancy February 2021 – 49% (CRE 47%, SBA 50%)
- \$26 million special mention, \$1 million classified, \$0 non-accrual

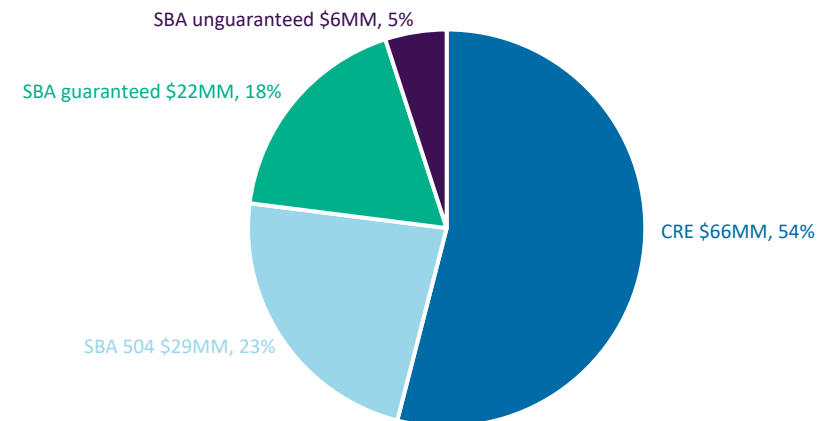
Hotel Loans by State



Hotel Loans by Brand



Hotel Loans by Type



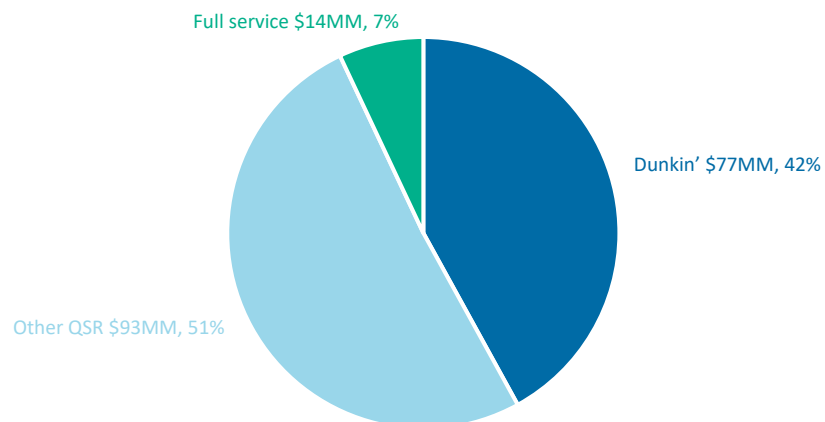
Excludes PPP loans

Restaurant Portfolio

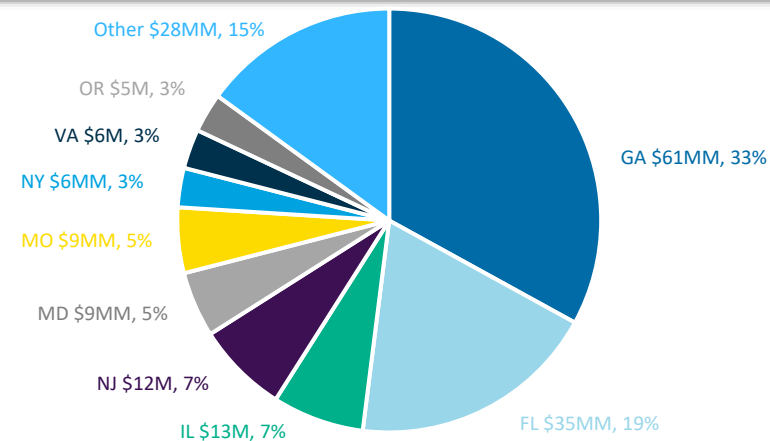
Restaurant Portfolio Highlights

- \$184 million outstanding as of 3/31/2021
- 93% QSR; Dunkin' 45% of QSR
- 97% of QSR locations did not close during shutdowns
- 85% of QSRs have drive-thru or existing delivery model
- \$24 million special mention, \$4 million classified, \$0 non-accrual
- 7% full service – no classified or non-accrual

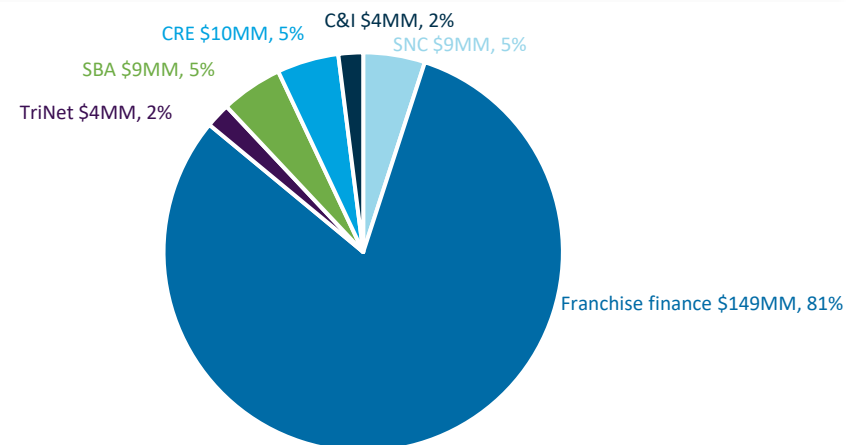
Restaurant Loans by Concept



Restaurant Loans by State



Restaurant Loans by Type



Excludes PPP loans

Paycheck Protection Program (PPP) Update

Period	Ending Balance	Average Balance	Interest Income	Fee Income	Total Income	Total Yield
Q2 2020	\$ 234,049	\$ 184,357	\$ 479	\$ 217	\$ 696	1.52%
Q3 2020	\$ 231,834	\$ 233,082	\$ 584	\$ 1,005	\$ 1,589	2.71%
Q4 2020	\$ 192,160	\$ 217,368	\$ 546	\$ 1,758	\$ 2,304	4.22%
Q1 2021	\$ 218,766	\$ 201,700	\$ 498	\$ 1,720	\$ 2,218	4.46%

- \$4.7 million in fees still to be recognized
- \$47 million in loans forgiven in the first quarter of 2021
- Originated 291 round two PPP loans totaling \$73 million as of March 31, 2021

Appendix



Management Biographies



Douglas Williams
President and
Chief Executive Officer

- President and CEO of Atlantic Capital since its inception
- Former Managing Director and Head of Wachovia Corporation's International Corporate Finance Group
- Held numerous roles within Wachovia, including EVP and Head of the Global Corporate Banking Division; CRO for all corporate, institutional, and wholesale banking activities; EVP and Co-Head of Wachovia's Capital Markets Division and EVP and Head of Wachovia's US Corporate Banking Division
- Former chairman of the Community Depository Institutions Advisory Council (CDIAC) of the Federal Reserve Bank of Atlanta and its representative to the CDIAC of the Federal Reserve Board of Governors
- Serves on the Boards of the Metro Atlanta Chamber of Commerce and the Georgia Chamber of Commerce, is a Member of the Buckhead Coalition, and former member of YMCA of Metropolitan Atlanta and the High Museum of Art boards



Patrick Oakes, CFA
Executive Vice President,
Chief Financial Officer

- CFO of Atlantic Capital since NASDAQ listing in 2015
- Former CFO of Square 1 Financial, Inc.
- Former EVP and CFO of Encore Bancshares, Inc.
- Former SVP and Treasurer of Sterling Bancshares, Inc.
- Chartered Financial Analyst



Kurt Shreiner
President,
Corporate Financial Services
Division

- President, Corporate Financial Services Division since December 2019
- EVP at Atlantic Capital from inception through December 2019
- Former Managing Director and Group Head for Wachovia Securities' Continental European Group
- Member of TWIN (The World Innovation Network – Chicago), Fiserv's Commercial Payments Advisory Board and a former executive in residence at Juniata College in Pennsylvania



Rich Oglesby
President,
Atlanta Division

- President, Atlanta Division of Atlantic Capital since December 2019
- EVP, General Banking Division Executive of Atlantic Capital from 2017 through 2019
- CRO of Atlantic Capital from its inception through 2017
- Former Chief Credit Officer for Wachovia's Capital Finance business
- Former Head of Risk Management for all of Wachovia's Capital Markets business
- Serves on the Board of Trustees at Children's Literature for Children



Gray Fleming
Executive Vice President,
Chief Risk Officer

- EVP and CRO of Atlantic Capital since October 2017
- Senior Risk Management Officer at Atlantic Capital from inception
- Former Director in Wachovia's Risk Management Division supporting Corporate, Investment Banking and Capital Markets groups
- Former Client Management and Risk Management Officer in Wachovia's middle market commercial group in North Carolina

Atlanta's Hometown Business Bank

- Atlanta's Hometown **BUSINESS BANK**
- Fast growing **FINTECH & PAYMENTS** businesses
- **EMERGING GROWTH** and **ENTREPRENEURIAL** focus
- Continued **INVESTMENT IN TECHNOLOGY**

TOTAL ASSETS
\$3.7 Billion

**Positioned for
Growth**

- Capitalize on Atlanta market opportunities
- Fintech and processing businesses
- Core deposit strength

**Fundamentally
Sound**

- Proven underwriting; superior credit quality
- Lead with strong risk and compliance
- Strong capital

ATLANTA **BUSINESS CHRONICLE**



2020 **BEST** PLACES TO WORK



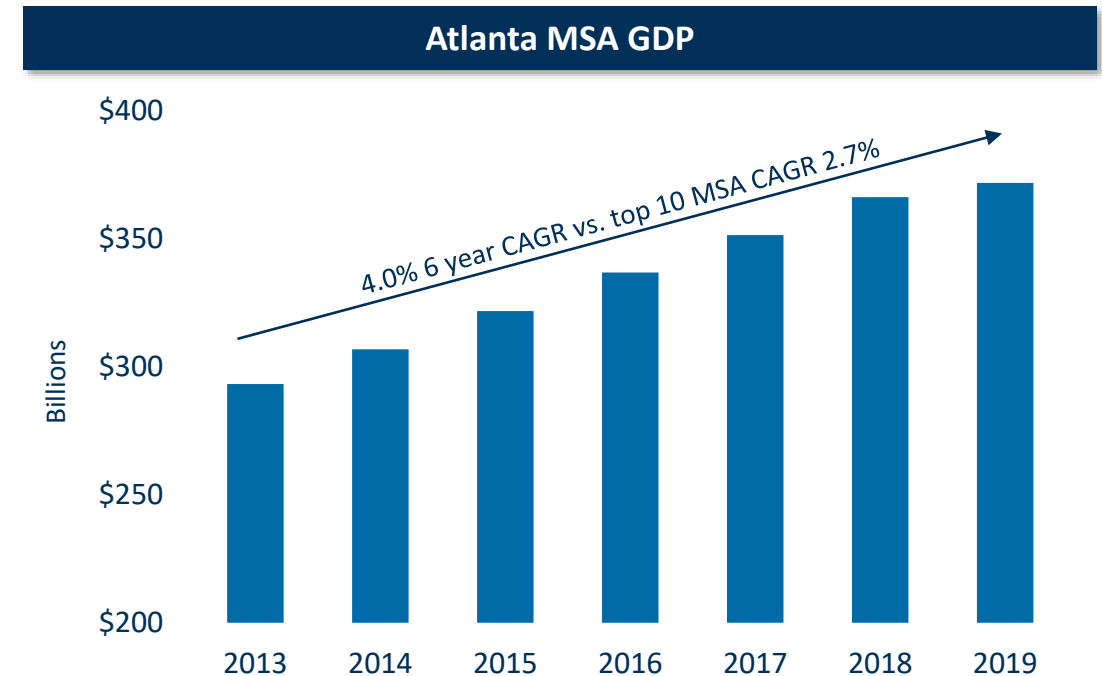
SBA lender in the nation
PREFERRED LENDER STATUS



Atlanta's Hometown Business Bank

Atlanta metro highlights:

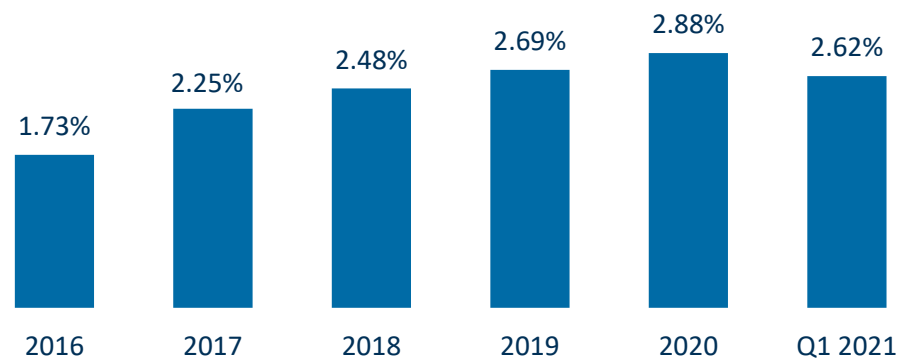
- #1 for economic growth potential (among large metro areas)
- 16 Fortune 500 headquarters
- #1 world's busiest airport
- #4 metro area for largest increase in population (2018-2019)
- #2 moving destination
- 70% of all US payments are processed through Georgia



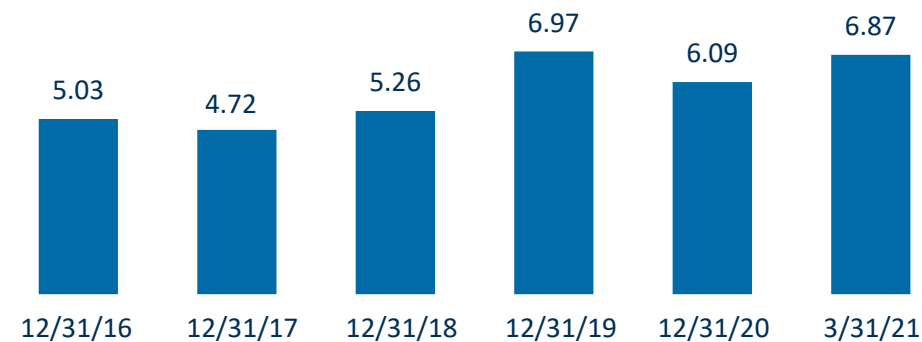
Sources: Metro Atlanta Chamber, City Data, Penske and American Transaction Processors Coalition

Investment Portfolio

Portfolio Yield

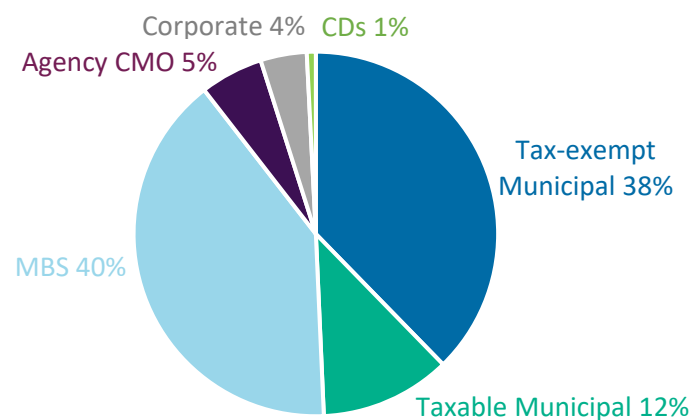


Portfolio Effective Duration

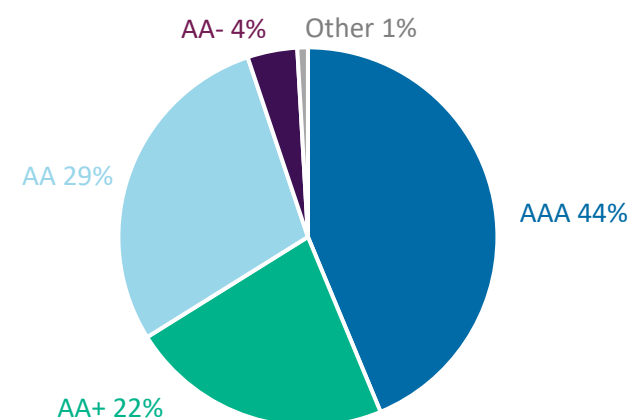


Extended portfolio duration to manage interest rate risk

Sector Allocation at 3/31/2021



Municipal Bond Ratings 3/31/2021

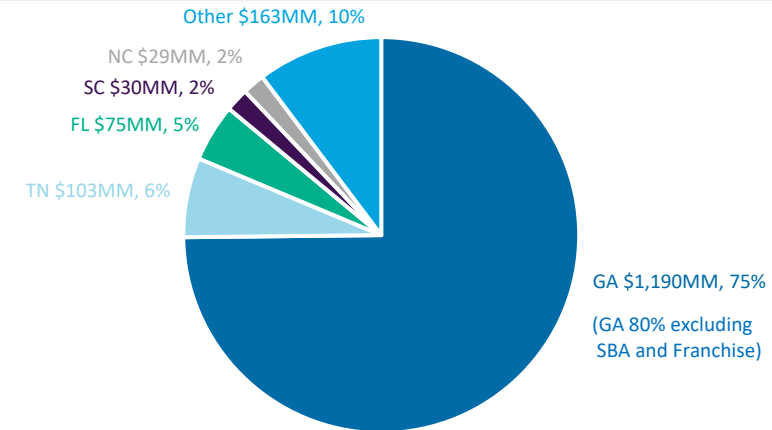


Summary of Loan Portfolio

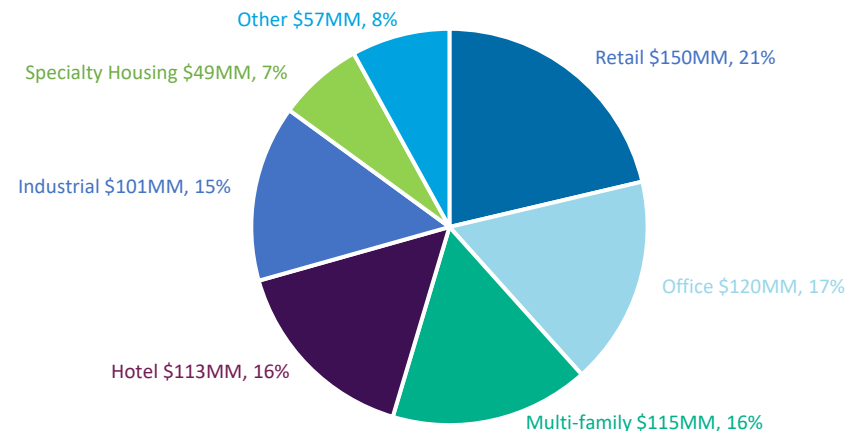
Highlights

- \$2.3 billion in total loans as of 3/31/2021
 - Includes \$219 million of PPP loans
- Commercial focused loan portfolio
 - 89% commercial and CRE⁽¹⁾
- Concentrated in the Southeast
- Granular portfolio
 - 27 loans larger than \$10 million outstanding

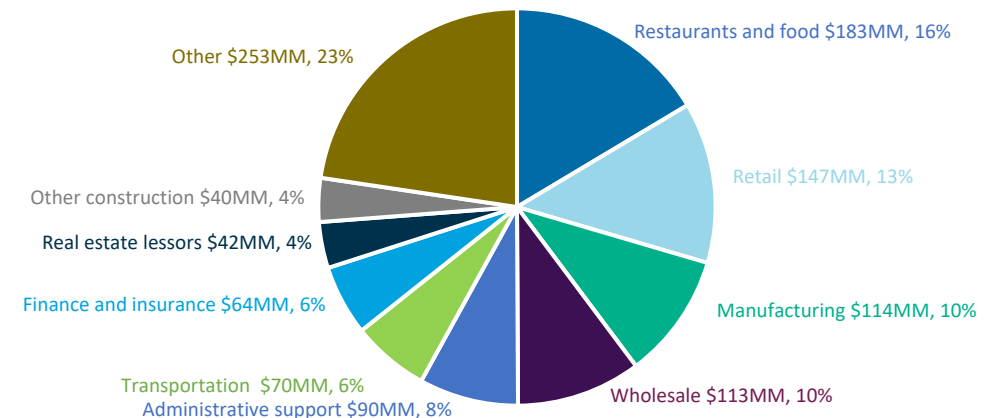
Borrowers by State⁽²⁾



CRE Concentrations by Property Type⁽¹⁾



C&I Concentrations^{(1) (2)}



⁽¹⁾ Commercial includes commercial and industrial, owner-occupied CRE; CRE includes non-owner occupied CRE, multifamily, construction

⁽²⁾ Excludes Trinet, PPP, and fintech partnership consumer loans

Loan Portfolio by Risk Rating

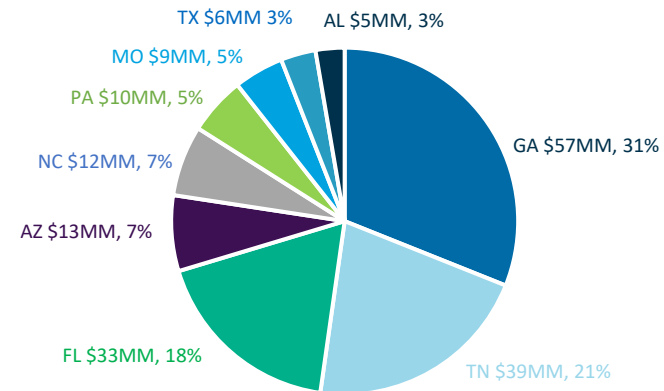
	Q1 2021					Q4 2020				
	Pass	Special Mention	Substandard	Doubtful	Total	Pass	Special Mention	Substandard	Doubtful	Total
Commercial - commercial and industrial	\$ 871,507	\$ 68,258	\$ 14,288	\$ -	\$ 954,053	\$ 859,328	\$ 65,796	\$ 27,672	\$ 9	\$ 952,805
Commercial - commercial real estate	869,903	38,739	33,449	-	942,091	835,566	28,680	44,855	-	909,101
Commercial - construction and land	138,354	4,442	-	-	142,796	140,774	4,821	-	-	145,595
Residential - mortgages	30,180	1,432	205	-	31,817	30,621	2,847	315	-	33,783
Residential - home equity	25,567	726	-	-	26,293	24,717	726	-	-	25,443
Consumer	203,176	-	-	-	203,176	176,066	-	-	-	176,066
Other	6,320	914	455	-	7,689	12,324	1,117	456	-	13,897
Total	\$ 2,145,007	\$ 114,511	\$ 48,397	\$ -	\$ 2,307,915	\$ 2,079,396	\$ 103,987	\$ 73,298	\$ 9	\$ 2,256,690
Less net deferred fees and other unearned income					(7,101)					(7,654)
Total loans held for investment					\$ 2,300,814					\$ 2,249,036

Shared National Credit Portfolio

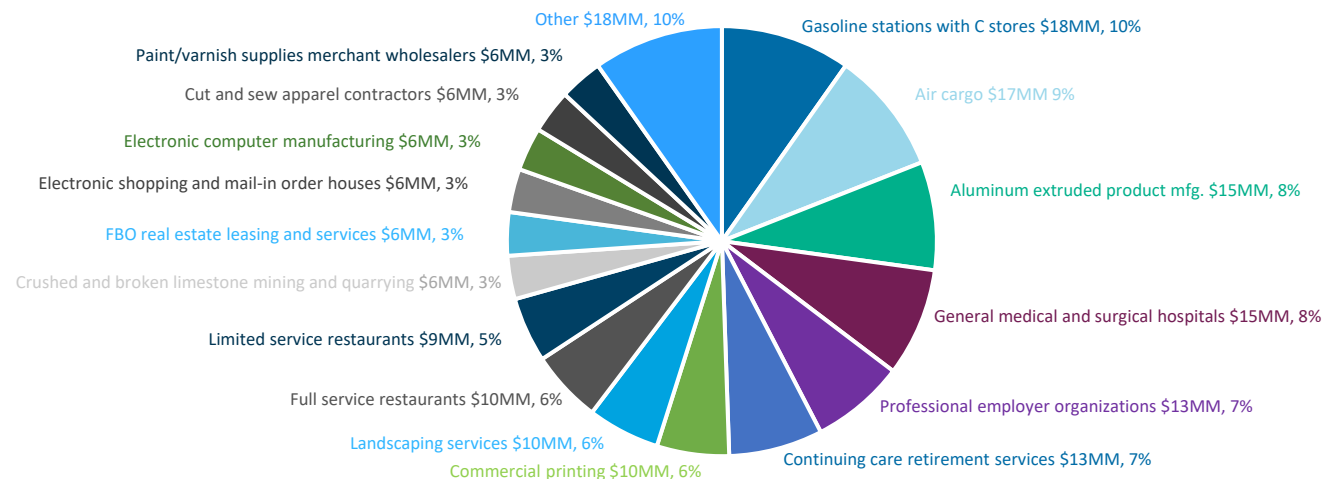
SNC Portfolio Highlights

- \$184 million outstanding as of 3/31/2021
- Average commitment \$12 million
- 16% highly leveraged transactions (outstandings)
- \$15 million special mention, no classified, no non-accrual

SNC Loans by State



SNC Portfolio by Industry



Balance Sheet

<i>(in thousands, except share data)</i>	Mar. 31, 2021	Dec. 31, 2020	March 31, 2019
ASSETS			
Cash and due from banks	\$ 32,850	\$ 16,865	\$ 27,536
Interest-bearing deposits in banks	612,966	636,537	114,829
Cash and cash equivalents	645,816	653,402	142,365
Investment securities available for sale	390,701	335,423	280,390
Investment securities held to maturity, net of allowance for credit losses of \$14 at March 31, 2021, December 31, 2020 and March 31, 2020, respectively	222,535	200,156	186,015
Other investments	24,709	25,892	27,140
Loans held for sale	1,847	—	—
Loans held for investment	2,300,814	2,249,036	1,932,909
Less: Allowance for credit losses	(27,506)	(31,818)	(24,896)
Loans held for investment, net	2,273,308	2,217,218	1,908,013
Premises and equipment, net	20,633	21,589	22,533
Bank owned life insurance	73,223	72,856	66,761
Goodwill	19,925	19,925	19,925
Other intangibles, net	2,688	2,731	2,785
Other real estate owned	16	16	779
Other assets	57,267	66,409	62,952
Total assets	\$ 3,732,668	\$ 3,615,617	\$ 2,719,658
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing demand	\$ 1,280,524	\$ 1,033,765	\$ 712,919
Interest-bearing checking	485,540	760,638	368,463
Savings	562	625	567
Money market	1,142,361	1,030,753	982,109
Time	294,129	241,328	66,793
Brokered deposits	74,576	94,399	94,268
Total deposits	3,277,692	3,161,508	2,225,119
Federal funds purchased			75,000
Long-term debt	73,878	73,807	49,916
Other liabilities	40,770	41,716	37,323
Total liabilities	3,392,340	3,277,031	2,387,358
SHAREHOLDERS' EQUITY			
Preferred stock, no par value; 10,000,000 shares authorized; no shares issued and as of March 31, 2020, December 31, 2020, and March 31, 2020	—	—	—
Common stock, no par value; 100,000,000 shares authorized; 20,354,077, 20,394,912, and 21,479,986 shares issued and outstanding as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively	207,047	209,942	224,233
Retained earnings	127,499	114,137	93,721
Accumulated other comprehensive income	5,782	14,507	14,346
Total shareholders' equity	340,328	338,586	332,300
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,732,668	\$ 3,615,617	\$ 2,719,658

Period End Loans

<i>(dollars in thousands)</i>	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	Linked Quarter Change	Year Over Year Change
Loans held for sale							
Loans held for sale	\$ 1,847	\$ -	\$ 859	\$ 1,153	\$ -	\$ 1,847	\$ 1,847
Loans held for sale - discontinued operations	-	-	-	-	-	-	-
Total loans held for sale	<u>\$ 1,847</u>	<u>\$ -</u>	<u>\$ 859</u>	<u>\$ 1,153</u>	<u>\$ -</u>	<u>\$ 1,847</u>	<u>\$ 1,847</u>
Loans held for investment							
Commercial loans:							
Commercial and industrial	\$ 735,287	\$ 760,645	\$ 712,567	\$ 739,769	\$ 760,062	\$ (25,358)	\$ (24,775)
PPP loans	218,766	192,160	231,834	234,049	-	26,606	218,766
Commercial real estate:							
Multifamily	80,507	66,262	58,336	58,909	73,654	14,245	6,853
Owner occupied	381,018	373,689	364,170	366,847	359,026	7,329	21,992
Investment	480,566	469,150	458,279	474,565	477,451	11,416	3,115
Construction and land:							
1-4 family residential construction	1,578	1,171	-	11	2,706	407	(1,128)
Other construction, development, and land	141,218	144,424	139,836	128,980	124,116	(3,206)	17,102
Mortgage warehouse loans	-	-	-	-	-	-	-
Total commercial loans	<u>2,038,940</u>	<u>2,007,501</u>	<u>1,965,022</u>	<u>2,003,130</u>	<u>1,797,015</u>	<u>31,439</u>	<u>241,925</u>
Residential:							
Residential mortgages	31,817	33,783	29,460	32,327	31,761	(1,966)	56
Home equity	26,293	25,443	24,528	23,689	23,479	850	2,814
Total residential loans	<u>58,110</u>	<u>59,226</u>	<u>53,988</u>	<u>56,016</u>	<u>55,240</u>	<u>(1,116)</u>	<u>2,870</u>
Consumer	203,176	176,066	154,916	113,149	58,164	27,110	145,012
Other	7,689	13,897	22,777	22,160	25,488	(6,208)	(17,799)
	<u>2,307,915</u>	<u>2,256,690</u>	<u>2,196,703</u>	<u>2,194,455</u>	<u>1,935,907</u>	<u>51,225</u>	<u>372,008</u>
Less net deferred fees and other unearned income	(7,101)	(7,654)	(8,668)	(9,761)	(2,998)	553	(4,103)
Total loans held for investment	<u>\$ 2,300,814</u>	<u>\$ 2,249,036</u>	<u>\$ 2,188,035</u>	<u>\$ 2,184,694</u>	<u>\$ 1,932,909</u>	<u>\$ 51,778</u>	<u>\$ 367,905</u>
Total loans	<u>\$ 2,302,661</u>	<u>\$ 2,249,036</u>	<u>\$ 2,188,894</u>	<u>\$ 2,185,847</u>	<u>\$ 1,932,909</u>	<u>\$ 53,625</u>	<u>\$ 369,752</u>
Total unfunded commitments	\$ 789,869	\$ 813,757	\$ 764,247	\$ 749,321	\$ 689,620	\$ (23,888)	\$ 100,249

Deposits: Period End and Average

Period End Deposits							
(dollars in thousands)	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	Linked Quarter Change	Year Over Year Change
DDA	\$ 1,280,524	\$ 1,033,765	\$ 843,656	\$ 883,662	\$ 712,919	\$ 246,759	\$ 567,605
NOW	485,540	760,638	387,858	449,737	368,463	(275,098)	117,077
Savings	562	625	568	583	567	(63)	(5)
Money market	1,142,361	1,030,753	945,834	879,863	982,109	111,608	160,252
Time	294,129	241,328	196,343	131,353	66,793	52,801	227,336
Brokered	74,576	94,399	94,463	62,433	94,268	(19,823)	(19,692)
Total deposits	<u>\$ 3,277,692</u>	<u>\$ 3,161,508</u>	<u>\$ 2,468,722</u>	<u>\$ 2,407,631</u>	<u>\$ 2,225,119</u>	<u>\$ 116,184</u>	<u>\$ 1,052,573</u>

Average Deposits							
(dollars in thousands)	2021 First Quarter	2020				Linked Quarter Change	Q1 2021 vs Q1 2020
		Fourth Quarter	Third Quarter	Second Quarter	First Quarter		
DDA	\$ 1,136,531	\$ 977,009	\$ 854,715	\$ 815,299	\$ 713,001	\$ 159,522	\$ 423,530
NOW	618,701	558,967	440,734	462,051	382,178	59,734	236,523
Savings	587	614	586	574	650	(27)	(63)
Money market	1,042,809	1,026,347	942,062	952,444	1,010,713	16,462	32,096
Time	273,615	221,792	166,019	96,362	55,775	51,823	217,840
Brokered	84,663	89,673	68,102	83,228	92,188	(5,010)	(7,525)
Total deposits	<u>\$ 3,156,906</u>	<u>\$ 2,874,402</u>	<u>\$ 2,472,218</u>	<u>\$ 2,409,958</u>	<u>\$ 2,254,505</u>	<u>\$ 282,504</u>	<u>\$ 902,401</u>
Noninterest bearing deposits as a percentage of average deposits	36.0%	34.0%	34.6%	33.8%	31.6%		
Cost of interest-bearing deposits	0.19%	0.25%	0.28%	0.33%	1.09%		
Cost of deposits	0.12%	0.16%	0.19%	0.22%	0.75%		

Income Statements

	Three months ended				
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
<i>(in thousands except share and per share data)</i>					
Total interest income	\$ 25,410	\$ 24,943	\$ 24,233	\$ 23,797	\$ 26,023
Total interest expense	2,065	2,299	2,515	2,166	5,043
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	23,345	22,644	21,718	21,631	20,980
Provision for credit losses	(4,519)	481	28	8,863	8,074
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	27,864	22,163	21,690	12,768	12,906
NONINTEREST INCOME					
Service charges	1,663	1,341	1,217	1,081	1,232
Gains (losses) on sale of securities	2	(23)	—	—	—
Gains (losses) on sale of other assets	—	(6)	(145)	—	5
Derivatives income (loss)	47	11	10	(10)	246
Bank owned life insurance	391	368	363	367	362
SBA lending activities	1,225	1,015	893	782	414
Other noninterest income	234	310	166	123	163
Total noninterest income	3,562	3,016	2,504	2,343	2,422
NONINTEREST EXPENSE					
Salaries and employee benefits	10,421	8,437	8,850	8,466	8,476
Occupancy	734	767	739	883	794
Equipment and software	774	969	826	763	779
Professional services	922	686	562	792	705
Communications and data processing	792	789	757	670	897
Marketing and business development	108	144	141	79	153
Travel, meals and entertainment	10	14	39	34	140
FDIC premiums	275	241	213	175	—
Other noninterest expense	1,113	1,117	1,586	1,042	933
Total noninterest expense	15,149	13,164	13,713	12,904	12,877
INCOME BEFORE PROVISION FOR INCOME TAXES	16,277	12,015	10,481	2,207	2,451
Provision for income taxes	2,915	2,065	1,863	358	327
NET INCOME	13,362	9,950	8,618	1,849	2,124
Net income per common share - basic	\$ 0.66	\$ 0.48	\$ 0.40	\$ 0.09	\$ 0.10
Net income per common share - diluted	\$ 0.65	\$ 0.48	\$ 0.40	\$ 0.09	\$ 0.10
Weighted average shares - basic	20,380,066	20,711,089	21,500,735	21,472,462	21,689,038
Weighted average shares - diluted	20,502,184	20,795,332	21,543,805	21,535,040	21,842,175

Non-GAAP Financial Measures

(in thousands, except share and per share data)

	2021	2020			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Taxable equivalent net interest income reconciliation					
Net interest income - GAAP	\$ 23,345	\$ 22,644	\$ 21,718	\$ 21,631	\$ 20,980
Taxable equivalent adjustment	365	345	345	354	223
Net interest income - taxable equivalent	<u>\$ 23,710</u>	<u>\$ 22,989</u>	<u>\$ 22,063</u>	<u>\$ 21,985</u>	<u>\$ 21,203</u>
Taxable equivalent net interest margin reconciliation					
Net interest margin - GAAP - continuing operations	2.76%	2.86%	3.09%	3.17%	3.38%
Impact of taxable equivalent adjustment	0.05%	0.05%	0.05%	0.06%	0.03%
Net interest margin - taxable equivalent - continuing operations	<u>2.81%</u>	<u>2.91%</u>	<u>3.14%</u>	<u>3.23%</u>	<u>3.41%</u>
Tangible book value per common share reconciliation					
Total shareholders' equity	\$ 340,328	\$ 338,586	\$ 340,309	\$ 335,980	\$ 332,300
Intangible assets	(19,925)	(19,925)	(19,925)	(19,925)	(19,925)
Total tangible common equity	<u>\$ 320,403</u>	<u>\$ 318,661</u>	<u>\$ 320,384</u>	<u>\$ 316,055</u>	<u>\$ 312,375</u>
Common shares outstanding	20,354,077	20,394,912	21,202,783	21,477,631	21,479,986
Book value per common share - GAAP	\$ 16.72	\$ 16.60	\$ 16.05	\$ 15.64	\$ 15.47
Tangible book value	15.74	15.62	15.11	14.72	14.54
Tangible common equity to tangible assets reconciliation					
Total shareholders' equity	\$ 340,328	\$ 338,586	\$ 340,309	\$ 335,980	\$ 332,300
Intangible assets	(19,925)	(19,925)	(19,925)	(19,925)	(19,925)
Total tangible common equity	<u>\$ 320,403</u>	<u>\$ 318,661</u>	<u>\$ 320,384</u>	<u>\$ 316,055</u>	<u>\$ 312,375</u>
Total assets	\$ 3,732,668	\$ 3,615,617	\$ 2,923,977	\$ 2,890,622	\$ 2,719,658
Intangible assets	(19,925)	(19,925)	(19,925)	(19,925)	(19,925)
Total tangible assets	<u>\$ 3,712,743</u>	<u>\$ 3,595,692</u>	<u>\$ 2,904,052</u>	<u>\$ 2,870,697</u>	<u>\$ 2,699,733</u>
Tangible common equity to tangible assets	8.63%	8.86%	11.03%	11.01%	11.57%
PPP loans	\$ 218,766	\$ 192,160	\$ 231,834	\$ 234,049	\$ -
Total tangible assets excl PPP loans	\$ 3,493,977	\$ 3,403,532	\$ 2,672,218	\$ 2,636,648	\$ 2,699,733
Tangible common equity to tangible assets excl PPP loans	9.17%	9.36%	11.99%	11.99%	11.57%
Pre-provision net revenue (PPNR) reconciliation					
Net interest income - GAAP	\$ 23,345	\$ 22,644	\$ 21,718	\$ 21,631	\$ 20,980
Taxable equivalent adjustment	365	345	345	354	223
Noninterest income	3,562	3,016	2,504	2,343	2,422
Noninterest expense	(15,149)	(13,164)	(13,713)	(12,904)	(12,877)
Pre-provision net revenue	<u>\$ 12,123</u>	<u>\$ 12,841</u>	<u>\$ 10,854</u>	<u>\$ 11,424</u>	<u>\$ 10,748</u>

Non-GAAP Financial Measures

(in thousands, except share and per share data)

	2021	2020			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Allowance for credit losses to loans held for investment reconciliation					
Total loans held for investment	\$ 2,300,814	\$ 2,249,036	\$ 2,188,035	\$ 2,184,694	\$ 1,932,909
PPP Loans	(218,766)	(192,160)	(231,834)	(234,049)	-
Total loans held for investment excluding PPP	<u>\$ 2,082,048</u>	<u>\$ 2,056,876</u>	<u>\$ 1,956,201</u>	<u>\$ 1,950,645</u>	<u>\$ 1,932,909</u>
Allowance for credit losses to loans held for investment	1.31%	1.55%	1.59%	1.61%	1.43%
Allowance for credit losses to loans held for investment excluding PPP loans	1.45%	1.70%	1.78%	1.80%	1.43%
Allowance for loan losses to loans held for investment reconciliation					
Total loans held for investment	\$ 2,300,814	\$ 2,249,036	\$ 2,188,035	\$ 2,184,694	\$ 1,932,909
PPP Loans	(218,766)	(192,160)	(231,834)	(234,049)	-
Total loans held for investment excluding PPP	<u>\$ 2,082,048</u>	<u>\$ 2,056,876</u>	<u>\$ 1,956,201</u>	<u>\$ 1,950,645</u>	<u>\$ 1,932,909</u>
Allowance for loan losses to loans held for investment	1.20%	1.41%	1.46%	1.45%	1.29%
Allowance for loan losses to loans held for investment excluding PPP loans	1.32%	1.55%	1.63%	1.62%	1.29%
Net interest margin adjusted for excess cash					
Total interest-earning assets	\$ 3,424,717	\$ 3,147,728	\$ 2,795,994	\$ 2,741,528	\$ 2,498,006
Excess cash	(404,959)	(285,693)	-	-	-
Adjusted total interest earning assets	<u>3,019,758</u>	<u>2,862,035</u>	<u>2,795,994</u>	<u>2,741,528</u>	<u>2,498,006</u>
Net interest income - taxable equivalent	\$ 23,710	\$ 22,989	\$ 22,063	\$ 21,985	\$ 21,203
Excess net interest income	(100)	(72)	-	-	-
Adjusted net interest income - taxable equivalent	<u>23,610</u>	<u>22,917</u>	<u>22,063</u>	<u>21,985</u>	<u>21,203</u>
Net interest margin adjust for excess cash	3.17%	3.18%	3.14%	3.23%	3.41%

(in thousands)

	For the Years Ended December 31,				
	2020	2019	2018	2017	2016
Net interest income reconciliation					
Net interest income - GAAP	\$ 86,973	\$ 80,864	\$ 76,247	\$ 62,832	\$ 53,719
Taxable equivalent adjustment	1,478	459	395	906	484
Net interest income - taxable equivalent	<u>\$ 88,451</u>	<u>\$ 81,323</u>	<u>\$ 76,642</u>	<u>\$ 63,738</u>	<u>\$ 54,203</u>
Taxable equivalent net interest margin reconciliation					
Net interest margin - GAAP - continuing operations	3.11%	3.52%	3.48%	3.03%	2.74%
Impact of taxable equivalent adjustment	0.05%	0.06%	0.02%	0.04%	0.02%
Net interest margin - taxable equivalent	<u>3.16%</u>	<u>3.58%</u>	<u>3.50%</u>	<u>3.07%</u>	<u>2.76%</u>

THANK YOU

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