



BAYFIRST

BayFirst Financial Corp.
(NASDAQ:BAFN)

2024 – Second Quarter Results
(Unaudited)

Cautionary Statement Concerning Forward-Looking Information

In addition to the historical information contained herein, this presentation includes "forward-looking statements" within the meaning of such term in the Private Securities Litigation Reform Act of 1995. These statements are subject to many risks and uncertainties, including, but not limited to, the effects of health crises, global military hostilities, or climate change, including their effects on the economic environment, our customers and our operations, as well as any changes to federal, state or local government laws, regulations or orders in connection with them; the ability of the Company to implement its strategy and expand its banking operations; changes in interest rates and other general economic, business and political conditions, including changes in the financial markets; changes in business plans as circumstances warrant; risks related to mergers and acquisitions; changes in benchmark interest rates used to price loans and deposits, changes in tax laws, regulations and guidance; and other risks detailed from time to time in filings made by the Company with the SEC, including, but not limited to those "Risk Factors" described in our most recent Form 10-K and Form 10-Q. Readers should note that the forward-looking statements included herein are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe," "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this document, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

ABOUT BAYFIRST FINANCIAL CORP.

TAMPA BAY'S PREMIER COMMUNITY BANKING FRANCHISE

HOW WE RANK

2 IN THE TAMPA BAY-
SARASOTA REGION⁽¹⁾

ASSET SIZE

\$1.22 BILLION TOTAL
ASSETS⁽²⁾

GROWTH

129% ASSET GROWTH
SINCE DEC 31,
2019⁽²⁾

SBA ORIGINATION

#3 SBA 7(a) ORIGINATOR
IN THE NATION BY
UNITS⁽³⁾

INITIATIVES

CSR CORPORATE SOCIAL
RESPONSIBILITY
FOCUSED

DEPOSITS

\$97.6 MILLION IN TOTAL DEPOSIT
GROWTH OVER THE PAST YEAR⁽²⁾

COMMUNITY BANKING

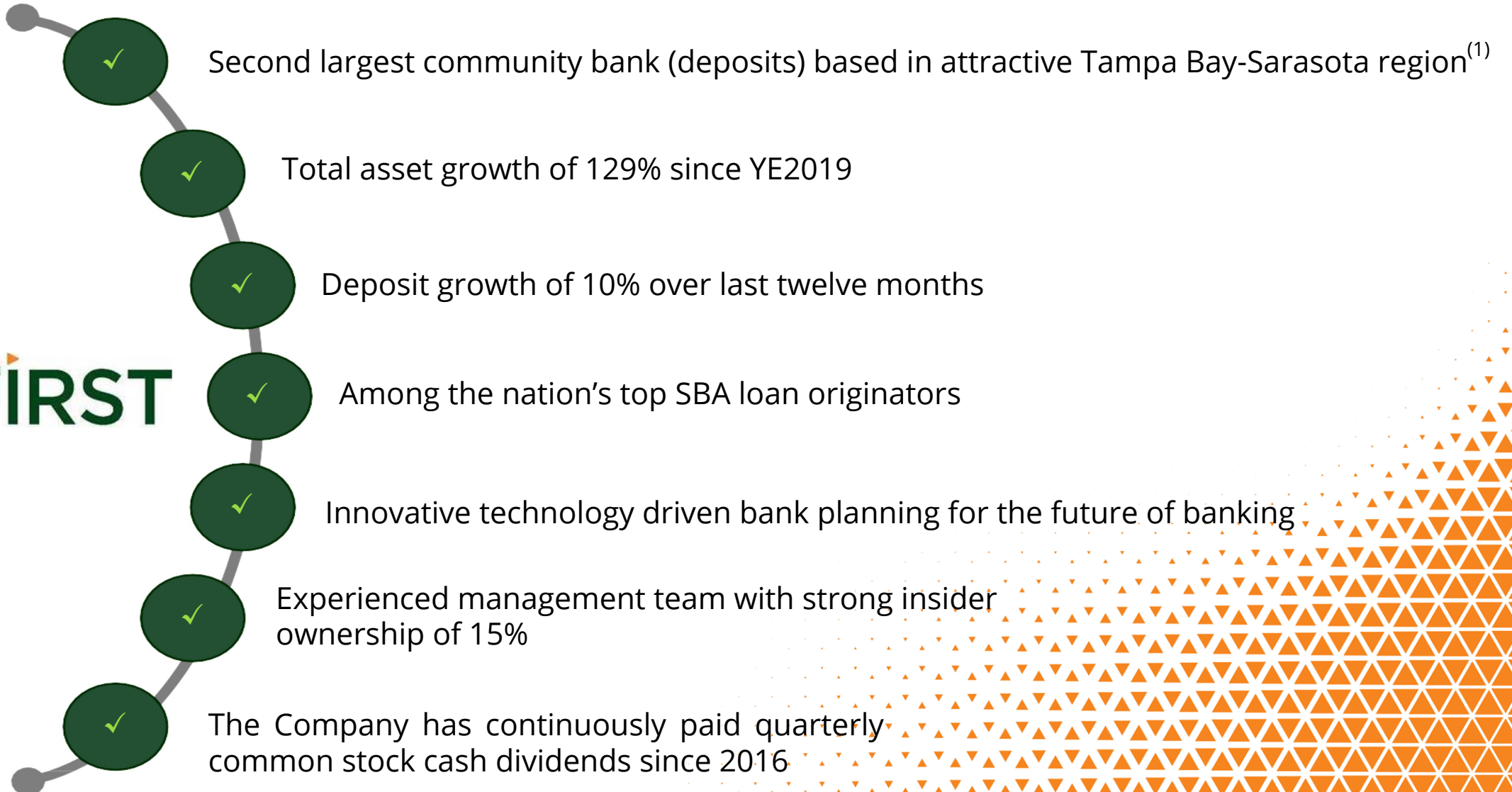
LAUNCHED HEALTHCARE BANKING IN JUNE

1. Deposit ranking of banks with assets less than \$10B headquartered in the Tampa-Sarasota region as of March 31, 2024 from Uniform Bank Performance Reports
2. Financial data as of June 30, 2024
3. As of SBA's quarter ended June 30, 2024

KEY INVESTMENT POINTS

BAYFIRST

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1. Deposit ranking of banks with assets less than \$10B headquartered in the Tampa-Sarasota region as of March 31, 2024 from Uniform Bank Performance Reports

BAYFIRST



Technology focused community bank with diversified revenue streams

COMMUNITY BANKING

- 12 banking centers in Tampa Bay-Sarasota region
- Full suite of commercial and consumer loan and deposit products to meet the needs of Tampa Bay individuals, families and small businesses

TECHNOLOGY FOCUSED

- Advanced technology platform to support innovative products and services while improving efficiencies
- PowerLOS is an automated, highly scalable SBA and commercial loan origination system
- Working with FinTechs to offer new and innovative services through Mulesoft API platform

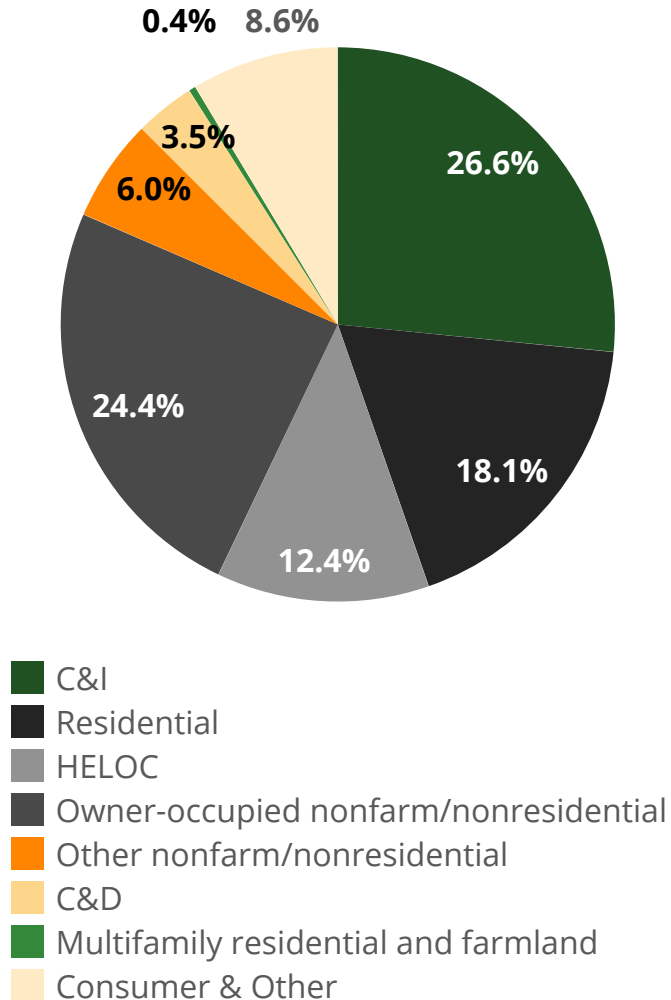


CREDITBENCH

- BayFirst's in-house government guaranteed lending platform
- #3 in units and #9 SBA lender in dollars as of SBA's quarter ended 6/30/24
- #1 SBA lender in the five county Tampa Bay area at SBA's FY ended 9/30/23
- Small Loan Balance program:
 - Includes our **Bolt loans up to \$150K**, with up to 85% SBA government guarantee
- Core program:
 - Traditional SBA loans over \$150K and up to \$5 million
 - Supports organic loan generation through sales team and partners

ATTRACTIVE LOAN COMPOSITION

Composition of Loans Held for Investment as of June 30, 2024

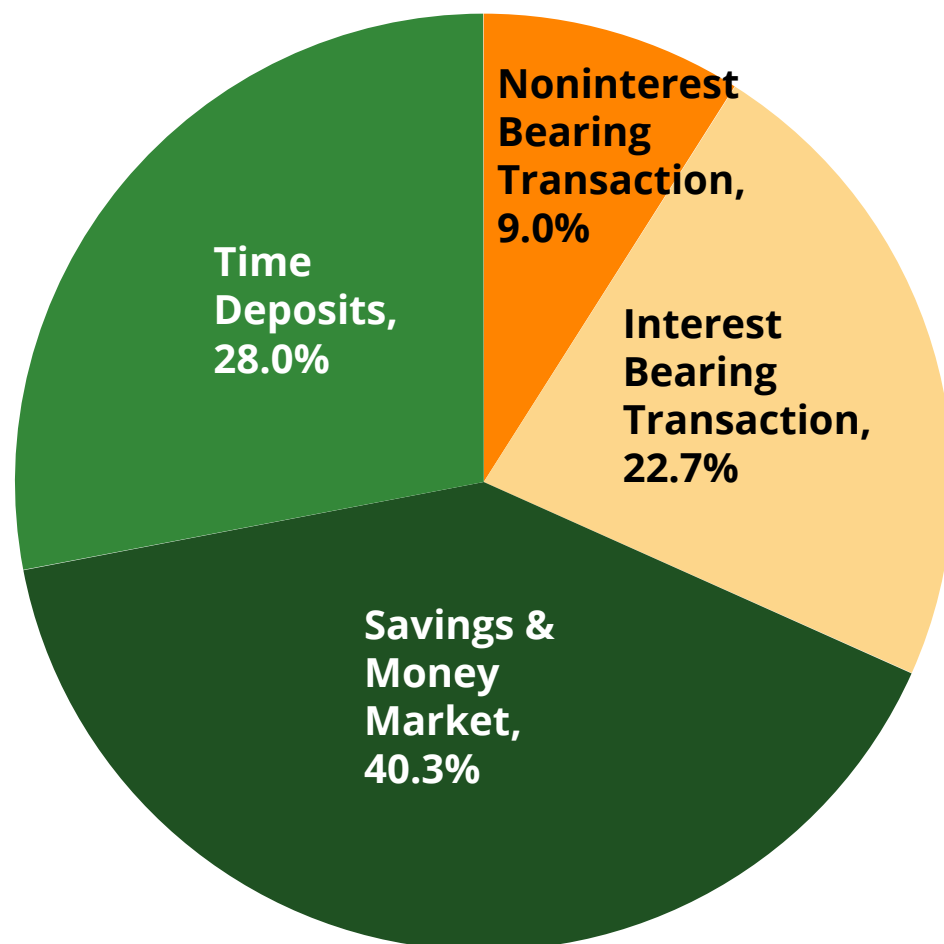


Loan Highlights

- Loan portfolio is well-diversified across major loan types with a low concentration of non owner-occupied commercial real estate loans
- Total loan production of \$179 million during the quarter
- Loans held for investment grew \$73 million during the quarter

SOLID DEPOSIT COMPOSITION

Deposit Portfolio Composition as of June 30, 2024



Deposit Highlights

- Total Deposits grew \$57 million during the first six months of 2024
- Approximately 81% of deposits are insured as of June 30, 2024
- Minimal use of short-term brokered deposits (\$60 million as of June 30, 2024)
- Grew number of checking accounts by 11% YTD

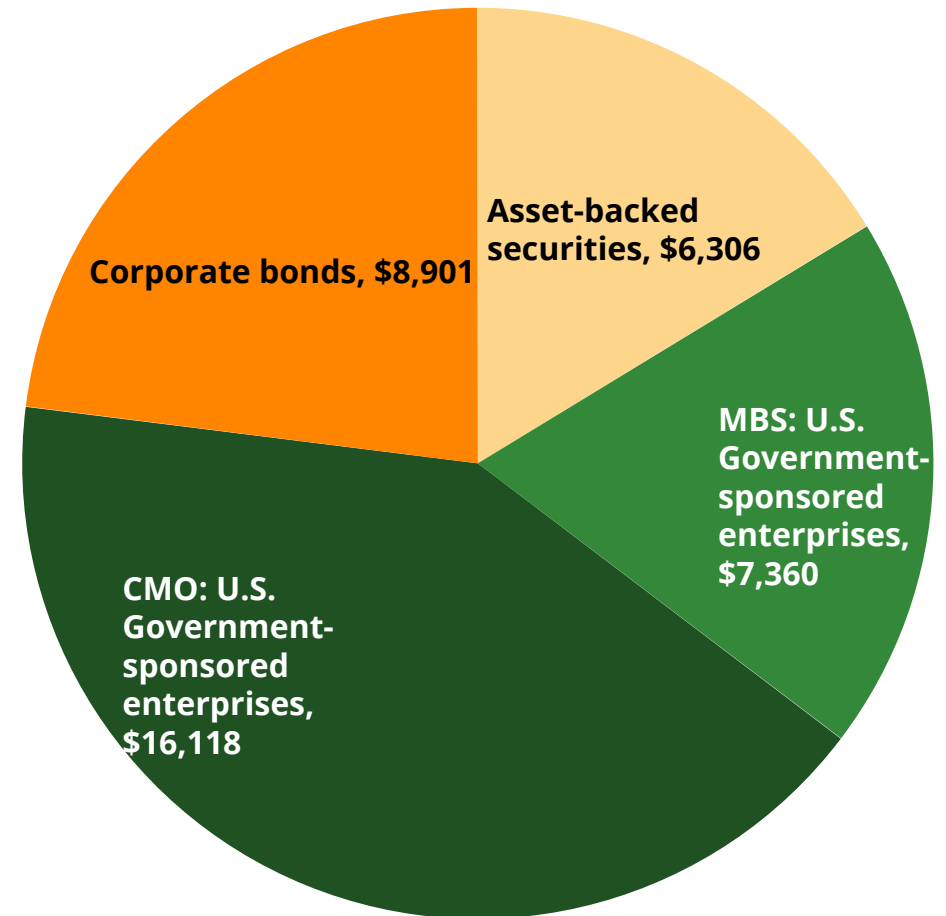
INVESTMENT SECURITIES

BAYFIRST

Investment Securities Portfolio Details

- Minimal exposure to market value losses due to modest investment securities portfolio (0.4% of total assets)
- Other Comprehensive Loss of \$3.1 million reduced Tangible Book Value by \$0.75 as of June 30, 2024
 - We intend and have the ability to hold the available for sale investment securities to maturity; no plan to sell
 - No impact to regulatory capital ratios
- \$2.5 million of HTM investment securities, net of ACL of \$14 thousand

AFS Investment Securities Portfolio as of June 30, 2024 (fair market value, in thousands)



STRATEGIC PILLARS 2024

Maintain
Strong
Capital

Manage and
Evolve Risk
Management

Leverage
Our SBA
Expertise

Promote
Innovation

Maintain
Granularity
of Deposit
and Loan
Portfolios

Leverage
Banking
Center
Franchise and
Core Deposit
Base

Continue to
Promote
Workplace
Culture and
Social
Responsibility

GOALS & INITIATIVES: 2024 AND BEYOND

- Increase the volume of small-balance SBA loans
- Focus on revenue growth and optimize the Bank's efficiency ratio
- Maximize existing banking centers to increase brand awareness and core deposit customers
- Partner with Fintech firms to create fee income and loan and deposit opportunities
- Grow capital and expand the Company's shareholder base
- Enhance overall customer experience, engagement, and satisfaction
- Improve digital channels and functionalities to elevate customer engagement
- Maximize the investment in technology
- Position the Bank to achieve an "Outstanding" CRA rating

(\$000s)	For the Three Months Ended				
	6/30/2024	3/31/2024	Increase/ (Decrease)	6/30/2023	Increase/ (Decrease)
Interest income	\$ 20,427	\$ 19,187	\$ 1,240	\$ 17,792	\$ 2,635
Interest expense	11,245	10,445	800	7,684	3,561
Net interest income	9,182	8,742	440	10,108	(926)
Provision for credit losses	3,000	4,058	(1,058)	2,765	235
Noninterest income	11,653	14,268	(2,615)	10,937	716
Noninterest expense	16,610	17,773	(1,163)	16,402	208
Income tax expense	349	296	53	461	(112)
Net income from continuing operations	876	883	(7)	1,417	(541)
Net income (loss) from discontinued operations	(10)	(59)	49	(32)	22
Net income	866	824	42	1,385	(519)
Preferred dividends	386	385	1	208	178
Net income available to common shareholders	\$ 480	\$ 439	\$ 41	\$ 1,177	\$ (697)

(\$000s)	Six Months Ended June 30,		
	2024	2023	Increase/ (Decrease)
Interest income	\$ 39,614	\$ 32,043	\$ 7,571
Interest expense	21,690	12,882	8,808
Net interest income	17,924	19,161	(1,237)
Provision for credit losses	7,058	4,707	2,351
Noninterest income	25,921	20,385	5,536
Noninterest expense	34,383	31,814	2,569
Income tax expense	645	741	(96)
Net income from continuing operations	1,759	2,284	(525)
Net income (loss) from discontinued operations	(69)	(160)	91
Net income	1,690	2,124	(434)
Preferred dividends	771	416	355
Net income available to common shareholders	\$ 919	\$ 1,708	\$ (789)

	As of and For the Three Months Ended			As of and For the Six Months Ended		
	6/30/2024	3/31/2024	6/30/2023	6/30/2024	6/30/2023	
Return on average assets ⁽¹⁾	0.29 %	0.29 %	0.52 %	0.29 %	0.42 %	
Return on average common equity ⁽¹⁾	2.26 %	2.06 %	5.86 %	2.16 %	4.29 %	
Tangible book value per common share	\$ 20.54	\$ 20.45	\$ 19.85	\$ 20.54	\$ 19.85	
Diluted earnings per common share	\$ 0.12	\$ 0.11	\$ 0.29	\$ 0.22	\$ 0.42	
Dividend payout ratio	68.91 %	75.27 %	27.89 %	71.95 %	38.34 %	
Total Capital (to risk-weighted assets)	11.79 %	12.29 %	13.60 %	11.79 %	13.60 %	
Common Equity Tier 1 Capital (to risk-weighted assets)	10.54 %	11.04 %	12.34 %	10.54 %	12.34 %	
Tier 1 Capital (to total assets)	8.73 %	9.12 %	9.36 %	8.73 %	9.36 %	
Nonperforming loans (excl gov't gtd balance)/total loans held for investment ⁽²⁾	0.87 %	0.88 %	0.84 %	0.87 %	0.84 %	
ACL/Total loans held for investment at amortized cost	1.50 %	1.62 %	1.61 %	1.50 %	1.61 %	

⁽¹⁾ Annualized

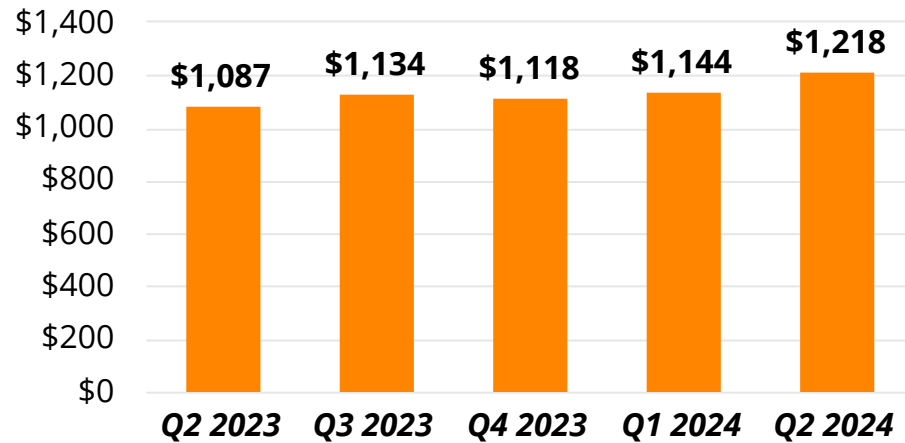
⁽²⁾ Excludes loans measured at fair value

STRATEGIC GROWTH

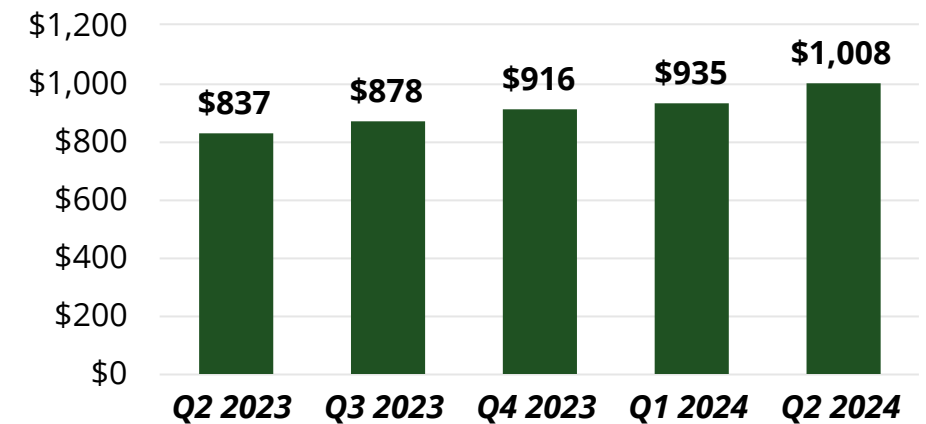
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Strong balance sheet on track for continued sustainable growth

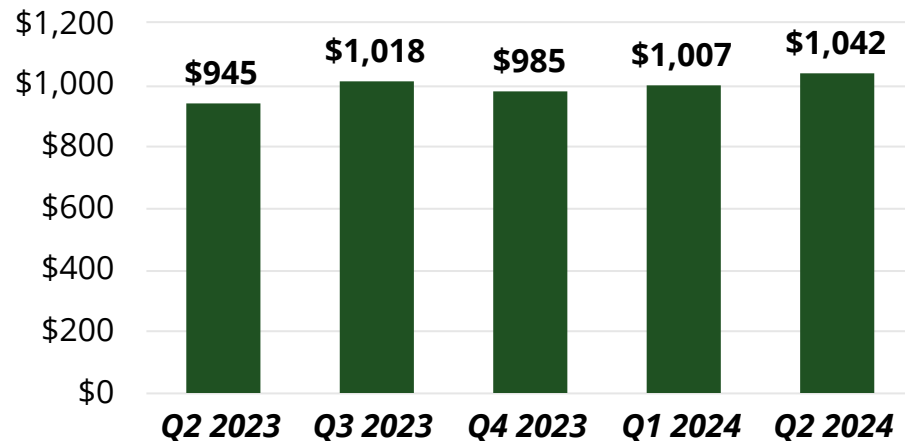
Total Assets (\$M)



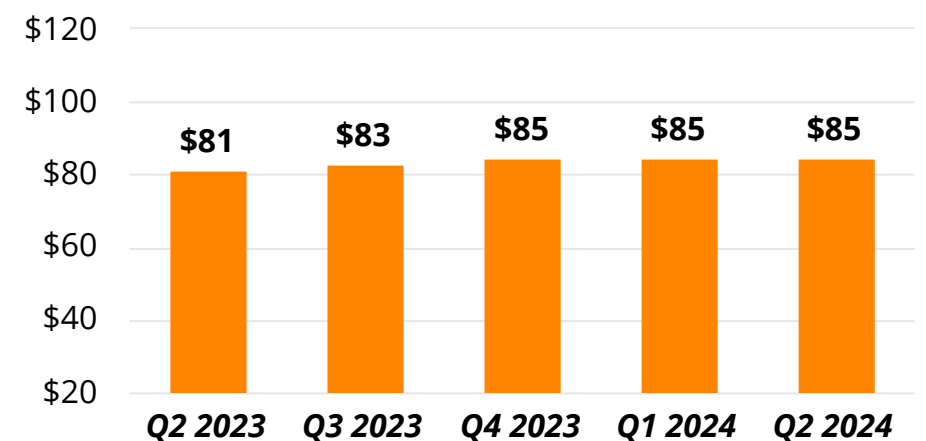
Total Loans HFI (\$M)



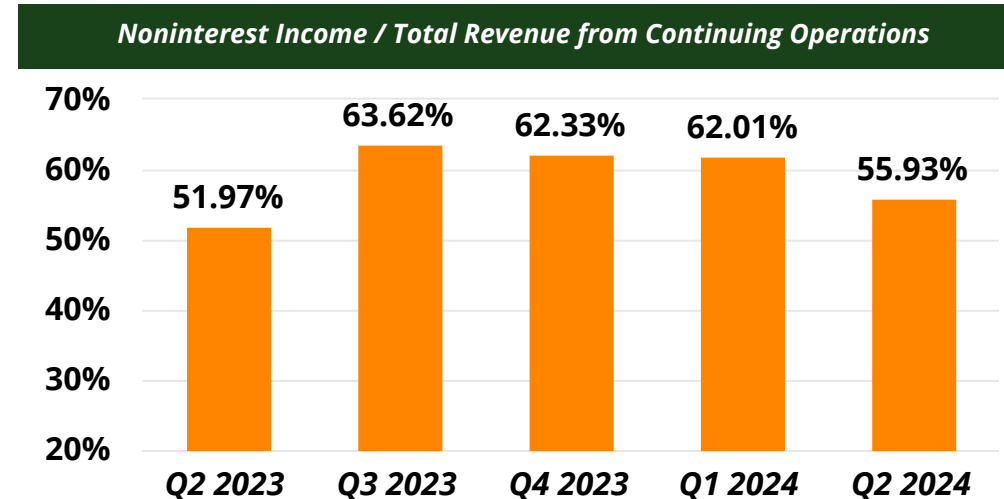
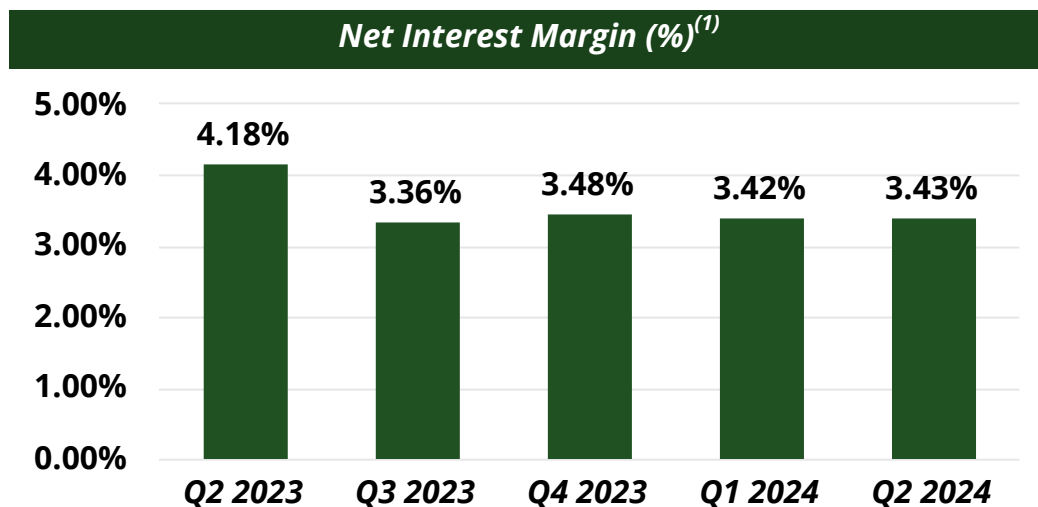
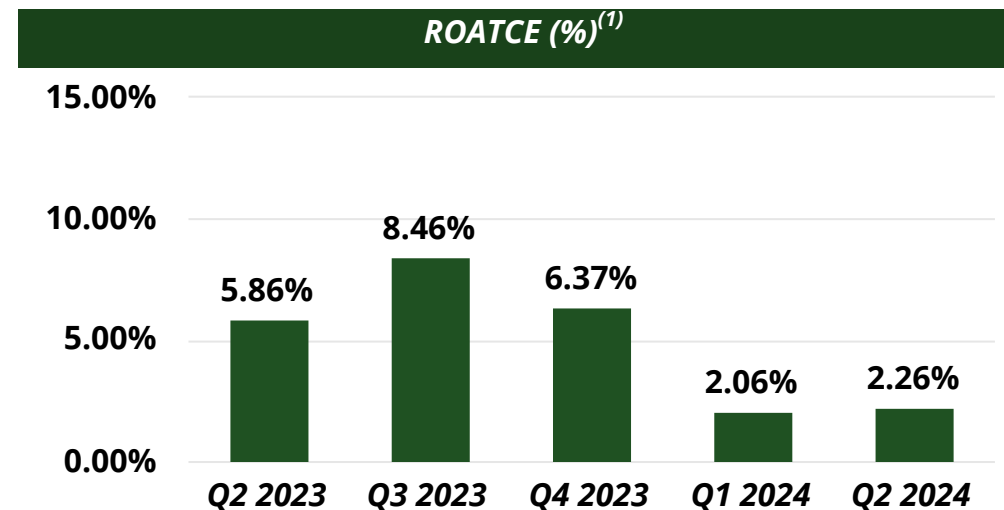
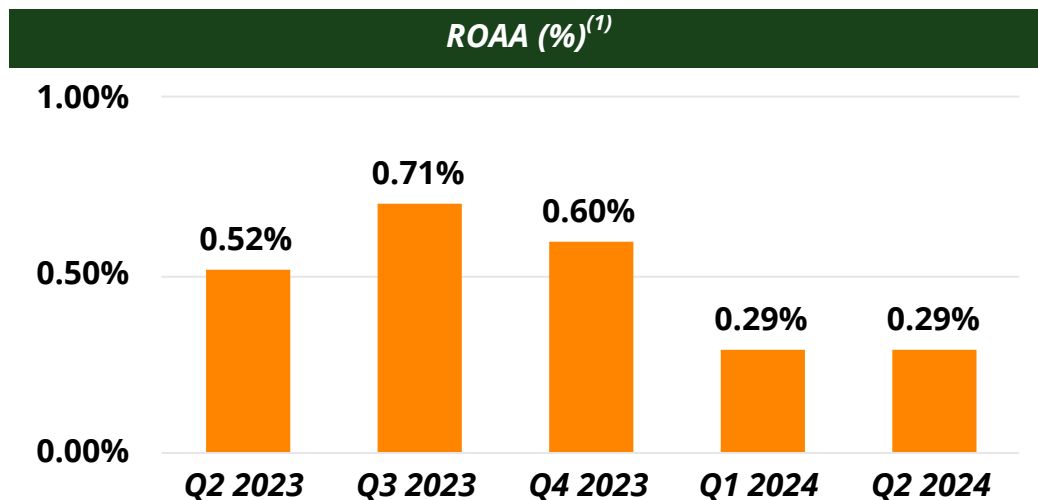
Total Deposits (\$M)



Tangible Common Equity (\$M)



SUMMARY OF KEY RATIOS



⁽¹⁾ Annualized

TANGIBLE BOOK VALUE PER SHARE

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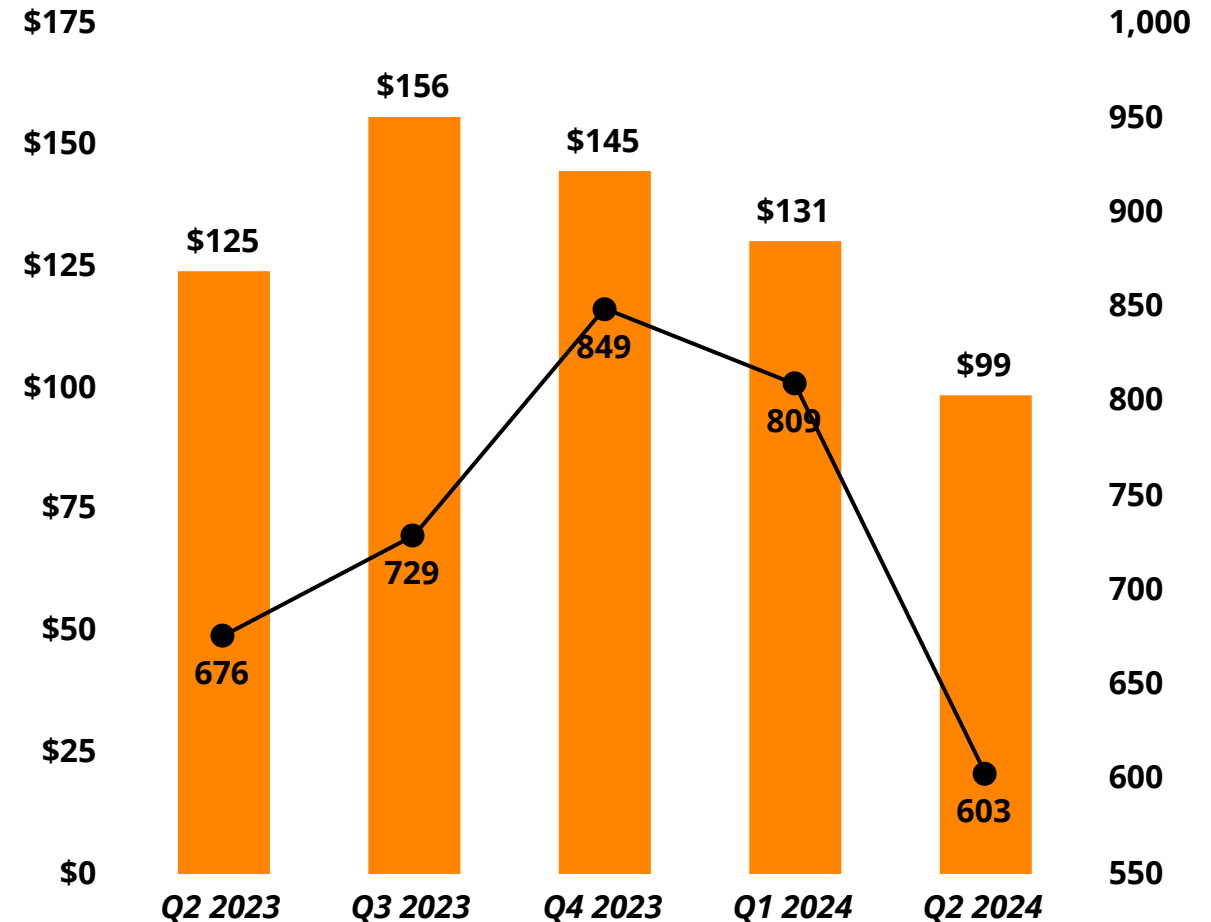
CREDITBENCH (SBA/USDA LENDING)

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Q2 2024 Highlights

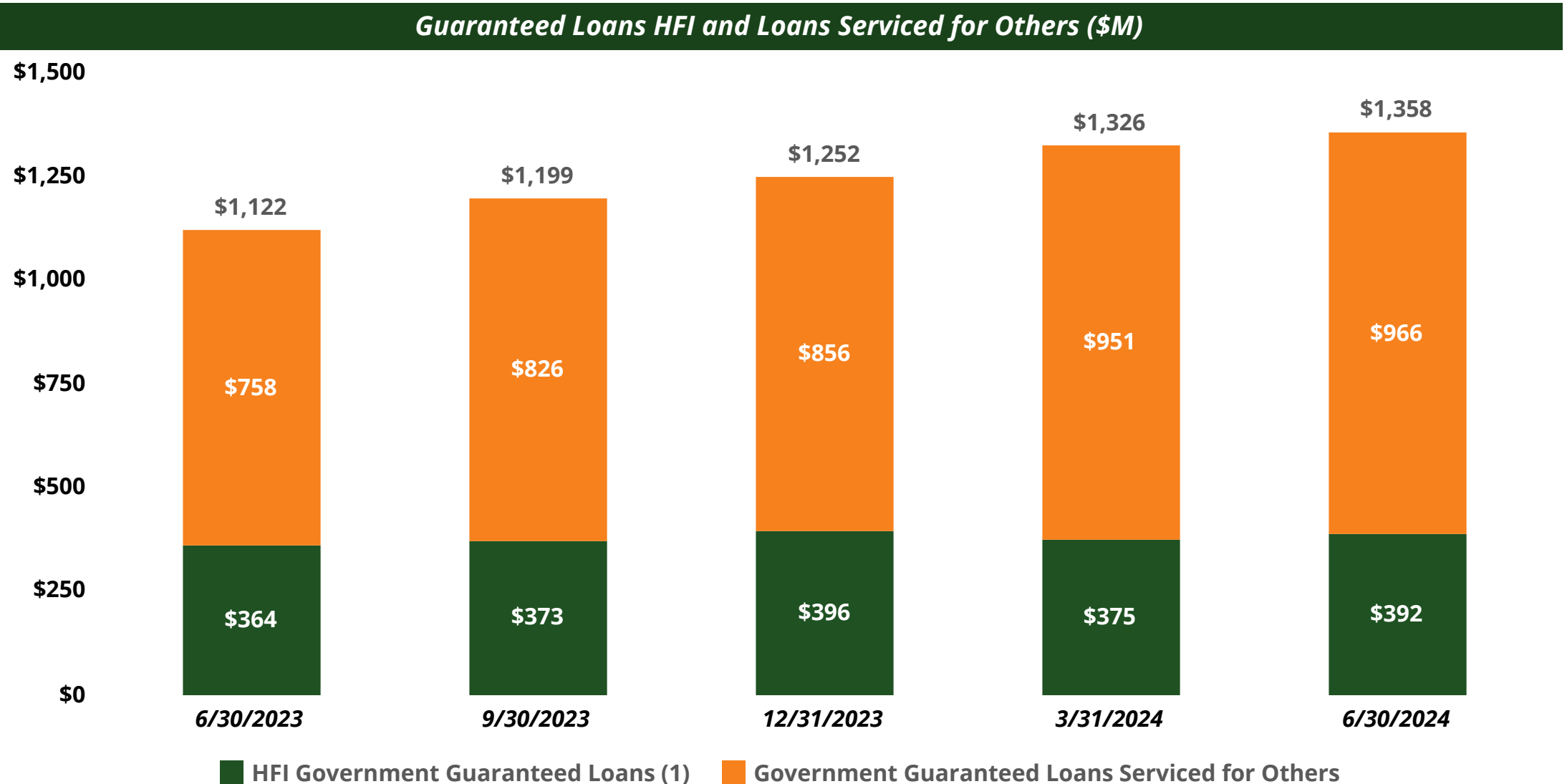
- Nationally ranked #3 in total SBA units and #9 in dollars for the quarter ended June 30, 2024
- Strategic initiative to expand USDA business and industry lending program: a total of 3 experienced USDA lenders to support this effort
- Total Q2 2024 government guaranteed loan production decreased** 21.4% from Q2 2023 as a result of tighter credit underwriting standards
- The Company's specialty Bolt program**, an SBA 7(a) loan product designed to provide working capital loans of \$150 thousand or less to businesses throughout the country
 - Since the launch in June 2022, the Company originated loans totaling \$611.4 million, including \$71.5 million in Q2 2024
 - New automation program launched through proprietary loan origination system PowerLOS and Open API, allowing increased volume and efficiency while limiting additional staff

Government Guaranteed Loan Amount (\$M) and Unit Volume



CREDITBENCH (SBA/USDA LOANS)

BAYFIRST



⁽¹⁾ Excludes PPP loans

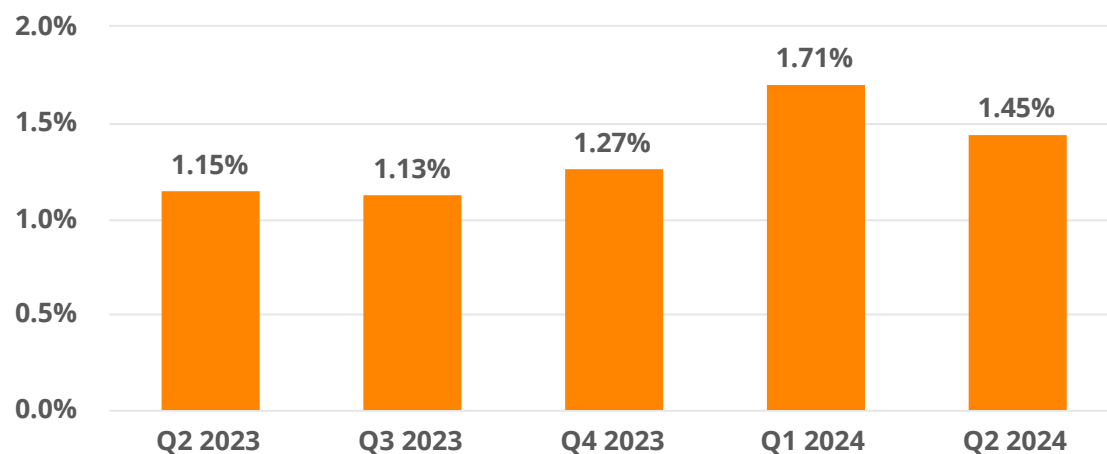
CREDITBENCH LOAN PRODUCTION

(\$000s)	Quarter Ended				
	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024
Core 7(a)	\$ 44,195	\$ 36,635	\$ 33,115	\$ 25,967	\$ 24,624
Core 504	—	14,571	482	2,419	2,593
Core USDA	5,525	19,800	9,080	4,000	—
Bolt	74,785	84,905	102,264	98,170	71,459
Total	\$ 124,505	\$ 155,911	\$ 144,941	\$ 130,556	\$ 98,676

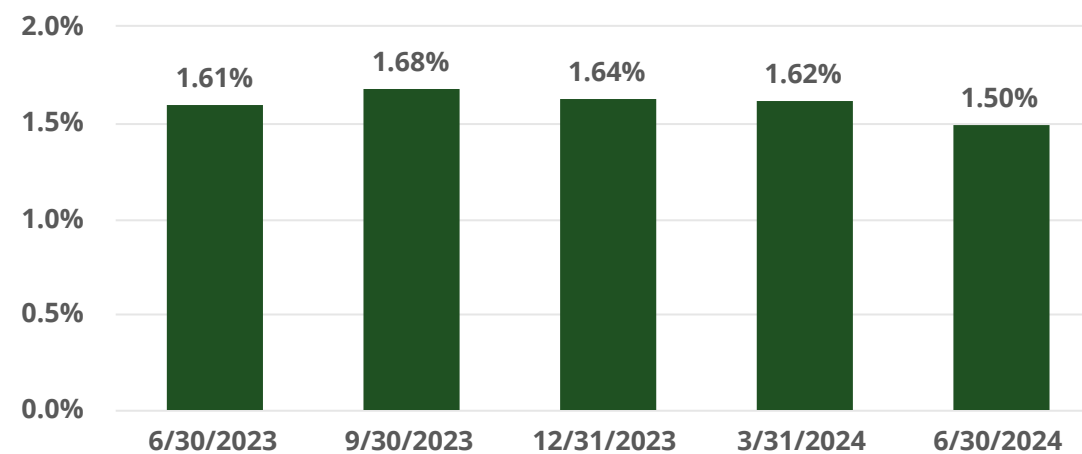
ASSET QUALITY

Strong reserve well-positioned to withstand volatility in economic conditions

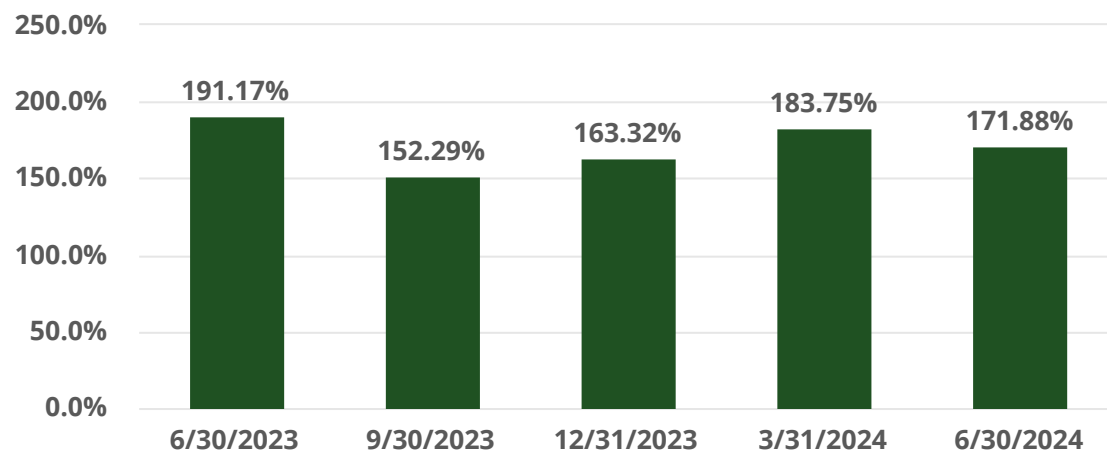
Net charge-offs/Total average loans HFI at amortized cost



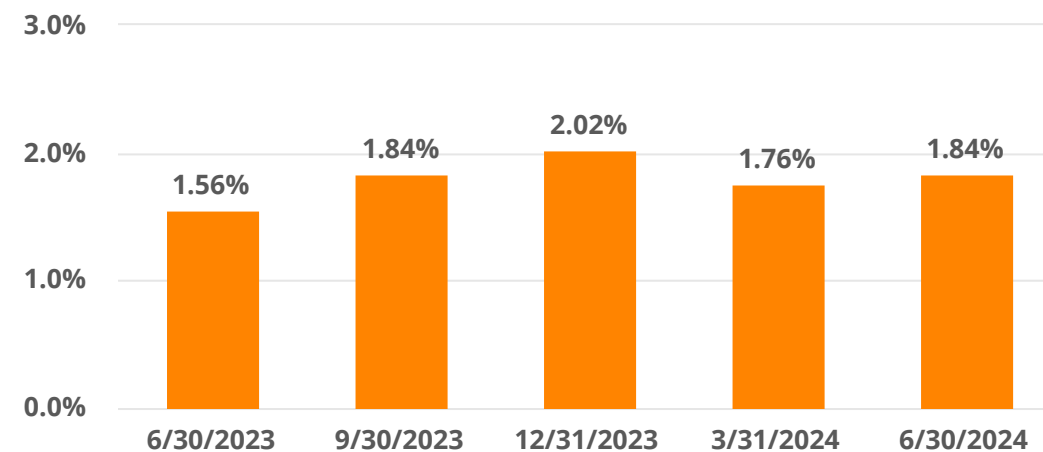
ACL/Total loans held for investment at amortized cost



ACL to nonperforming loans⁽¹⁾⁽²⁾



Past due and Nonaccrual loans to Total loans HFI at amortized cost⁽¹⁾⁽²⁾



⁽¹⁾ Excludes government guaranteed balances

⁽²⁾ Excludes loans measured at fair value

UPGRADE CONSUMER LOANS

Purchased unsecured consumer loans
(no purchases after 2022: additional purchases are not planned)

(\$000s)	Quarter ended				
	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024
Ending balance	\$ 23,255	\$ 20,006	\$ 17,027	\$ 14,345	\$ 12,012
31-90 days past due	700	852	1,021	718	572
90+ days past due	220	351	258	170	137
Net charge-offs	601	755	896	770	576
Net charge-offs to average loans (annualized)	9.63 %	13.97 %	19.32 %	19.53 %	17.40 %

COMMUNITY BANKING PERFORMANCE



Q2 2024 Highlights

Q2 2024 Loan Production Summary:

- Loan production during the quarter was \$79.8 million⁽¹⁾
- Loans held for investment, including government guaranteed loans, increased by a net \$74.1 million QoQ

Q2 2024 Deposit Summary:

- Deposit balances increased \$35.1 million QoQ
- Deposit portfolio increased by 3.5% in number of accounts (to 20,652 accounts totaling \$1.04 billion) QoQ

New Strategic Focus:

- Launched Healthcare Banking in June

⁽¹⁾ Excludes government guaranteed loan production

⁽²⁾ St. Petersburg branch deposits include other deposits generated by CreditBench, Cash Management, Corporate Treasury, and Virtual

Banking Center & Deposits

(\$ in 000s)

Total Deposits

#	Branch	Year Opened	6/30/2024	6/30/2023	6/30/2022
1	St. Petersburg ⁽²⁾	2017	\$ 281,713	\$ 277,276	\$ 247,003
2	Seminole	1999	144,597	136,807	150,861
3	Pinellas Park	2005	93,725	90,211	69,395
4	Downtown Sarasota	2018	164,424	173,695	169,463
5	Countryside	2018	61,113	64,209	62,342
6	West Tampa	2020	104,359	110,112	53,352
7	Belleair Bluffs	2021	43,841	34,891	12,990
8	West Bradenton	2022	56,714	41,359	—
9	Carrollwood	2023	46,114	16,222	—
10	Bee Ridge	2023	27,596	—	—
11	North Sarasota	2023	679	—	—
12	South Tamiami Trail	2024	17,513	—	—
Total Branches (12)			\$ 1,042,388	\$ 944,782	\$ 765,406

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APPENDIX



BOLT SINGLE LOAN EARNINGS EXAMPLE

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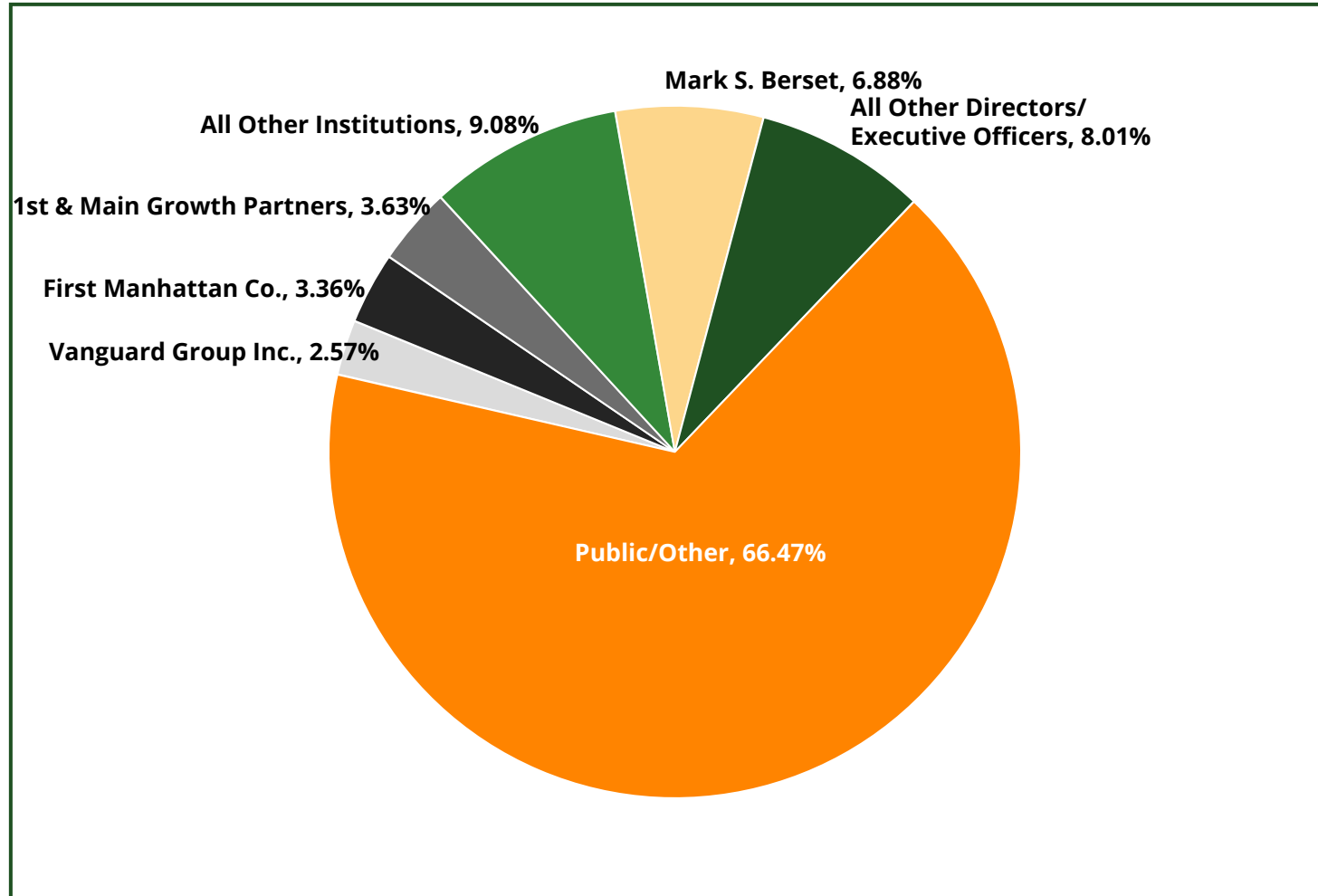
Immediate One-Time Impact

Loan amount (Average amount of a Bolt loan)	\$ 130,000
Guaranteed amount (85% of total loan)	110,500
Unguaranteed amount (15% of total loan, retained by BayFirst)	19,500
Premium earned on sale of guaranteed amount (The gross premium paid when the loan is sold, less 50% of the amount over 10% to be shared with SBA and approximately 20% which is deferred and recognized over the remaining life of the unguaranteed loan amount)	10,166
Cost to originate (Includes third party referral fees and internal labor and origination costs)	(3,868)
Packaging fee (Paid by borrower to compile and transmit SBA compliant loan package)	1,560
Servicing right gain (Reflects future value of servicing on sold loans)	2,652
Provision for credit loss on unguaranteed amount (Booked according to ASC 326)	(1,560)
Net one-time impact	8,950
First year income statement impact from unguaranteed amount (Includes net interest margin and accretion of deferred gain, offset by amortization of deferred costs and servicing asset)	1,216
Combined immediate one-time and first year earnings impact	\$ 10,166

This example is for illustrative purposes and is not a guarantee of future loan size or volume and may not be indicative of the financial impact of future loans. The size, volume, and financial impact of such loans involve known and unknown risks and uncertainties, which may cause actual performance and results to be materially different.

OWNERSHIP OVERVIEW

Total Common Stock Ownership Mix



Note: Ownership information based on most recently disclosed common shares outstanding of 4,134,459 as of 7/18/24
Source: S&P Capital IQ Pro

DEPOSITS IN TAMPA BAY-SARASOTA REGION

Total Deposits (Total Assets <\$10BN and HQ in Tampa-Sarasota Region)				
Rank	Institution	Deposits (\$ millions)	Branches (No.)	Average Deposits per Branch (\$ millions)
1	Bank of Tampa	\$2,818	13	\$217
2	BayFirst National Bank	1,007	12	84
3	Flagship Bank	569	6	95
4	Climate First	554	3	185
5	TCM Bank NA	245	1	245
6	Gulfside Bank	269	1	269
7	Central Bank	257	4	64
8	Waterfall Bank	155	1	155
9	Century Bank of Florida	93	1	93

Note: Deposit data as of March 31, 2024
 Source: Uniform Bank Performance Reports

LIQUIDITY SOURCES

- **Available Liquidity**
 - \$63 million in cash and due from other banks
 - \$39 million in AFS investment securities
- **Off Balance Sheet Sources of Liquidity**
 - \$133 million of unused, available borrowing capacity at the FHLB based on pledged loans
 - \$44 million available at the Federal Reserve Bank based on pledged loans
 - \$50 million in available Fed Funds borrowing lines from other banks
- **Contingent Sources**
 - Up to \$123 million in brokered deposits⁽¹⁾
 - Up to \$361 million in listing service deposits⁽¹⁾

⁽¹⁾ Based on Bank's policy limits

Data as of June 30, 2024

EXPERIENCED LEADERSHIP TEAM

BAYFIRST



Thomas G. Zernick

Chief Executive Officer & Director of BayFirst and the Bank

- Joined BayFirst in Q1 2016
- Previous experience includes Florida Market President of Stearns Bank, SBA Product Manager of HomeBanc, and Community Bank President and SBA President of Republic Bank (MI)
- B.A. in Business Administration from University of Notre Dame



Robin Oliver

President & Chief Operating Officer of BayFirst and the Bank

- Joined BayFirst as CFO in Q2 2018; Prior to joining BayFirst, Controller of Central Bank & Trust Co., a \$2.5 billion privately held financial institution in Lexington, Kentucky, from May 2014 to June 2018
- Approximately 16 years with Crowe LLP as an auditor in the financial institution practice; served over 80 financial institution clients with assets ranging from \$50 million to \$4.5 billion throughout career, including several SEC registrants and FDICIA reporting institutions
- B.S. in Accounting from the University of Kentucky



Scott J. McKim

EVP, Chief Financial Officer of BayFirst and the Bank

- Joined BayFirst in July 2023
- Previous experience includes Chief Strategy Officer of 121 Financial Credit Union, Chief Financial Officer and Chief Lending Officer of Publix Employees Federal Credit Union, and Director of Corporate Finance and Divisional CFO for Huntington Bancshares
- B.S. in Accounting from Bowling Green State University and a M.B.A from Max M. Fisher College of Business, The Ohio State University

EXPERIENCED LEADERSHIP TEAM

BAYFIRST



Brandi Jaber

EVP, Chief Production Officer

- Joined BayFirst in Q4 2017; Prior to joining BayFirst, over fifteen years of Mortgage Banking administration experience as well as Human Resources experience supporting mid-size financial institutions
- B.B.S from The University of Florida and M.B.A from The University of Tampa



Thomas Quale

EVP, Chief Lending Officer and Market President

- Joined BayFirst in 2018
- Held leadership positions at multiple institutions amassing expertise in many areas of community banking and business development
- B.S. in Economics with an emphasis in Mathematics from University of Wisconsin-Madison



John Macaluso

EVP, Chief Technology Officer

- Joined BayFirst in Q4 2020
- 37 years of information technology experience
- Served as CTO for Fiserv, Inc.
- B.A. from University of South Florida



Lewis Benner

EVP, Chief Credit Officer

- Joined BayFirst in 2018; Prior to joining BayFirst, Mr. Benner served in leadership roles from multiple financial institutions
- B.A. in Business Administration from Elizabethtown College