



Earnings Presentation

3rd Quarter 2026



Cautionary Statements

Forward Looking:

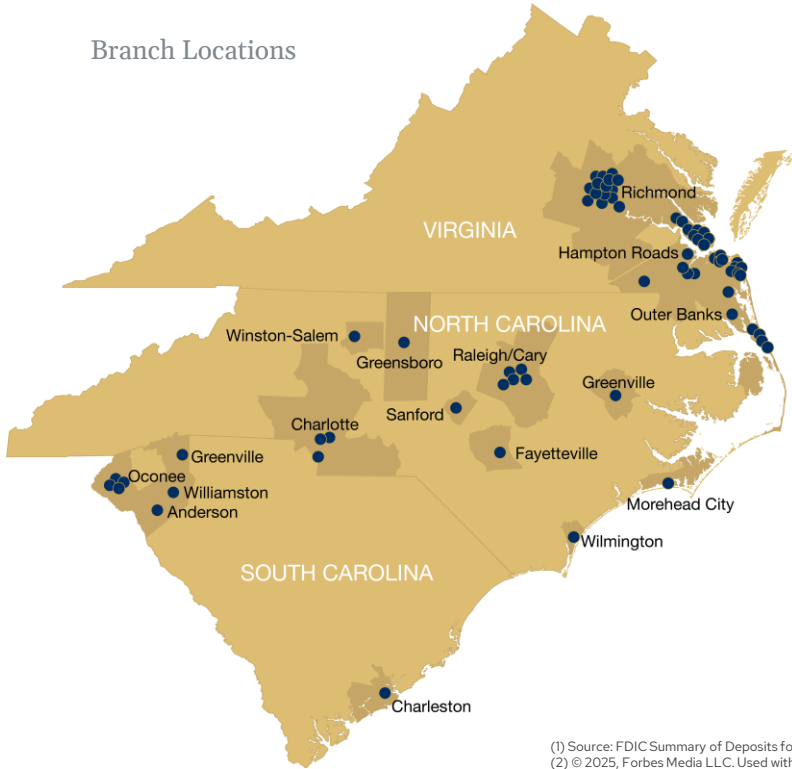
This press release contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and its management regarding future events, many of which, by their nature, are inherently uncertain. Forward-looking statements may be identified by the use of such words as: "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional terms, such as "will," "would," "should," "could," "may," "likely," "probably," or "possibly." These statements may address issues that involve significant risks, uncertainties, estimates, and assumptions made by management. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, competitive pressures in the banking industry that may increase significantly; changes in the interest rate environment that may reduce margins and/or the volumes and values of loans made or held as well as the value of other financial assets held; an unforeseen outflow of cash or deposits or an inability to access the capital markets, which could jeopardize our overall liquidity or capitalization; changes in the creditworthiness of customers and the possible impairment of the collectability of loans; insufficiency of our allowance for credit losses due to market conditions, inflation, changing interest rates or other factors; adverse developments in the financial industry generally, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; general economic conditions, either nationally or regionally, that may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit or other services; geopolitical instability, including wars, conflicts, trade restrictions and tariffs, civil unrest, and terrorist attacks and the potential impact, directly or indirectly, on our business; the effects of weather-related or natural disasters, which may negatively affect our operations and/or our loan portfolio and increase our cost of conducting business; public health events (such as the COVID-19 pandemic) and governmental and societal responses to them; changes in the legislative or regulatory environment, including changes in accounting standards and tax laws and changes impacting the rulemaking, supervision, examination and enforcement priorities of the federal banking agencies, that may adversely affect our business; our ability to successfully integrate the businesses from recently completed and pending acquisitions, including our recent merger with Dogwood State Bank and our pending merger with blueharbor bank, to the extent that that process may take longer or be more difficult, time-consuming, or costly to accomplish than expected; our ability to close the transaction with blueharbor bank when expected or at all because required approvals and other conditions to closing are not received or satisfied on the proposed terms or on the anticipated schedule; deposit attrition, operating costs, customer losses, and business disruption associated with recently completed or pending acquisitions, including reputational risk and adverse effects on relationships with employees, customers or other business partners, that may be greater than expected; costs or difficulties related to the integration of the businesses that we have acquired that may be greater than expected; expected growth opportunities or cost savings associated with recently completed or pending acquisitions that may not be fully realized or realized within the expected time frame; the diversion of management's attention and time from ongoing business operations and opportunities on merger and integration related matters; the introduction of new lines of business or new products and services; cybersecurity threats or attacks, whether directed at us or at vendors or other third parties with which we interact; the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; competitors that may have greater financial resources and develop products that enable them to compete more successfully; changes in business conditions; changes in the securities market; and changes in our local economy with regard to our market area, including any adverse impact of actual and proposed cuts to federal spending, including defense, security and military spending, on the economy. Any forward-looking statements made by us or on our behalf speak only as of the date they are made or as of the date indicated, and we do not undertake any obligation to update forward-looking statements as a result of new information, future events, or otherwise. For additional information on factors that could materially influence forward-looking statements included in this report, see the "Risk Factors" in TowneBank's Annual Report on Form 10-K for the year ended December 31, 2025 and related disclosures in other filings that have been, or will be, filed by TowneBank with the Federal Deposit Insurance Corporation.

Non-GAAP Financial Measures:

This press release contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such non-GAAP financial measures include the following: fully tax-equivalent net interest margin, core operating earnings, core net income, tangible book value per common share, total risk-based capital ratio, tier one leverage ratio, tier one capital ratio, and the tangible common equity to tangible assets ratio. Management uses these non-GAAP financial measures to assess the performance of TowneBank's core business and the strength of its capital position. Management believes that these non-GAAP financial measures provide meaningful additional information about TowneBank to assist investors in evaluating operating results, financial strength, and capitalization. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant charges for credit costs and other factors. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this presentation are referenced in a footnote or in the appendix to this presentation.

TowneBank at a Glance

Branch Locations



Consistent Focus on Earnings and Growth

Earnings Growth
CAGR FY00 – FY25 **22%**

#1 Deposit
Market Share
in Hampton Roads¹

Ranked on
Forbes Best Banks List²
8 Years in a Row

Net
Promoter
Score³ **76%**

Total Assets
\$22.2B

Total Loans
\$15.1B

Total Deposits
\$18.5B

Core
ROAA
1.49%

Core
ROTCE
16.63%

NIM
(FTE)
3.92%

NIB Deposits /
Total Deposits
32%

(1) Source: FDIC Summary of Deposits for the VA Beach-Norfolk-Newport News, VA MSA, data as of June 30, 2026

(2) © 2025, Forbes Media LLC. Used with permission

(3) Benchmark question: On a scale from 0-10, how likely are you to recommend TowneBank to a friend or colleague?; Net Promoter = % Promoters minus % Detractors (83.10% - 7.54% = 75.56%)

Note: Financial results for the quarter ending September 30, 2026



3rd Quarter 2026 Financial Results

Performance Highlights

	Q3-FY26	Q2-FY26	Q/Q Change	Q3-FY25 ²	Y/Y Change
Total Revenue	\$257.89 million	\$444.27 million	(42%)	\$222.58 million	16%
Provision for Credit Losses	-\$1.18 million	\$0.62 million	(288%)	\$15.28 million	(108%)
Net Income Attributable to TowneBank	\$81.78 million	\$193.19 million	(58%)	\$44.30 million	85%
Earnings Per Share-Diluted	\$0.88	\$2.09	(58%)	\$0.58	52%
Return on Avg Assets	1.46%	3.45%	-199 bps	0.94%	+52 bps
Return on Avg Tangible Common Equity ¹	16.24%	37.76%	-2,152 bps	11.45%	+479 bps
Net Interest Margin (TE) ¹	3.92%	3.70%	+22 bps	3.50%	+42 bps
Assets	\$22.18 billion	\$22.62 billion	(2%)	\$19.67 billion	13%
Loans	\$15.10 billion	\$15.17 billion	(0%)	\$13.38 billion	13%
Deposits	\$18.46 billion	\$18.71 billion	(1%)	\$16.53 billion	12%
Loans / Deposits	81.81%	81.06%	+75 bps	80.93%	+88 bps
Noninterest Bearing Deposits / Deposits	32.41%	31.22%	+119 bps	31.09%	+132 bps
Nonperforming Assets / Assets	0.21%	0.21%	0 bps	0.05%	+16 bps
Book Value per Share	\$32.13	\$32.40	(1%)	\$30.27	6%
Tangible Book Value per Share ¹	\$22.30	\$22.60	(1%)	\$21.49	4%
Tangible Common Equity to Tangible Assets	9.69%	9.62%	+7 bps	8.93%	+76 bps
Total Risk Based Capital Ratio	14.81%	14.58%	+23 bps	13.98%	+83 bps

(1) Non-GAAP financial measure – see non-GAAP reconciliations

(2) Prior periods adjusted to reflect adoption of new revenue recognition standard for Towne Vacations property management income. This revision did not have a material impact on annual earnings

Income Statement Summary

Dollars in millions, except per share data	QTD					YTD		
	Q3-FY26	Q2-FY26	Q/Q Change	Q3-FY25 ²	Y/Y Change	Q3-FY26	Q3-FY25 ²	Y/Y Change
Interest Income	\$ 269.59	\$ 260.64	3%	\$ 218.34	23%	\$ 780.63	\$ 615.59	27%
Interest Expense	73.38	75.53	(3%)	71.39	3%	226.36	210.95	7%
Net Interest Income	196.21	185.12	6%	146.95	34%	554.27	404.64	37%
Provision for Credit Losses	(1.18)	0.62	(288%)	15.28	(108%)	(0.21)	24.11	(101%)
Net Interest Income after Provision for Credit Losses	197.39	184.49	7%	131.68	50%	554.48	380.54	46%
Noninterest Income	61.68	259.15	(76%)	75.63	(18%)	394.34	211.13	87%
Noninterest Expense	159.47	189.94	(16%)	153.74	4%	545.30	434.94	25%
Minority Interest in Unconsolidated Subs	0.21	0.43	(50%)	0.32	(32%)	0.75	1.04	(28%)
Income Before Taxes	99.38	253.27	(61%)	53.25	87%	402.76	155.68	159%
Provision for Income Tax Expense	17.61	60.08	(71%)	8.96	97%	86.80	26.79	224%
Net Income Attributable to TowneBank	\$ 81.78	\$ 193.19	(58%)	\$ 44.30	85%	\$ 315.96	\$ 128.89	145%
Earnings Per Share-Diluted	\$ 0.88	\$ 2.09	(58%)	\$ 0.58	52%	\$ 3.44	\$ 1.70	102%

Core Net Income¹

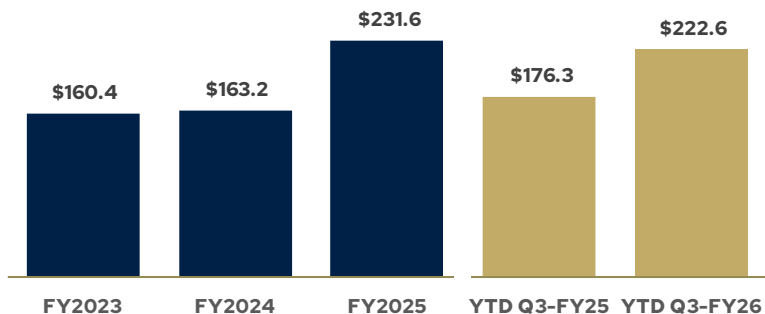
One-time Adjustments After Taxes	\$ 2.07	\$ (121.17)		\$ 24.47		\$ (93.37)	\$ 47.37	
Core Net Income	83.85	72.01	16.4%	68.77	21.9%	222.59	176.26	26.3%
Core Earnings Per Share-Diluted	\$ 0.91	\$ 0.78	16.7%	\$ 0.90	1.1%	\$ 2.42	\$ 2.32	4.3%

(1) Non-GAAP financial measure – see non-GAAP reconciliations

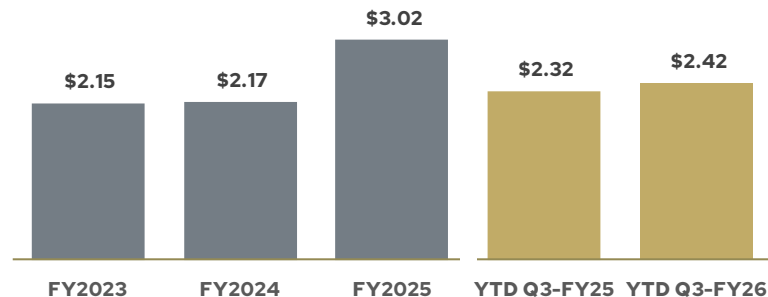
(2) Prior periods adjusted to reflect adoption of new revenue recognition standard for Towne Vacations property management income

Financial Performance Trends

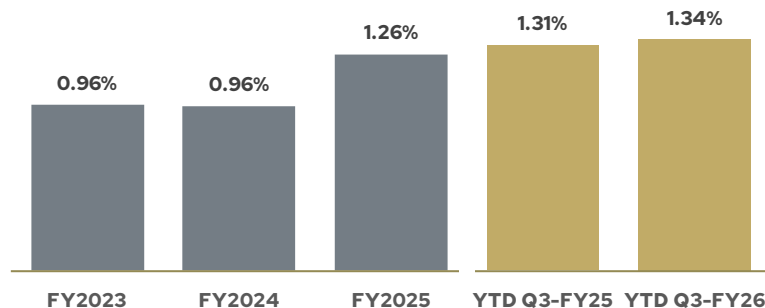
Core Net Income¹ [Dollars in millions]



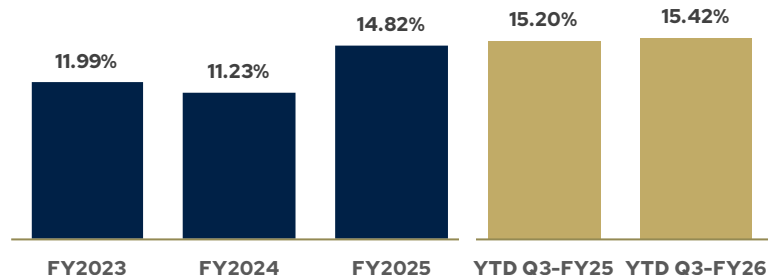
Core EPS¹



Core ROAA¹



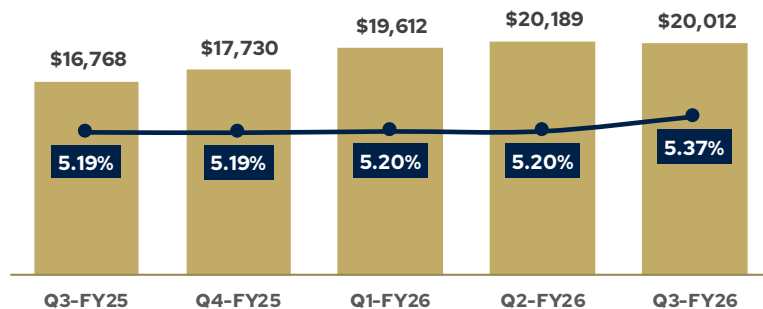
Core ROATCE¹



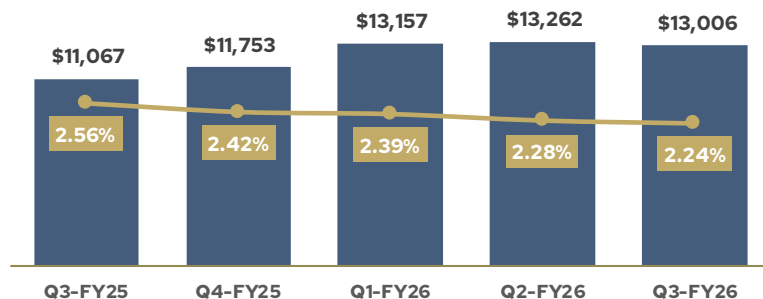
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Net Interest Income

Avg. Earning Assets & Yield (TE)¹ [Dollars in millions]

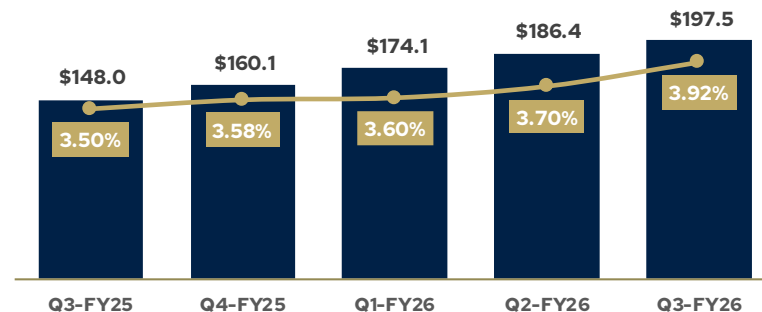


Avg. Interest Bearing Liabilities & Cost [Dollars in millions]

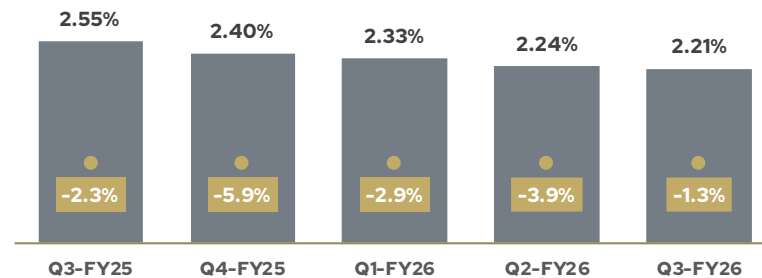


(1) Non-GAAP financial measures - see non-GAAP reconciliations

Net Interest Income & NIM (TE)¹ [Dollars in millions]



Interest Bearing Deposit Costs



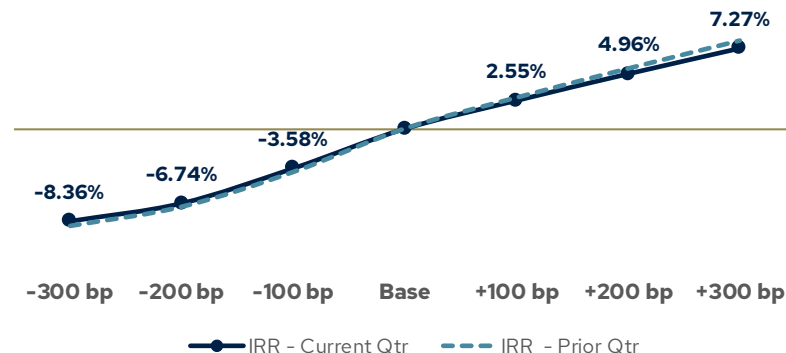
■ Cost of IB Deposits ● Quarterly IB Cost - % Change

NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Dollars in millions	Amount	NIM (%)
Q2-FY26	\$ 186.4	3.70%
Loans HFI	2.5	0.04%
Recurring Accretion	4.3	0.09%
Loans HFS	0.7	0.00%
Investments & Cash	1.6	0.04%
Earning Assets Mix		0.01%
Deposits	1.2	0.02%
Borrowings	0.5	0.00%
Sub Debt	0.4	
Interest Bearing Funding Mix		
Other	(0.0)	0.02%
Q3-FY26	\$ 197.5	3.92%

Net Interest Income Sensitivity²



Comments

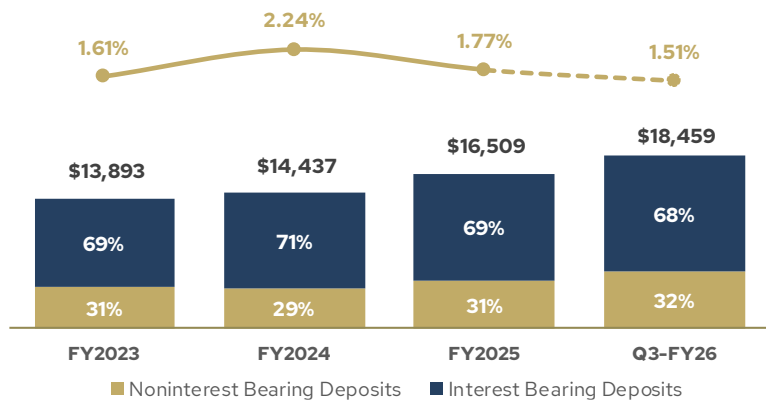
- Forecast includes ordinary beta response to September rate hike and does not include additional rate increases
- Impacts from changes in accretion income expected to offset further loan repricing and asset sensitivity
- Risks associated with falling rates will fluctuate with the level of deposit competition and opportunity to reset loan floors higher

(1) Non-GAAP financial measure - see non-GAAP reconciliations

(2) The interest sensitivity chart is a one-year result on net interest income of an instantaneous and permanent rate shock. The results include assumptions about deposit rate changes that may or may not occur.

Deposits

Deposit Balances and Cost [Dollars in millions]



Deposits (Avg)	Q3-FY26	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	2,265	12%	0.51%	-3%	25%
Money Market	7,005	38%	2.39%	1%	17%
Savings	435	2%	0.55%	-2%	31%
Time Deposits	2,916	16%	3.34%	-5%	11%
Interest Bearing Deposits	12,622	68%	2.21%	-1%	17%
Noninterest Bearing Deposits	5,863	32%	na	3%	20%
Total Deposits	\$ 18,485	100%	1.51%	0%	18%

(1) Excludes the impact of Dogwood balances in 2026

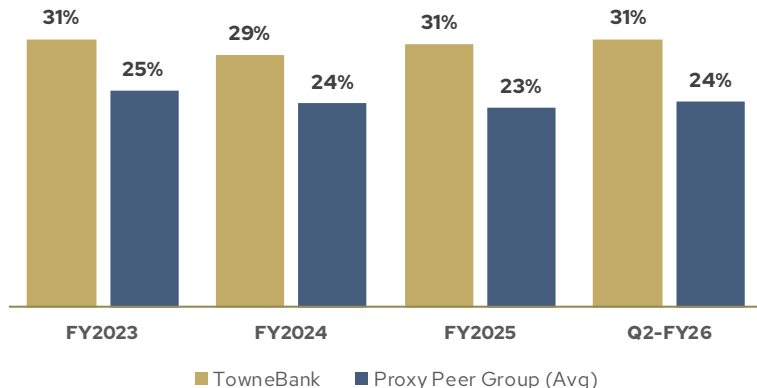
(2) Source: S&P Global, data as of 8/17/2026. Peers as disclosed in the most recent TOWN proxy statement

Portfolio Highlights

- Nine consecutive quarterly decreases in deposit costs since Q2-24 (cumulative decrease of 111 bps in IB deposit costs)
- Lower deposit costs along with reductions in other funding sources resulting in decreased interest-bearing liabilities costs, down 4 bps vs prior quarter and 32 bps vs prior year
- NIB deposits in legacy Hampton Roads region equal to 36% of total regional deposits

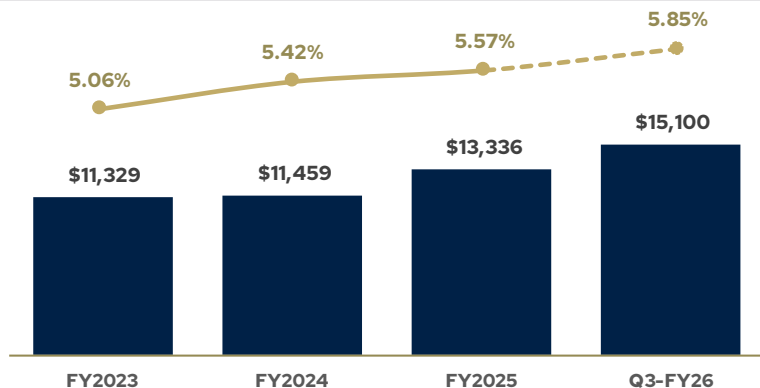
NIB Deposits % of Total Deposits

TowneBank vs Peers²



Loans

Loans Balances & Yield (TE)¹ [Dollars in millions]



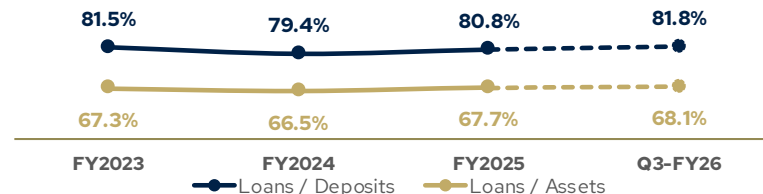
Loans	Q3-FY26	% Total	Q/Q %	Y/Y %
(Dollars in millions)				
Construction and Development	\$ 1,424	9%	8%	15%
Commercial Real Estate	7,613	50%	-1%	15%
Residential 1-4 Family	2,992	20%	-1%	9%
Commercial and Industrial	1,705	11%	-1%	17%
Government	499	3%	-5%	-1%
Indirect	657	4%	-5%	-6%
Consumer & Other	210	3%	-6%	109%
Total Loans	\$ 15,100	100%	0%	13%

(1) Non-GAAP financial measure – see non-GAAP reconciliations

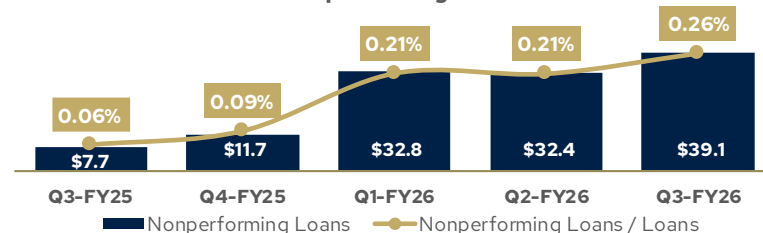
Portfolio Highlights

- Variable portfolio of \$5.9 billion at the end of Q3-26 with 80% of portfolio tied to prime rate or SOFR
- Fixed rate scheduled maturities and amortization of ~\$1.6 billion over the next twelve months
- Quarterly loan growth of \$78 million (8% annualized) in Carolina markets

Loans % of Deposits and Assets

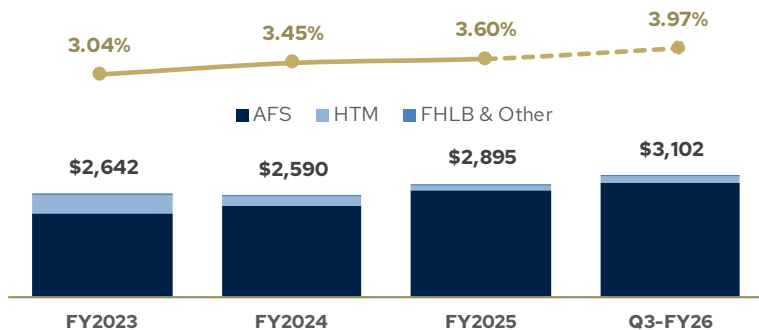


Nonperforming Loans



Investments

Investment Balances & Yield (TE)¹ [Dollars in millions]



AFS and HTM Securities ²	AFS	HTM	Total
(Dollars in millions)			
US Treasuries	\$ 225	\$ 95	\$ 320
US Agencies	425	18	443
Municipals	588	6	593
Trust Preferred & Oth Corp	174	2	176
MBS Issued by GSE/GNMA	1,718	5	1,723
Securities - Amortized Cost	3,129	126	3,255
Valuation Adjustment	(187)	-	(187)
Credit Loss Reserve	(1)	(0)	(1)
Total	\$ 2,941	\$ 126	\$ 3,067

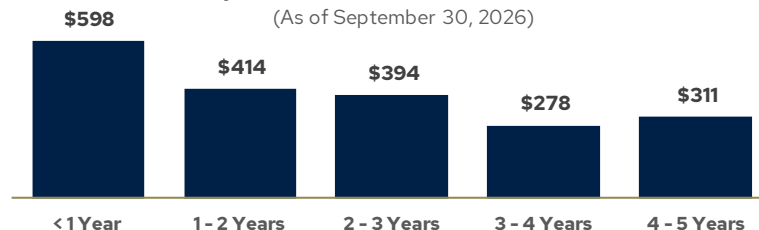
(1) Non-GAAP financial measure – see non-GAAP reconciliations
 (2) AFS and HTM portfolio, excludes FHLB and other equity securities

Portfolio Highlights

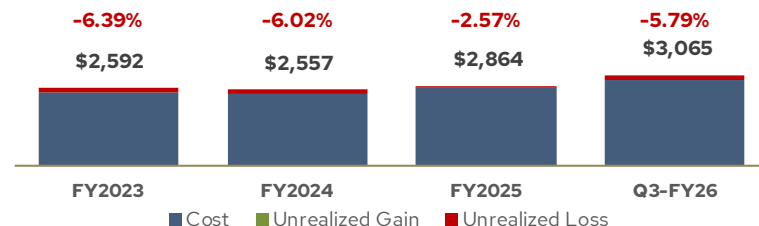
- Portfolio roll-off yield of 2.80% over the next twelve months
- Portfolio duration of 3.67 years at the end of Q3-26
- Portfolio: 96%/4% - AFS/HTM and 86%/14% - Fixed/Floating
- AOCI losses increased \$82.3 million from the prior quarter driven by market rate dynamics.

Expected Cashflows from Investments

(As of September 30, 2026)

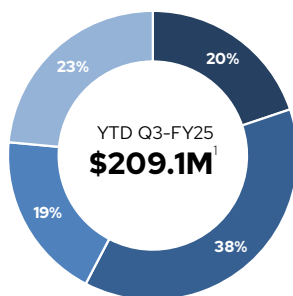
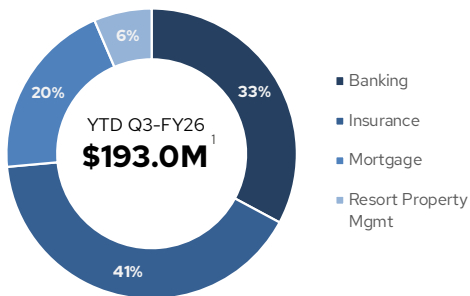


Securities FV and Unrealized Gain (Loss)

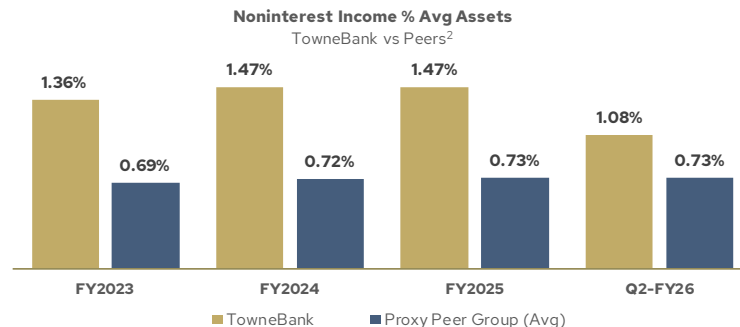


Noninterest Income

Dollars in millions	QTD					YTD		
	Q3-FY26	Q2-FY26	Q/Q Change	Q3-FY25	Y/Y Change	Q3-FY26	Q3-FY25	Y/Y Change
Residential Mortgage Banking Income Net	\$ 11.19	\$ 12.54	(11%)	\$ 13.12	(15%)	\$ 35.46	\$ 37.05	(4%)
Insurance Commissions Income, Net	25.64	25.29	1%	25.79	(1%)	76.97	77.89	(1%)
Property Mgmt Income, Net	-	-	-	20.45	(100%)	12.44	49.21	(75%)
Service Charges on Deposit Accounts	4.40	4.75	(7%)	4.06	8%	13.79	11.03	25%
Credit Card Merchant Fees, Net	2.10	2.15	(2%)	1.91	10%	6.16	5.40	14%
Investment Income Net	4.26	3.79	12%	3.70	15%	11.77	9.93	19%
Bank-owned Life Insurance	3.12	2.76	13%	2.16	45%	8.90	6.02	48%
Government Lending Income, Net	0.62	1.99	(69%)	-	-	6.81	-	-
Other Income	7.67	7.33	5%	4.46	72%	20.67	12.61	64%
Gain (Loss) on Equity Investment	2.69	198.55	(99%)	-	-	201.24	2.00	9962%
Gain (Loss) on Investment Securities	-	-	-	(0.01)	(100%)	0.13	(0.01)	(1873%)
Noninterest Income	\$ 61.68	\$ 259.15	(76%)	\$ 75.63	(18%)	\$ 394.34	\$ 211.13	87%



(1) Core noninterest income excluding gain (loss) on equity investments and investment securities
 (2) Source: S&P Global, data as of 8/17/2026. Peers as disclosed in the most recent TOWN proxy statement

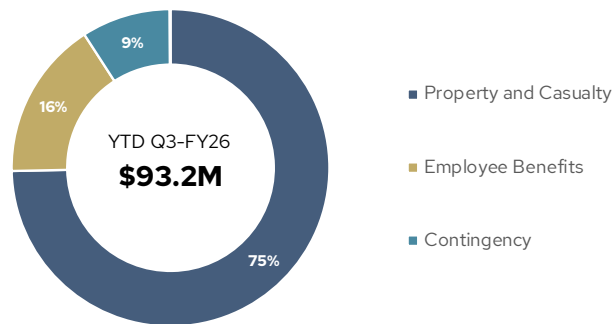


Towne Insurance

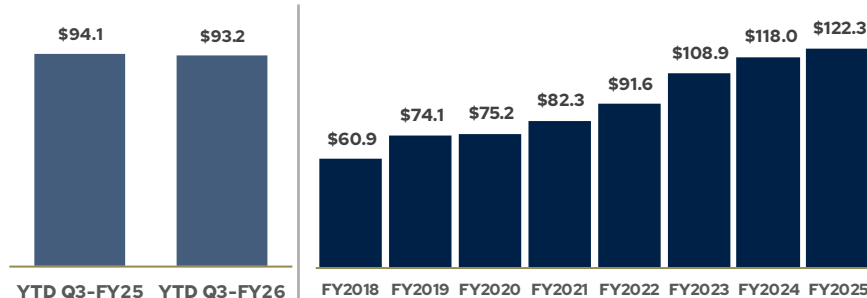
Highlights

- Largest bank-owned insurance company in the country¹
- CAGR of 10.5% from 2018 to 2025
- 27 Acquisitions since 2001
- Insurance Segment goodwill and intangible assets account for \$1.09 of Consolidated book value per share
- P&C markets are experiencing a softening as rate increases moderate

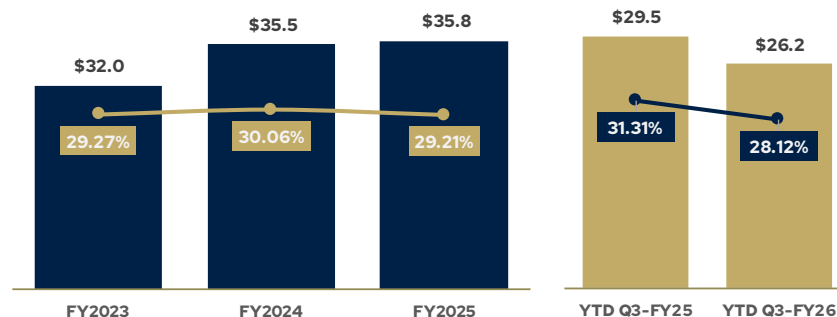
Insurance Revenue Composition²



Revenues² [Dollars in millions]



EBITDA & Margin [Dollars in millions]



(1) Q2-26 Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 10/15/2026

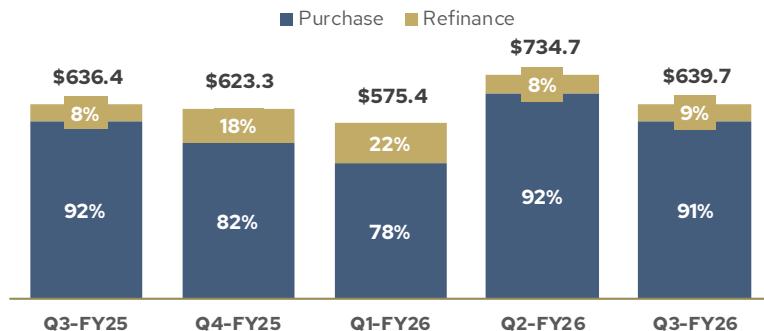
(2) Normalized revenue does not include travel insurance income, gains from the sale of Red Sky Travel Insurance (FY2020) or gains from the sale Beneflex (FY2023, FY2024 & FY2025)

TowneBank Mortgage

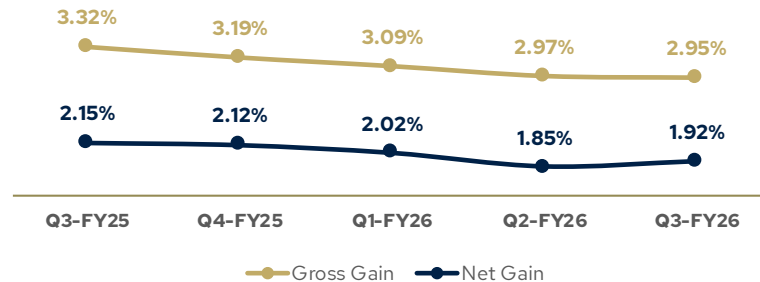
Highlights

- Mortgage banking income totaled \$11.9 million in Q3-26, compared to \$13.7 million in Q3-25 reflecting lower gain-on-sale margins and less favorable rate lock and hedge performance relative to the prior year.
- Gain on sales & fees as a % of loans originated was 2.95% in Q3-26 compared to 3.32% in Q3-25
- Refinance activity increased in Q4-25, remained elevated through Q1-26, and then leveled off in Q2-26.

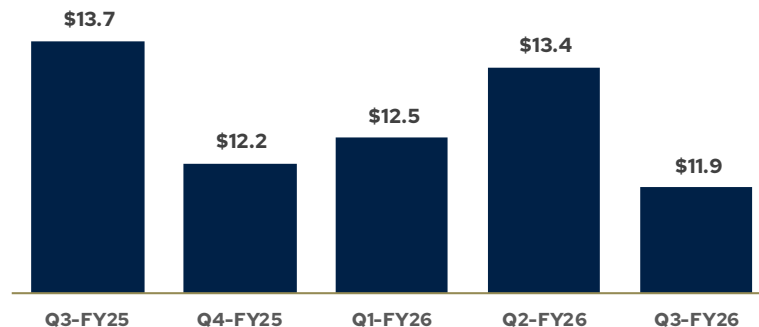
Mortgage Production [Dollars in millions]



Gain on Sales & Fees as a % of Loans Originated



Mortgage Banking Income Net [Dollars in millions]

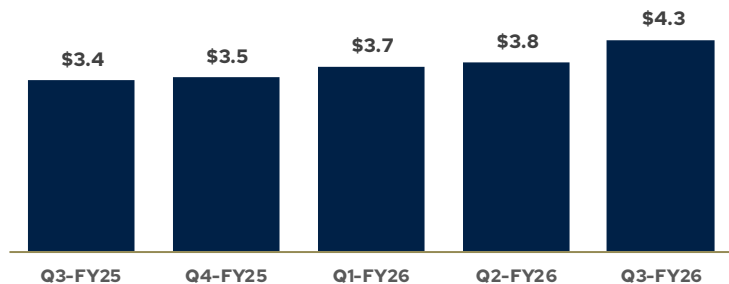


Wealth Management

Highlights ¹

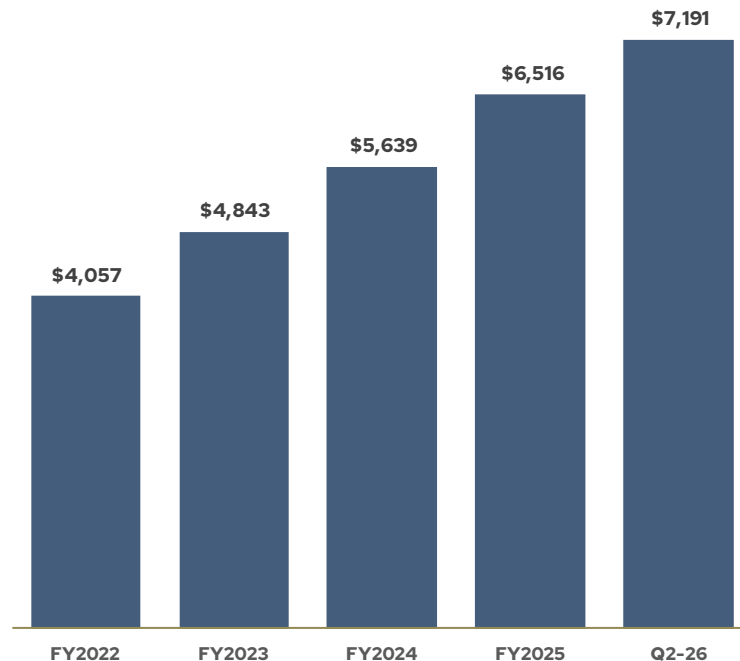
- Experienced team of advisors serves a variety of clients providing professional investment consulting and complete financial planning
- Investment fee and commission income net of \$4.3 million in Q3-26 compared to \$3.4 million in Q3-25
- Assets under management at the end of Q2-26 totaled \$7.2 billion
- Gross production¹ of \$10.4 million in Q3-26, up 26% compared to Q3-25

Investment Income Net ¹ [Dollars in millions]



(1) Gross production is total revenue before Raymond James revenue share/expenses and advisor payout
(2) Does not include \$525 million of assets held in 401k and 529 plans

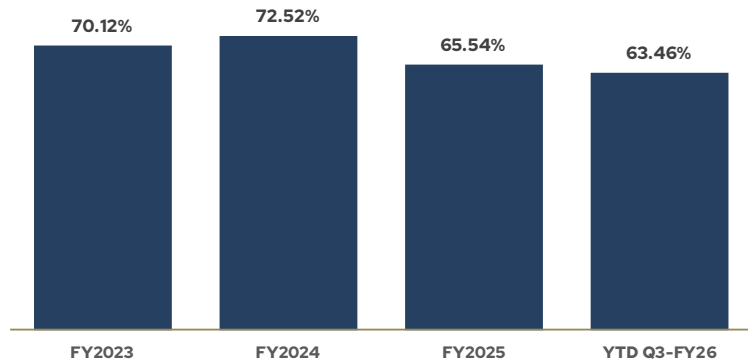
Assets Under Management ² [Dollars in millions]



Noninterest Expense

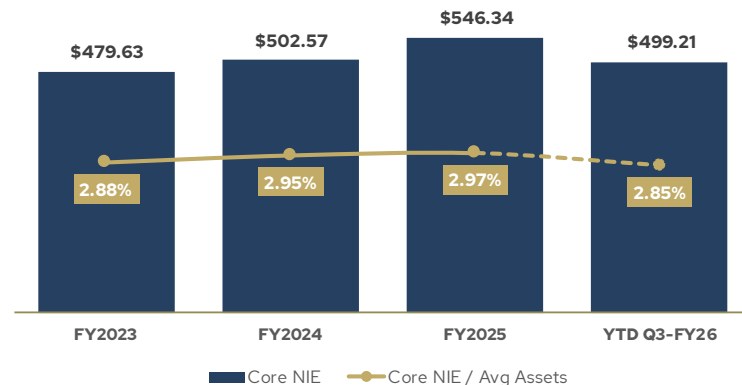
Dollars in millions	QTD					YTD		
	Q3-FY26	Q2-FY26	Q/Q Change	Q3-FY25	Y/Y Change	Q3-FY26	Q3-FY25	Y/Y Change
Employee Compensation	\$ 90.64	\$ 88.73	2%	\$ 78.96	15%	\$ 272.55	\$ 232.40	17%
Occupancy, Furniture and Equipment	17.28	17.14	1%	15.03	15%	52.32	43.55	20%
Software and Data Processing	12.15	10.97	11%	12.15	0%	36.45	33.62	8%
Advertising and Marketing	3.64	3.21	13%	3.76	(3%)	12.52	11.46	9%
Other Expenses	35.76	69.90	(49%)	43.84	(18%)	171.45	113.91	51%
Noninterest Expense	\$ 159.47	\$ 189.94	(16%)	\$ 153.74	4%	\$ 545.30	\$ 434.94	25%
Acquisition Related Expenses	3.19	11.21	(72%)	17.81	nm	46.09	36.97	25%
Core Noninterest Expense	\$ 156.28	\$ 178.73	(13%)	\$ 135.92	15%	\$ 499.21	\$ 397.97	25%

Core Efficiency Ratio¹



Dollars in millions

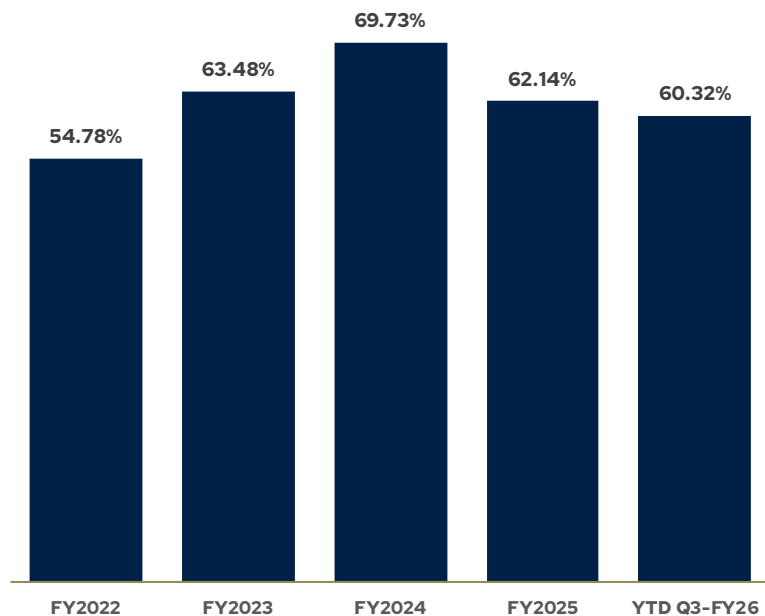
Core Noninterest Expense¹



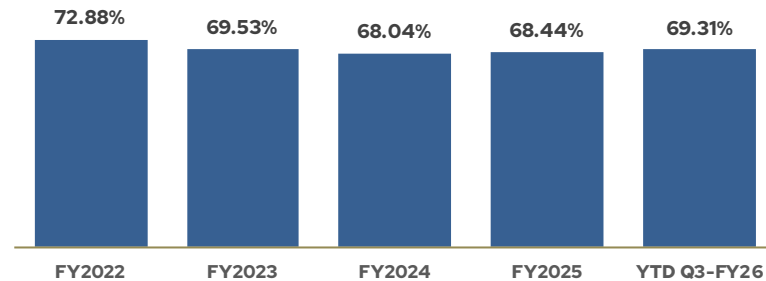
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Core Efficiency Ratio¹

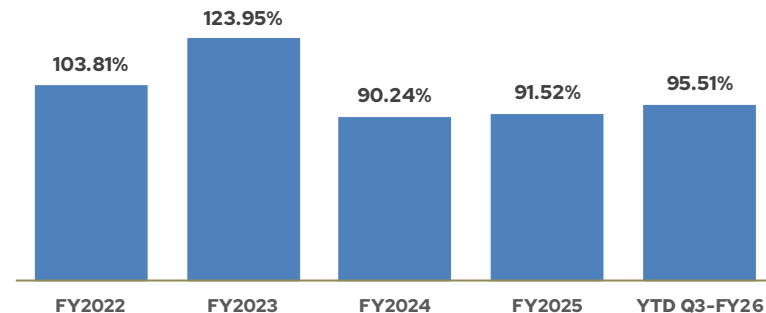
Banking



Insurance



Mortgage



(1) Non-GAAP financial measure – see non-GAAP reconciliations

Balance Sheet Summary

Dollars in millions	Q3-FY26	Q2-FY26	Q/Q Change	Q3-FY25	Y/Y Change
Cash and Cash Equivalents	\$ 1,513	\$ 1,815	(17%)	\$ 1,250	21%
Securities	3,102	3,105	(0%)	2,874	8%
Loans Held for Sale	185	310	(40%)	213	(13%)
Loans	15,100	15,170	(0%)	13,379	13%
Allowance for Credit Losses	(199)	(200)	(0%)	(149)	34%
Net Loans	14,901	14,970	(0%)	13,230	13%
Premises and Equipment Net	437	445	(2%)	422	4%
Goodwill	818	809	1%	592	38%
Intangible Assets	91	97	(6%)	102	(11%)
Bank-owned Life Insurance	390	388	1%	335	17%
Assets Held For Sale	-	-	-	-	-
Other Assets	746	679	10%	658	13%
Assets	22,183	22,617	(2%)	19,674	13%
Noninterest Bearing Deposits	5,982	5,843	2%	5,139	16%
Interest Bearing Deposits	12,476	12,871	(3%)	11,391	10%
Deposits	18,459	18,713	(1%)	16,531	12%
Borrowings	359	450	(20%)	362	(1%)
Liabilities Held for Sale	-	-	-	-	-
Other Liabilities	387	452	(14%)	384	1%
Liabilities	19,205	19,615	(2%)	17,277	11%
Shareholders' Equity	2,971	2,994	(1%)	2,389	24%
Noncontrolling Interest	7	7	(2%)	8	(8%)
Equity	2,978	3,002	(1%)	2,397	24%
Liabilities and Equities	\$ 22,183	\$ 22,617	(2%)	\$ 19,674	13%



\$22.2B

Total Assets

32%

Noninterest Bearing
Deposits / Total Deposits

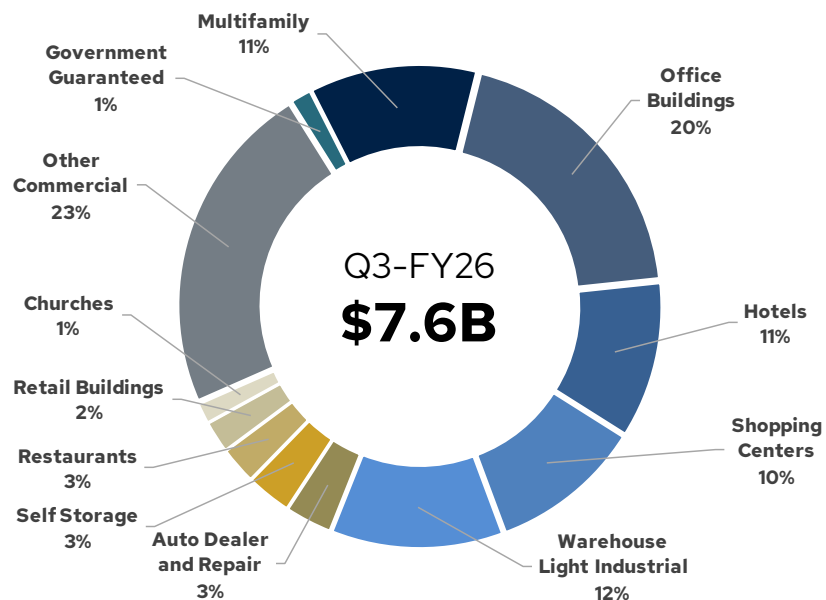
82%

Loans / Deposits

1.32%

ACL / Loans

Commercial Real Estate

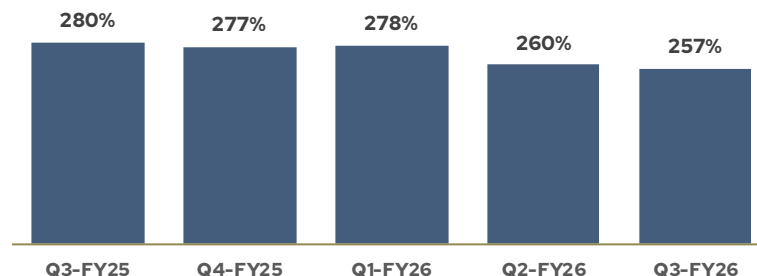


Dollars in millions	Q3-FY26	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	\$ 2,503	33%	0%	31%
CRE-Non Owner Occupied	4,243	56%	-2%	11%
Multifamily	867	11%	0%	-6%
Commercial Real Estate	\$ 7,613	100%	-1%	15%

Owner and Non-Owner Occupied

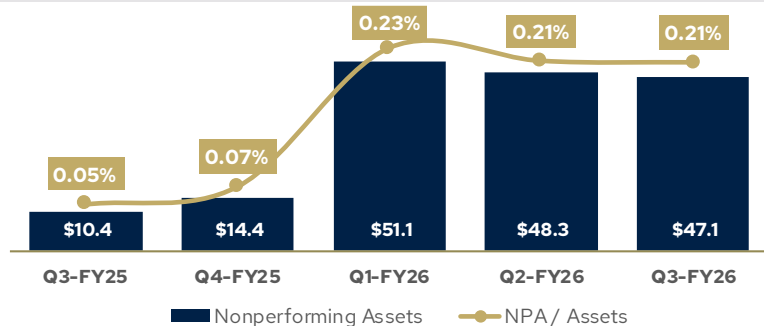
Dollars in millions	Owner	Non-owner	Total
Office Buildings	\$ 544	\$ 935	\$ 1,480
Hotels	-	810	810
Shopping Centers	-	790	790
Warehouse Light Industrial	413	478	891
Auto Dealer and Repair	214	29	243
Self Storage	-	234	234
Restaurants	138	55	193
Retail Buildings	85	81	165
Churches	105	1	106
Government Guaranteed	109	-	109
Other Commercial	895	831	1,726
Total	\$ 2,503	\$ 4,243	\$ 6,746

CRE / Total Risk Based Capital

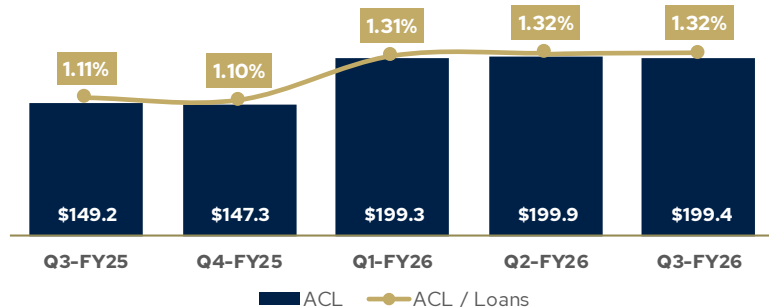


Asset Quality

Nonperforming Assets¹ [Dollars in millions]

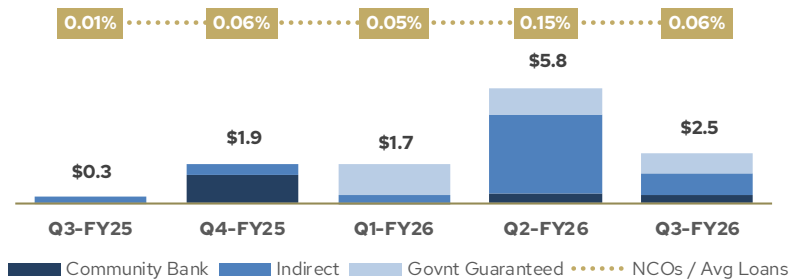


Allowance for Credit Losses [Dollars in millions]

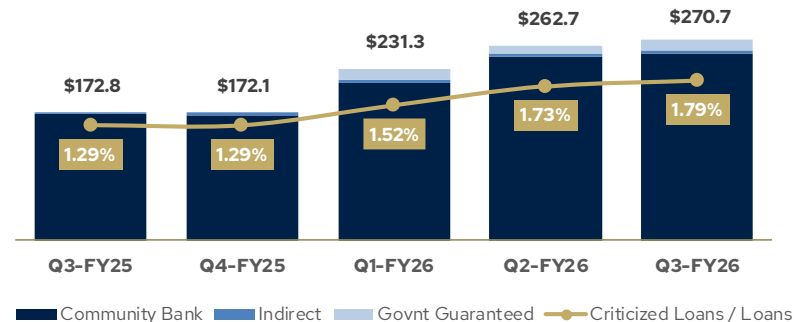


(1) Non-performing assets (Non-accrual loans/leases, repossessed assets, and real estate owned) as a percent of assets

Net Charge-offs [Dollars in millions]

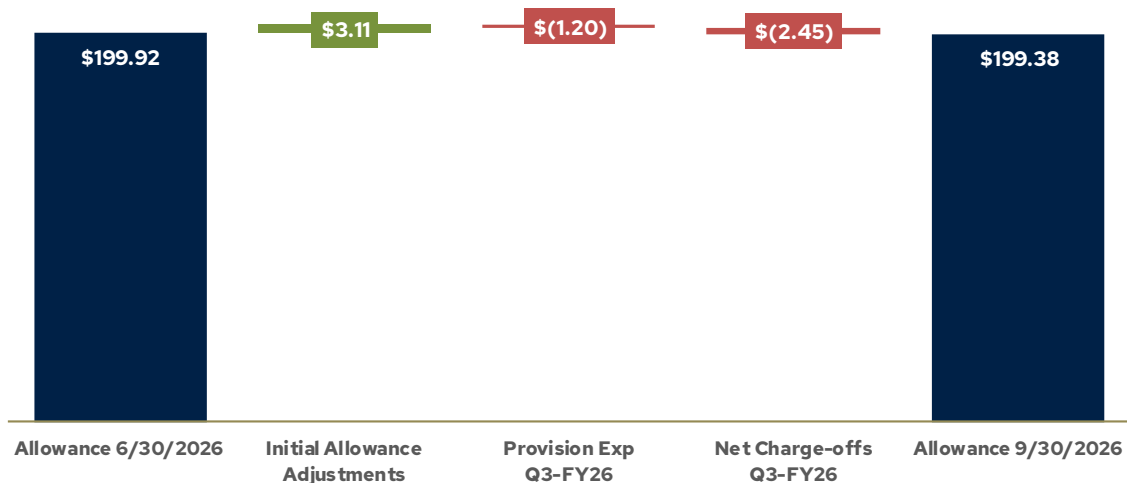


Criticized Loans [Dollars in millions]



Current Expected Credit Loss (CECL)

Allowance for Credit Losses¹ [Dollars in millions]



ACL / Loans



(1) On balance sheet amounts



MACROECONOMIC FORECAST

Weighted Moody's economic sectors

REASONABLE & SUPPORTABLE FORECAST PERIOD

2 Years

REVERSION PERIOD AND APPROACH

4 quarter reversion period with a blended transition approach

KEY MACROECONOMIC VARIABLES

Price Indices
GDP
Unemployment
Disposable Income

Liquidity

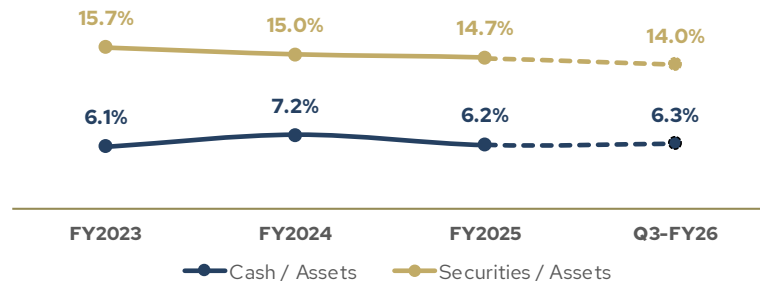
Liquidity Sources [Dollars in millions]

	Q3-FY26
Available Liquid Funds:	
Cash and cash equivalents	\$ 1,513
Unencumbered investment securities	2,043
Availability of Borrowings:	
Amount available from FHLB with loan collateral	1,455
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	2,062
Total Liquidity Sources	\$ 7,224

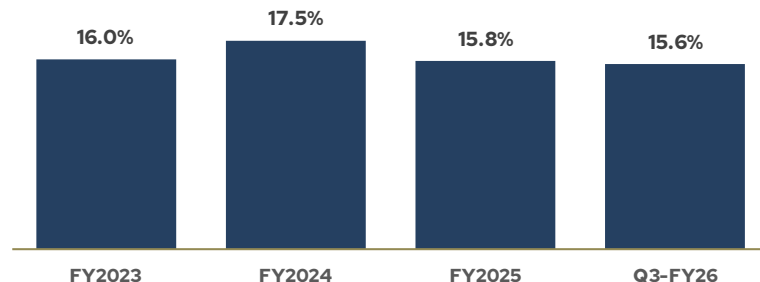
Uninsured Deposits [Dollars in millions]

	Q3-FY26
TowneBank Estimated Uninsured Deposits	\$ 8,798
Less Collateralized Deposits	744
Adjusted Estimated Uninsured Deposits	8,054
TowneBank Total Deposits	18,459
Adjusted Estimated Uninsured Deposits / Total Deposits	44%
Total Liquidity Sources / Adjusted Estimated Uninsured Deposits	90%

Cash and Securities



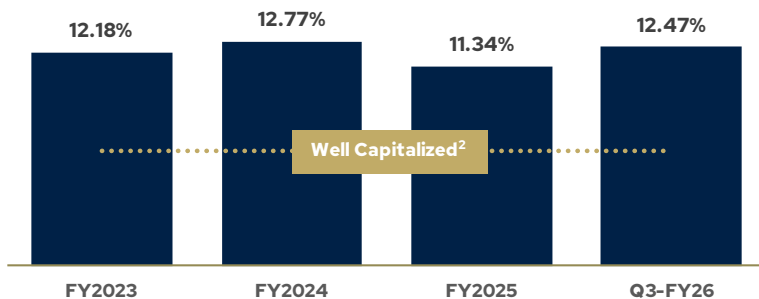
Liquidity Buffer¹



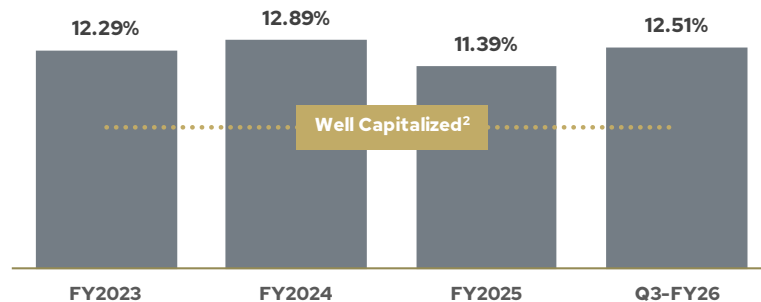
(1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

Capital

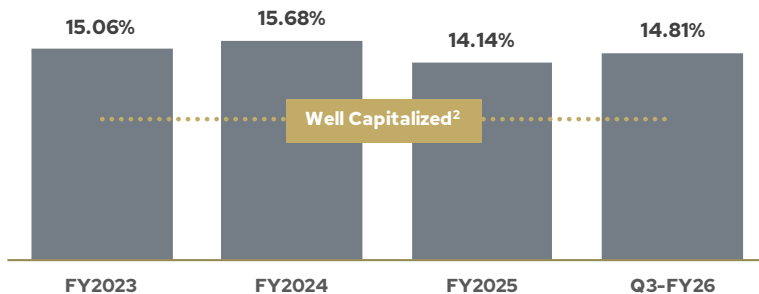
Common Equity Tier 1¹



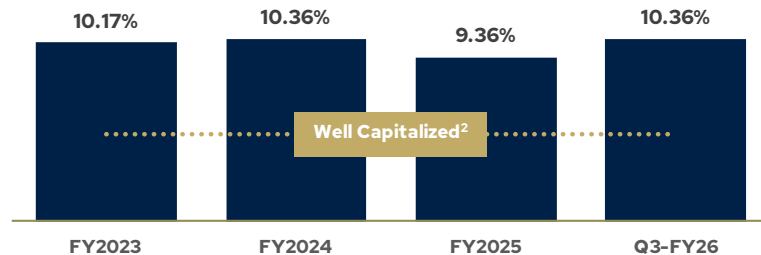
Tier 1 Risk-Based¹



Total Risk-Based¹



Tier 1 Leverage¹

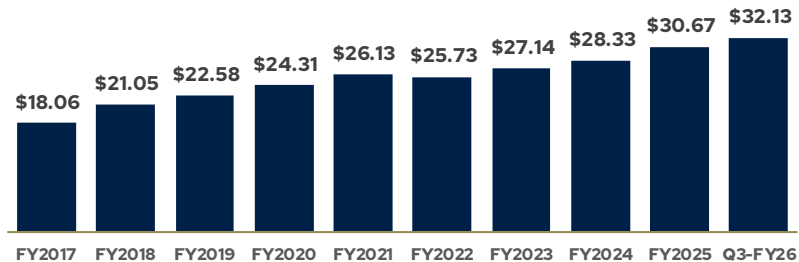


(1) Q2-26 capital ratios are preliminary

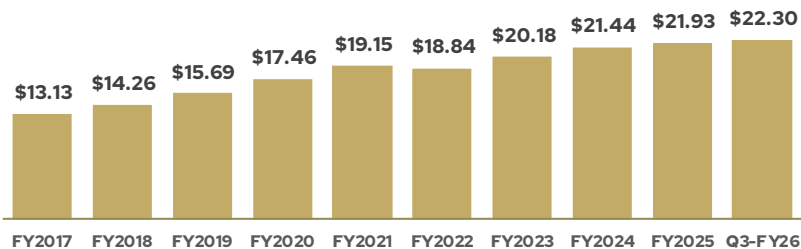
(2) FDIC "Well Capitalized" under prompt corrective action rules

Shareholder Value

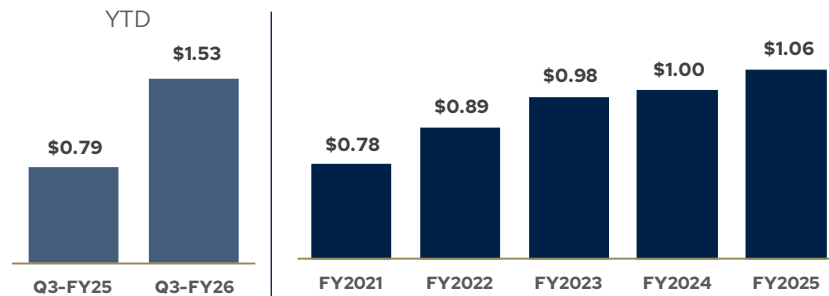
Book Value per Share



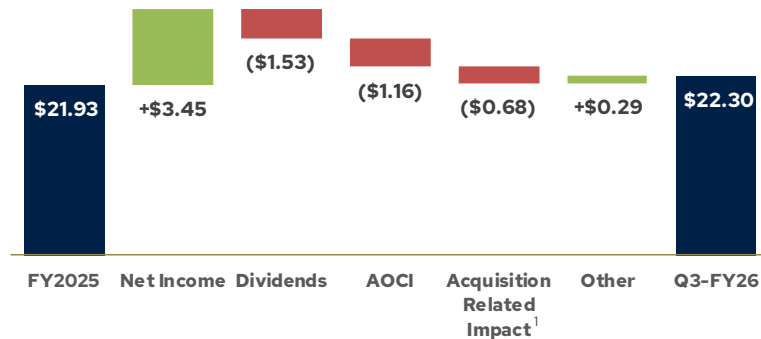
Tangible Book Value per Share



Dividends



Tangible Book Value Roll Forward



(1) Acquisition related impact to balance sheet – share issuance, changes to goodwill, intangibles and paid in capital

Outlook Summary

Loans and Asset Quality

- Targeting annualized core loan growth in the low single digits
- Anticipating credit quality to remain stable in the near term with potential for incremental reserve build aligned with loan growth rates

Profitability⁽¹⁾

- Net interest income expected to range between \$190-200 million for Q4-26 and \$745-760 million for FY2026⁽¹⁾⁽²⁾⁽³⁾
- Noninterest income of \$50-55 million for Q4-26 and \$240-250 million for FY2026⁽¹⁾⁽⁴⁾
- Noninterest expense of \$155-160 million for Q4-26 and \$625-635 million for FY2026⁽¹⁾⁽⁴⁾⁽⁵⁾

Strategic

- Strong capital and liquidity levels to support continued growth
- Diversified business model with proven ability to capitalize during disruptive economic environments
- Valuable deposit franchise
- Opportunistic M&A across all lines of business

(1) Includes the impact of Dogwood State Bank

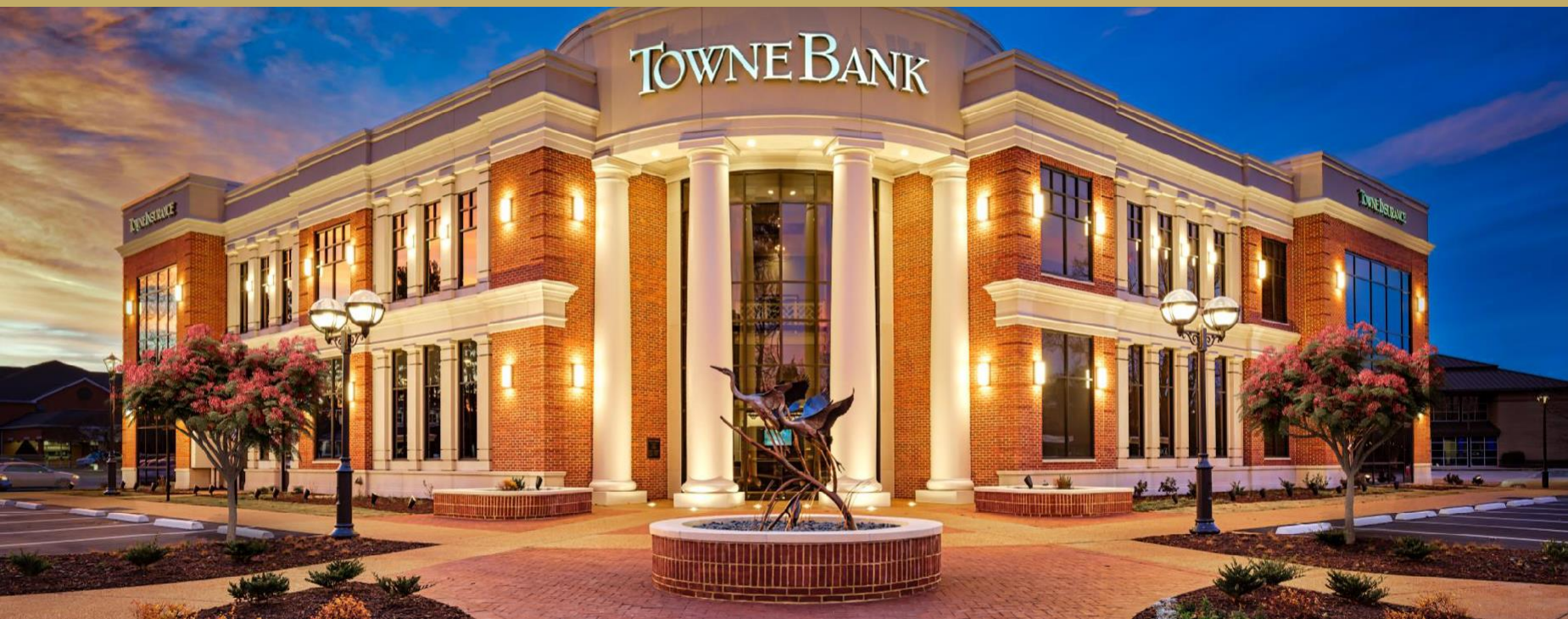
(2) Base forecast includes recent rate increase and assumes consistent rate environment for remainder of FY2026

(3) Tax equivalent

(4) Includes the impact from the sale of Resort Property Management Segment (noninterest income excludes one-time gain of \$198.6 million resulting from the sale)

(5) Excludes one-time M&A expenses and special one-time TowneBank Foundation contribution of \$25 million





TowneBank partners with blueharbor bank

Enhancing Our North Carolina Franchise

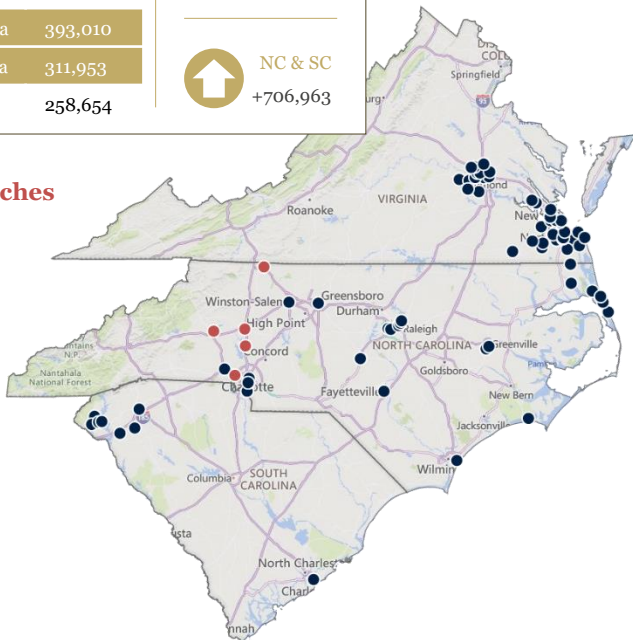
Top 5 States Net Domestic Migration ¹	
1. Florida	879,722
2. Texas	747,730
3. North Carolina	393,010
4. South Carolina	311,953
5. Arizona	258,654

● TOWN (81)

● BLHK² (5)

↑ NC & SC
+706,963

 | **3 Branches**
2 LPOs



blueharbor bank Financial Highlights

Dollars in millions	Q1-FY26	Q2-FY26
Total Assets	\$623	\$628
Gross Loans HFI	\$530	\$537
Total Deposits	\$550	\$551
Return on Average Assets	2.21%	2.29%
Return on Average Tangible Common Equity	20.3%	20.8%
Net Interest Margin	4.37%	4.36%
Efficiency Ratio	36.8%	33.8%

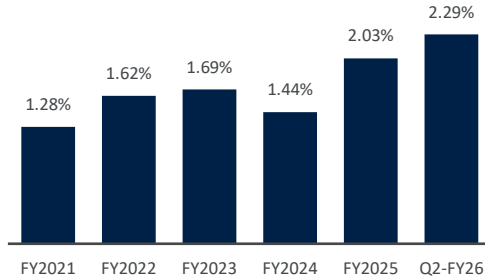
blueharbor bank Overview

- Established in 2008 and headquartered in Mooresville, North Carolina, with 3 retail branches and 2 loan production offices primarily serving the Charlotte and Mount Airy MSAs
- Experienced management team with strong local relationships and a proven record of disciplined execution
- Proven conservative credit performance, with zero nonperforming assets for seven consecutive quarters
- Record performance, including recognition among the top 30 U.S. banks for total financial performance among institutions with less than \$3 billion in assets¹

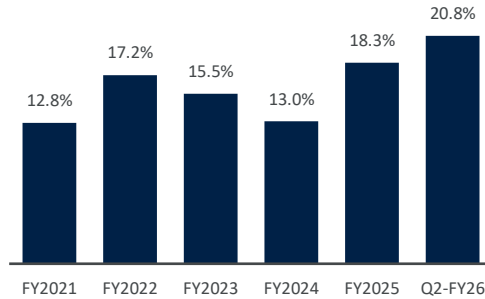
(1) Financial data as of December 31, 2025; Rankings are based on returns, growth, funding and balance-sheet strength and risk profile

blueharbor bank Financial Highlights

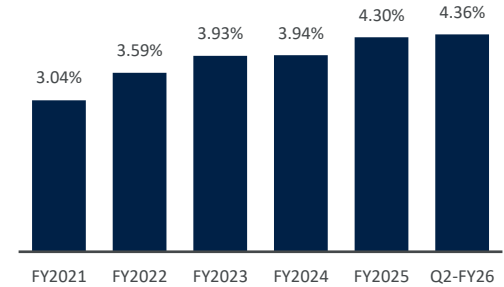
ROAA



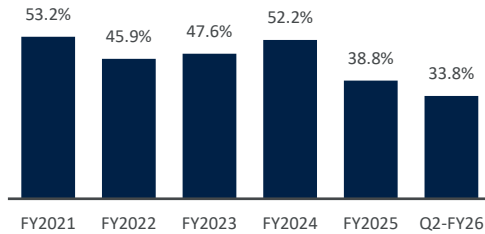
ROATCE



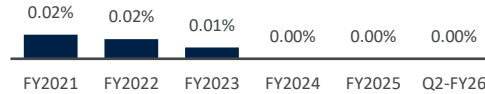
NIM



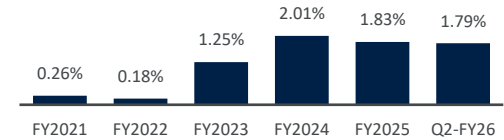
Efficiency Ratio



NPAs/Assets



Cost of Deposits



Source: S&P Global Market Intelligence



Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions except per share data	QTD			Year			YTD	
	Q3-FY25	Q2-FY26	Q3-FY26	FY2023	FY2024	FY2025	Q3-FY25	Q3-FY26
Net Income Attributable to TowneBank	\$ 44.30	\$ 193.19	\$ 81.78	\$ 153.21	\$ 161.36	\$ 169.53	\$ 128.89	\$ 315.96
<u>Adjustments</u>								
Plus: Acquisition Related Expenses	17.81	11.21	3.19	9.59	1.34	55.23	36.97	46.09
Plus: Initial Provision for Credit Losses	12.00	-	-	4.01	-	18.23	6.24	-
Plus: FDIC Special Assessment	-	-	-	5.17	0.71	-	-	-
Plus: TowneBank Foundation 1x Donation	-	25.00	-	-	-	-	-	25.00
Less: Gain (Loss) on Equity Investment ¹	-	198.55	2.69	7.52	0.15	-	-	201.24
Plus: Income Tax & Other Adjustments	(5.34)	41.17	1.57	(4.02)	(0.02)	(11.44)	4.16	36.79
Core Net Income	\$ 68.77	\$ 72.01	\$ 83.85	\$ 160.43	\$ 163.24	\$ 231.55	\$ 176.26	\$ 222.59
Return on Avg Assets	0.94%	3.45%	1.46%	0.92%	0.95%	0.92%	0.96%	1.90%
Core Return on Avg Assets	1.46%	1.28%	1.49%	0.96%	0.96%	1.26%	1.31%	1.34%
Earnings Per Share-Diluted	\$ 0.58	\$ 2.09	\$ 0.88	\$ 2.05	\$ 2.15	\$ 2.21	\$ 1.70	\$ 3.44
Core Earnings Per Share-Diluted	\$ 0.90	\$ 0.78	\$ 0.91	\$ 2.15	\$ 2.17	\$ 3.02	\$ 2.32	\$ 2.42
Return on Avg Tangible Common Equity	11.45%	37.76%	16.24%	11.49%	11.11%	11.06%	11.31%	21.50%
Core Return on Avg Tangible Common Equity	17.31%	14.63%	16.63%	11.99%	11.23%	14.82%	15.20%	15.42%
Total Revenue	\$ 222.58	\$ 444.27	\$ 257.89	\$ 693.41	\$ 693.29	\$ 835.72	\$ 615.77	\$ 948.61
Less: Gain (Loss) on Securities Investments	(0.01)	-	-	-	0.07	0.01	(0.01)	0.13
Less: Gain (Loss) on Equity Investments	-	198.55	2.69	9.38	0.24	2.13	2.00	201.24
Total Revenue Adjusted	222.59	245.72	255.20	684.04	692.97	833.59	613.78	747.24
Noninterest Expense	\$ 153.74	\$ 189.94	\$ 159.47	\$ 489.22	\$ 503.92	\$ 601.56	\$ 434.94	\$ 545.30
Less: Acquisition Related Expenses	17.81	11.21	3.19	9.59	1.34	55.23	36.97	46.09
Less: Other One-time Expense Items	-	25.00	-	-	-	-	-	25.00
Noninterest Expense Adjusted	135.92	153.73	156.28	479.63	502.57	546.34	397.97	474.21
Efficiency Ratio	69.07%	77.30%	62.49%	71.52%	72.72%	72.17%	70.86%	72.98%
Core Efficiency Ratio	61.06%	62.56%	61.24%	70.12%	72.52%	65.54%	64.84%	63.46%
Noninterest Expense / Avg Assets	3.28%	3.39%	2.84%	2.94%	2.95%	3.27%	3.24%	3.28%
Core Noninterest Expense / Avg Assets	2.90%	2.74%	2.78%	2.88%	2.95%	2.97%	2.96%	2.85%

(1) Gains related to the sale of Towne Vacations in Q2-26 (closing adjustments in Q3-26), TB Construction LLC in Q3-26, Beneflex in FY2023 & FY2024 and BHHS Towne Realty (79% ownership stake) in FY2023

Non-GAAP Reconciliations

Core Efficiency Ratio – Banking

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q3-FY26
Total Revenue	\$ 495.49	\$ 499.53	\$ 490.95	\$ 621.09	\$ 817.02
Less: Gain (Loss) on Securities Investments	-	-	0.07	0.01	0.13
Less: Gain (Loss) on Equity Investments	-	-	-	2.00	201.24
Total Revenue Adjusted	495.49	499.53	490.88	619.08	615.66
Noninterest Expense	272.39	326.17	343.17	438.12	442.43
Less: Acquisition Related Expenses	0.96	9.08	0.87	53.45	46.09
Less: Other One-time Expense Items	-	-	-	-	25.00
Noninterest Expense Adjusted	271.44	317.09	342.29	384.67	371.34
Efficiency Ratio	54.98%	65.30%	69.91%	70.77%	71.86%
Core Efficiency Ratio	54.78%	63.48%	69.73%	62.14%	60.32%

Core Efficiency Ratio – Mortgage

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q3-FY26
Total Revenue	\$ 74.14	\$ 56.25	\$ 53.37	\$ 55.70	\$ 42.10
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	8.83	-	-	-
Total Revenue Adjusted	74.14	47.42	53.37	55.70	42.10
Noninterest Expense	76.96	59.06	48.16	52.75	40.21
Less: Acquisition Related Expenses	-	0.29	-	1.78	-
Less: Other One-time Expense Items	-	-	-	-	-
Noninterest Expense Adjusted	76.96	58.78	48.16	50.97	40.21
Efficiency Ratio	103.81%	124.56%	90.24%	94.71%	95.51%
Core Efficiency Ratio	103.81%	123.95%	90.24%	91.52%	95.51%

Core Efficiency Ratio – Insurance

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q3-FY26
Total Revenue	\$ 74.34	\$ 90.92	\$ 100.42	\$ 103.23	\$ 78.58
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	0.54	0.24	0.13	-
Total Revenue Adjusted	74.34	90.38	100.18	103.10	78.58
Noninterest Expense	54.24	62.93	68.17	70.56	54.46
Less: Acquisition Related Expenses	0.06	0.09	0.00	-	-
Less: Other One-time Expense Items	-	-	-	-	-
Noninterest Expense Adjusted	54.18	62.84	68.17	70.56	54.46
Efficiency Ratio	72.96%	69.62%	68.04%	68.44%	69.31%
Core Efficiency Ratio	72.88%	69.53%	68.04%	68.44%	69.31%

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q3-FY25	Q4-FY25	Q1-FY26	Q2-FY26	Q3-FY26
Loans TE Adjustment	\$ 0.75	\$ 0.73	\$ 0.71	\$ 0.73	\$ 0.74
Securities TE Adjustment	0.33	0.41	0.46	0.54	0.60
Tax-Equivalent Adjustment	1.08	1.15	1.17	1.27	1.33
<u>Yield & Margin Impacts:</u>					
Loan Yield	5.63%	5.64%	5.65%	5.67%	5.83%
Loan Yield (TE)	5.65%	5.66%	5.67%	5.69%	5.85%
Securities Investment Yield	3.54%	3.63%	3.59%	3.66%	3.90%
Securities Investment Yield (TE)	3.58%	3.69%	3.65%	3.73%	3.97%
Earning Asset Yield	5.17%	5.16%	5.18%	5.18%	5.34%
Earning Asset Yield (TE)	5.19%	5.19%	5.20%	5.20%	5.37%
Net Interest Margin (GAAP)	3.48%	3.56%	3.58%	3.68%	3.89%
Net Interest Margin (TE)	3.50%	3.58%	3.60%	3.70%	3.92%

Tangible Book Value per Share

Amounts in millions except per share data	FY2022	FY2023	FY2024	FY2025	Q3-FY26
Shareholders' Equity (Common)	\$ 1,873.96	\$ 2,032.67	\$ 2,131.63	\$ 2,422.07	\$ 2,970.98
Goodwill and Intangible Assets	501.64	520.97	517.79	690.61	909.13
Tangible Common Equity	\$ 1,372.32	\$ 1,511.70	\$ 1,613.84	\$ 1,731.46	\$ 2,061.84
Common Shares Outstanding	72.84	74.89	75.26	78.96	92.46
Tangible Book Value per Share	\$ 18.84	\$ 20.18	\$ 21.44	\$ 21.93	\$ 22.30



Member FDIC