



Earnings Presentation

1st Quarter 2025



Cautionary Statements

Forward Looking:

This presentation 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, such as the 2023 bank failures, 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, that may adversely affect our business; our ability to successfully integrate the businesses of Old Point Financial Corporation ("Old Point"), a pending merger, and Village Bank and Trust Financial Corp. ("Village"), a recently completed merger, to the extent that it may take longer or be more difficult, time-consuming, or costly to accomplish than expected; our ability to close the transaction with Old Point 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 pending or recently completed 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 we have acquired that may be greater than expected; expected growth opportunities or cost savings associated with pending or recently completed acquisitions 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-related matters; 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; our competitors 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 other military spending, on the Greater Hampton Roads 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, 2024 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

Consistent Focus on Earnings and Growth

Earnings Growth

22.7%

CAGR FY00 – FY24

#1 Deposit Market Share
in Hampton Roads¹

Ranked on

Forbes

Best Banks List²

7 Years in a Row

Total Assets

\$17.5B

Total Loans

\$11.7B

Total Deposits

\$14.6B

Core ROAA

1.20%

Core ROTCE

13.30%

NIM (FTE)

3.17%

NIB Deposits /
Total Deposits

30%

10 Year Total Shareholder
Return³

181%

(1) Source: FDIC Summary of Deposits for the VA Beach-Norfolk-Newport News, VA MSA, data as of June 30, 2024

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

(3) Total Return as of 03/31/2025; Source: S&P Global, data collected 4/11/2025.

Note: Financial results for the quarter ending March 31, 2025



1st Quarter 2025 Financial Results

Performance Highlights

	Q1-FY25	Q4-FY24	Q/Q Change	Q1-FY24	Y/Y Change
Total Revenue	\$192.04 million	\$177.16 million	8.4%	\$167.10 million	14.9%
Provision for Credit Losses	\$2.42 million	\$1.61 million	50.7%	-\$0.88 million	376.0%
Net Income Attributable to TowneBank	\$50.59 million	\$41.26 million	22.6%	\$34.69 million	45.9%
Earnings Per Share-Diluted	\$0.67	\$0.55	21.8%	\$0.46	45.7%
Return on Avg Assets	1.19%	0.95%	+24 bps	0.83%	+36 bps
Return on Avg Tangible Common Equity ¹	13.21%	10.79%	+242 bps	9.98%	+323 bps
Net Interest Margin (TE) ¹	3.17%	3.02%	+15 bps	2.75%	+42 bps
Assets	\$17.51 billion	\$17.25 billion	1.5%	\$16.88 billion	3.7%
Loans	\$11.65 billion	\$11.46 billion	1.7%	\$11.45 billion	1.7%
Deposits	\$14.61 billion	\$14.44 billion	1.2%	\$14.13 billion	3.4%
Loans / Deposits	79.77%	79.37%	+40 bps	81.07%	-130 bps
Noninterest Bearing Deposits / Deposits	29.53%	29.46%	+7 bps	29.69%	-16 bps
Nonperforming Assets / Assets	0.04%	0.05%	-1 bps	0.05%	-1 bps
Book Value per Share	\$29.19	\$28.43	2.7%	\$27.33	6.8%
Tangible Book Value per Share ¹	\$22.36	\$21.55	3.8%	\$20.31	10.1%
Tangible Common Equity to Tangible Assets	9.92%	9.69%	+23 bps	9.31%	+61 bps
Total Risk Based Capital Ratio ²	15.65%	15.68%	-3 bps	15.10%	+55 bps

(1) Non-GAAP financial measure – see non-GAAP reconciliations
(2) Current reporting period regulatory capital ratios are preliminary

Income Statement Summary

Dollars in millions, except per share data	QTD				
	Q1-FY25	Q4-FY24	Q/Q Change	Q1-FY24	Y/Y Change
Interest Income	\$ 189.61	\$ 196.05	(3.3%)	\$ 186.92	1.4%
Interest Expense	69.14	77.99	(11.4%)	83.70	(17.4%)
Net Interest Income	120.48	118.06	2.1%	103.22	16.7%
Provision for Credit Losses	2.42	1.61	50.7%	(0.88)	376.0%
Net Interest Income after Provision for Credit Losses	118.06	116.45	1.4%	104.10	13.4%
Noninterest Income	71.57	59.10	21.1%	63.88	12.0%
Noninterest Expense	130.54	127.44	2.4%	125.59	3.9%
Minority Interest in Unconsolidated Subs	0.30	0.18	67.8%	0.44	(32.9%)
Income Before Taxes	58.79	47.94	22.6%	41.95	40.2%
Provision for Income Tax Expense	8.20	6.67	22.9%	7.26	12.9%
Net Income Attributable to TowneBank	\$ 50.59	\$ 41.26	22.6%	\$ 34.69	45.9%
Earnings Per Share-Diluted	\$ 0.67	\$ 0.55	21.8%	\$ 0.46	45.7%

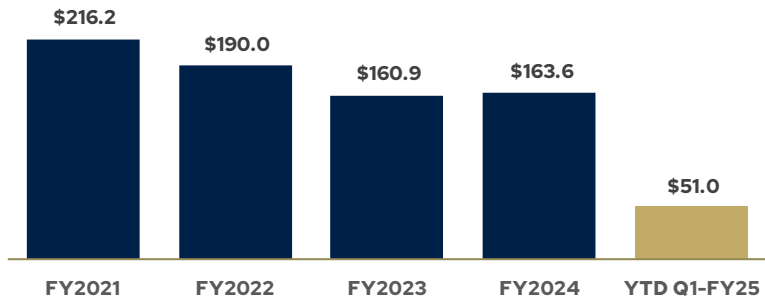
Core Net Income¹

One-time Adjustments After Taxes	\$ 0.39	\$ 0.15	157.7%	\$ 1.58	(75.4%)
Core Net Income	50.98	41.42	23.1%	36.27	40.6%
Core Earnings Per Share-Diluted	\$ 0.68	\$ 0.55	23.6%	\$ 0.48	41.7%

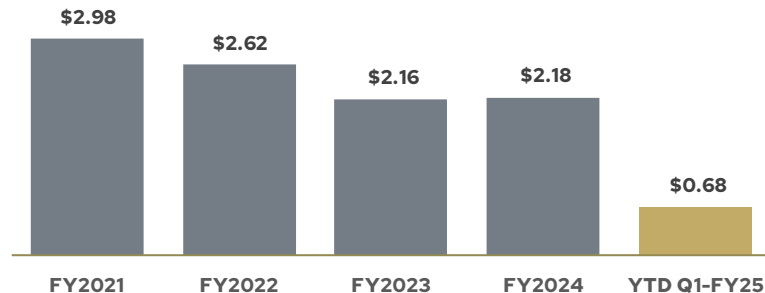
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Financial Performance Trends

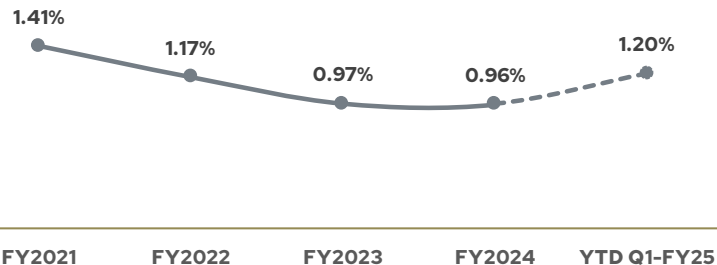
Core Net Income¹ [Dollars in millions]



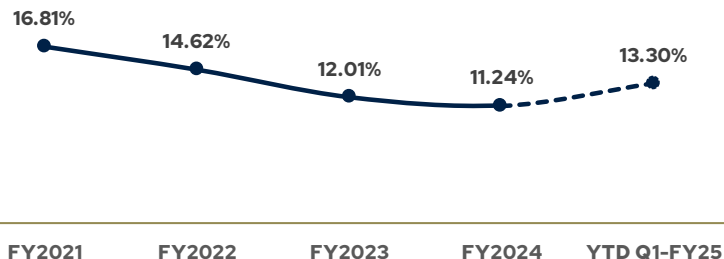
Core EPS¹



Core ROAA¹



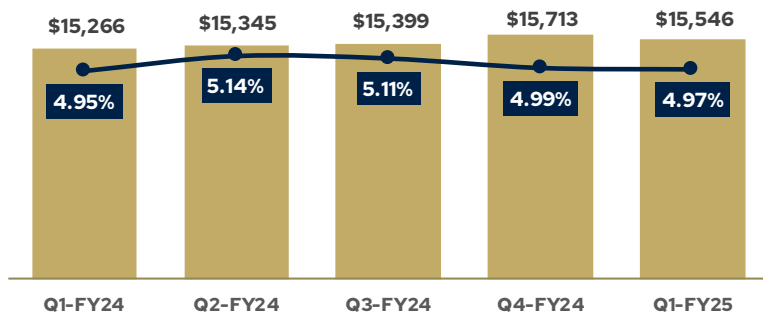
Core ROATCE¹



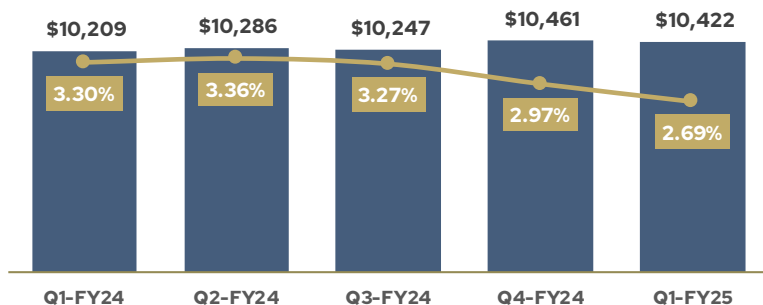
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Net Interest Income

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

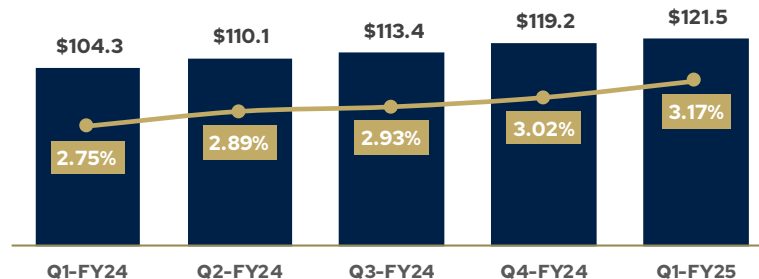


Avg. Interest Bearing Liabilities & Cost [Dollars in millions]

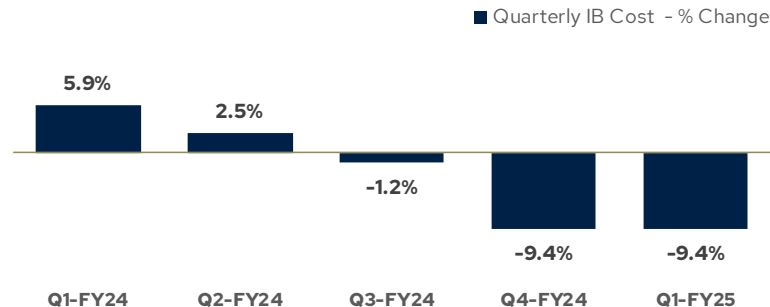


(1) Non-GAAP financial measures - see non-GAAP reconciliations

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



Interest Bearing Deposit Costs

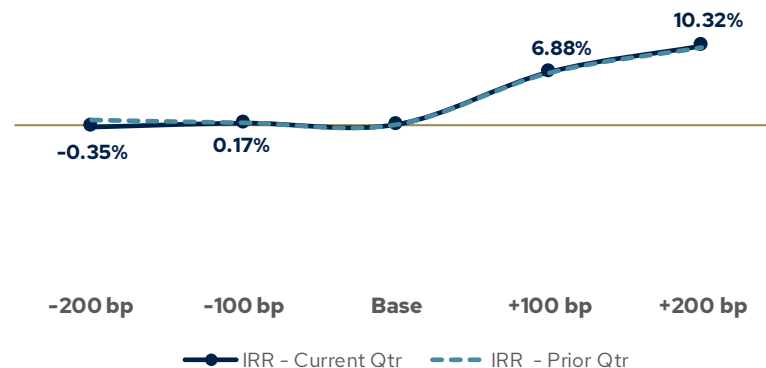


NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Dollars in millions	Amount	NIM (%)
Q4-FY24	\$ 119.2	3.02%
Loans HFI	(2.6)	-0.02%
Recurring Accretion	(0.1)	0.00%
Loans HFS	(0.4)	0.01%
Investments & Cash	(3.4)	-0.03%
Earning Assets Mix		0.03%
Deposits	8.7	0.18%
Borrowings	0.1	0.00%
Sub Debt	(0.0)	0.00%
Interest Bearing Funding Mix		0.00%
Other	(0.0)	-0.02%
Q1-FY25	\$ 121.5	3.17%

Net Interest Income Sensitivity²



Comments

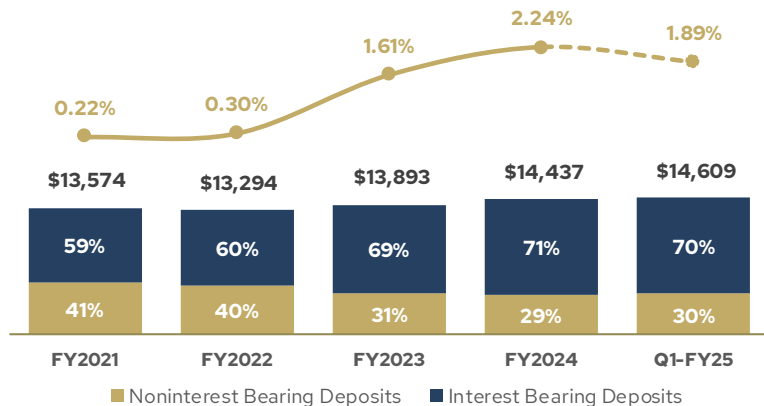
- Loan portfolio continues to reprice to current market (rate forecast includes two rate cuts in back half of FY2025)
- Modest CD cost reductions modeled
- NII growth from NIM expansion and Village acquisition

(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)	Q1-FY25	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	1,646	11%	0.44%	2.1%	2.4%
Money Market	5,633	39%	2.79%	1.6%	7.9%
Savings	312	2%	0.93%	-1.0%	-5.1%
Time Deposits	2,540	18%	4.12%	-5.7%	-1.7%
Interest Bearing Deposits	10,132	70%	2.69%	-0.3%	4.0%
Noninterest Bearing Deposits	4,277	30%	na	-2.5%	1.2%
Total Deposits	\$ 14,409	100%	1.89%	-1.0%	3.2%

(1) Source: S&P Global, data as of 02/19/2025. Peers as disclosed in the most recent TOWN proxy statement

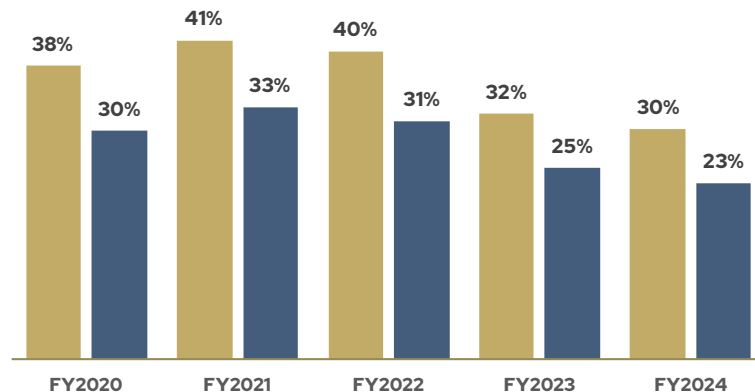
(2) Excludes any proforma impact from recently announced Old Point Financial acquisition

Portfolio Highlights

- Three consecutive quarterly decreases in deposit costs since Q2-FY24 (64 bps cumulative decrease in IB deposit costs)
- NIB deposits in legacy Hampton Roads region equal to 34% of total regional deposits ⁽²⁾

NIB Deposits % of Total Deposits

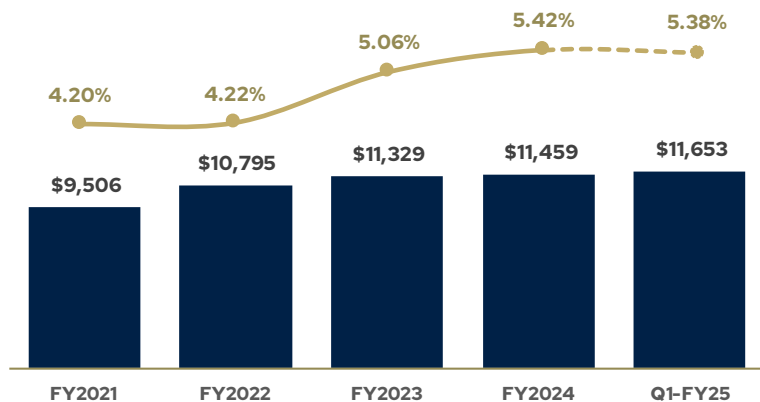
TowneBank vs Peers¹



■ TowneBank ■ Proxy Peer Group (Avg)

Loans

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



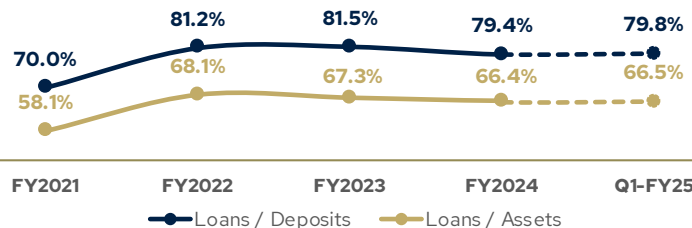
Loans	Q1-FY25	% Total	Q/Q %	Y/Y %
(Dollars in millions)				
Construction and Development	\$ 1,006	9%	-7.0%	-19.9%
Commercial Real Estate	5,825	50%	3.5%	6.4%
Residential 1-4 Family	2,315	20%	0.6%	2.1%
Commercial and Industrial	1,337	11%	4.4%	3.6%
Government	512	4%	-0.3%	-3.2%
Indirect	571	5%	0.6%	2.8%
Consumer & Other	86	1%	-1.7%	10.3%
Total Loans	\$ 11,653	100%	1.7%	1.7%

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

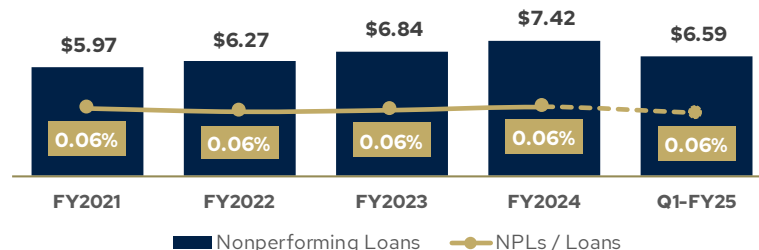
Portfolio Highlights

- Variable portfolio of \$3.7 billion at the end of Q1-25 with 38% of portfolio tied to prime rate
- Fixed rate scheduled maturities and amortization of \$1.1 billion over the next twelve months

Loans % of Deposits and Assets

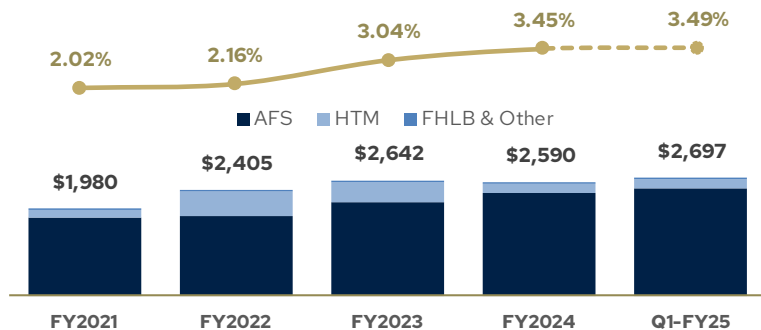


Nonperforming Loans



Investments

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



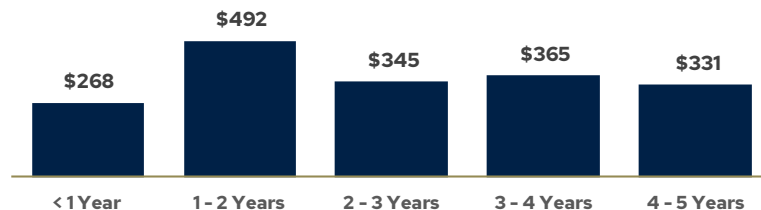
AFS and HTM Securities ²	AFS	HTM	Total
(Dollars in millions)			
US Treasuries	\$ 77	\$ 96	\$ 174
US Agencies	346	93	439
Municipals	470	5	475
Trust Preferred & Oth Corp	102	2	104
MBS Issued by GSE/GNMA	1,596	5	1,601
Securities - Amortized Cost	2,591	202	2,793
Valuation Adjustment	(119)	-	(119)
Credit Loss Reserve	(1)	(0)	(1)
Total	\$ 2,470	\$ 202	\$ 2,672

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

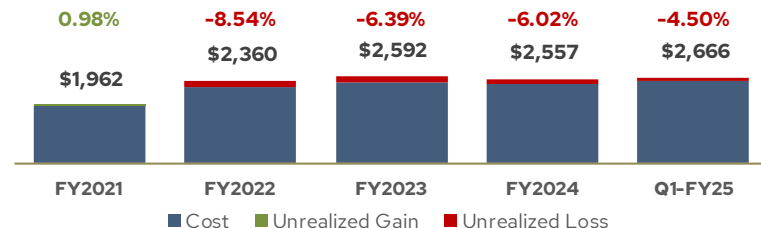
Portfolio Highlights

- \$760 million of expected cash flow from securities portfolio in the next two years
- Portfolio duration of 3.29 years at the end of Q1-25
- Portfolio: 93%/7% - AFS/HTM and 78%/22% - Fixed/Floating

Expected Cashflows from Investments (As of March 31, 2025)



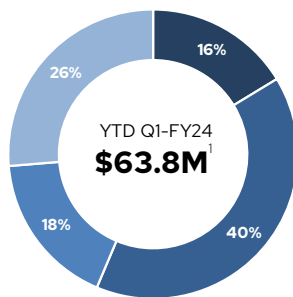
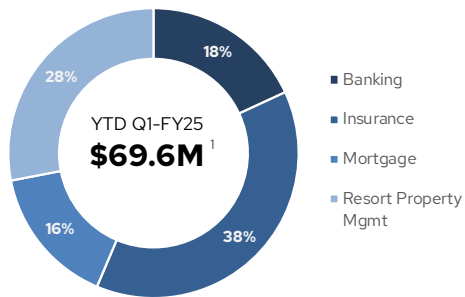
Securities FV and Unrealized Gain (Loss)



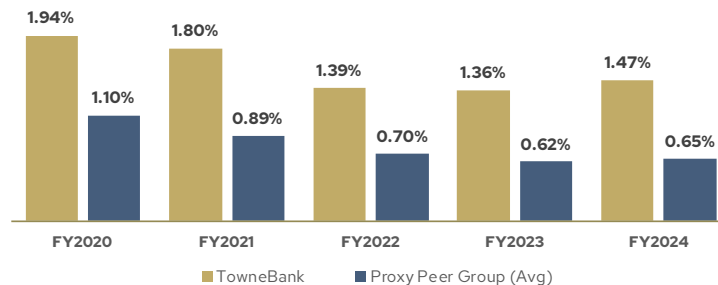
■ Cost ■ Unrealized Gain ■ Unrealized Loss

Noninterest Income

Dollars in millions	QTD				
	Q1-FY25	Q4-FY24	Q/Q Change	Q1-FY24	Y/Y Change
Residential Mortgage Banking Income Net	\$ 10.36	\$ 11.27	(8.1%)	\$ 10.48	(1.1%)
Insurance Commissions Income, Net	26.42	23.27	13.6%	25.54	3.5%
Property Mgmt Income, Net	19.50	8.19	138.2%	16.77	16.3%
Service Charges on Deposit Accounts	3.33	3.29	1.1%	3.08	8.0%
Credit Card Merchant Fees, Net	1.70	1.49	14.1%	1.55	9.4%
Investment Commission Income Net	3.07	3.19	(3.7%)	2.34	31.2%
Bank-owned Life Insurance	1.87	4.48	(58.2%)	1.84	1.6%
Other Income	3.31	3.71	(10.8%)	2.21	50.0%
Gain (Loss) on Equity Investment	2.00	0.22	819.3%	-	-
Gain (Loss) on Investment Securities	-	-	-	0.07	(100.0%)
Noninterest Income	\$ 71.57	\$ 59.10	21.1%	\$ 63.88	12.0%



Noninterest Income % Avg Assets
TowneBank vs Peers²



(1) Core noninterest income excluding gain (loss) on equity investments and investment securities

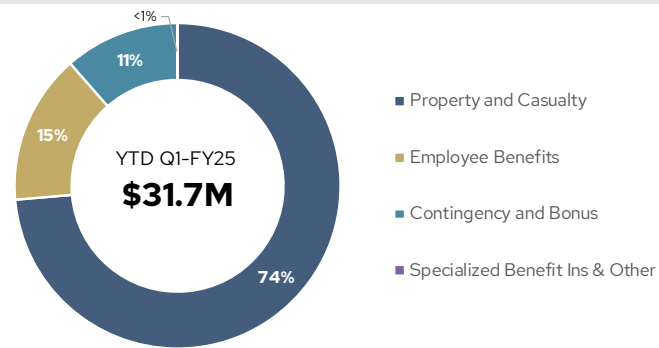
(2) Source: S&P Global, data as of 2/19/2025. Peers as disclosed in the most recent TOWN proxy statement

Towne Insurance

Highlights

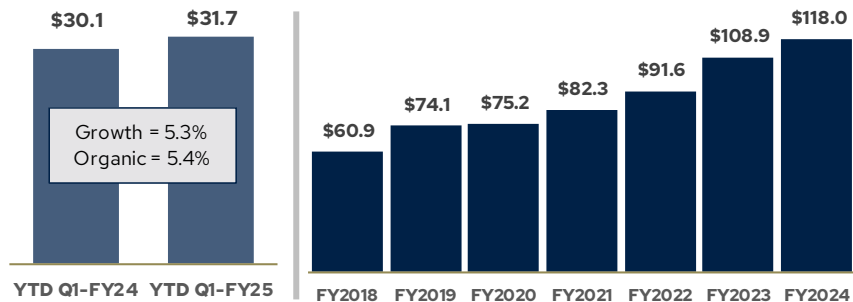
- Largest bank-owned insurance company in the country¹
- Insurance revenue of \$31.7 million in Q1-25 compared to \$30.1 million in Q1-24
- CAGR of 11.7% from 2018 to 2024
- 27 Acquisitions since 2001

Insurance Revenue Composition

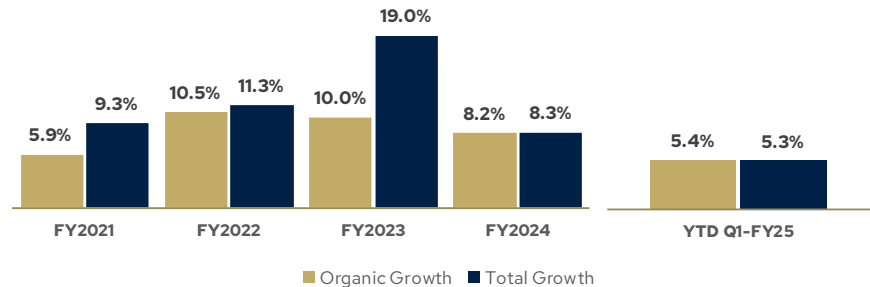


(1) Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 4/11/2025
(2) Income does not include travel insurance income or gains from the sale of Beneflex (FY2023 & FY2024)

Revenues² [Dollars in millions]



Revenue Growth Trend

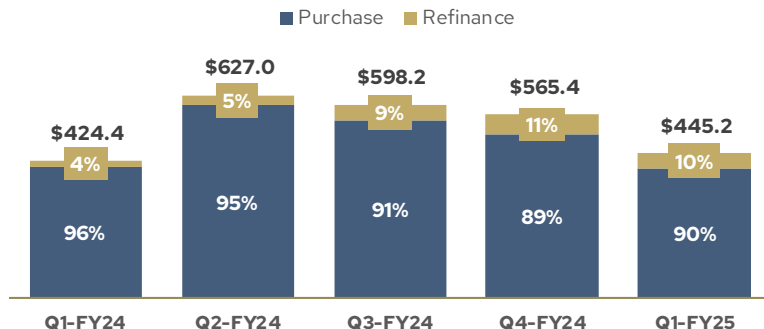


TowneBank Mortgage

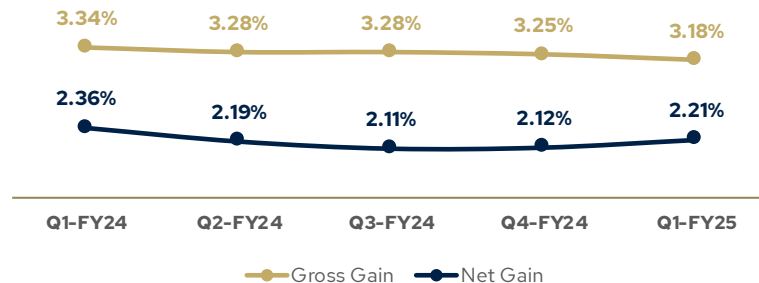
Highlights

- Mortgage banking income of \$10.6 million in Q1-25 compared to \$10.8 million in Q1-24
- Gain on sales & fees as a % of loans originated down 7 bps compared to Q4-24
- Uncertainty associated with government efficiency initiatives could serve as short-term production headwinds in our Northern Virginia and Maryland markets

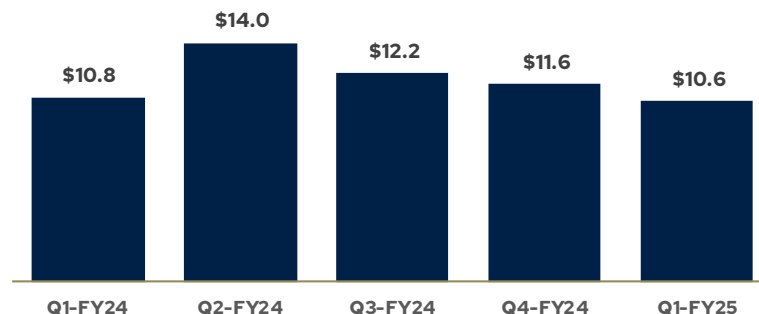
Mortgage Production [Dollars in millions]



Gain on Sales & Fees as a % of Loans Originated



Mortgage Banking Income Net [Dollars in millions]

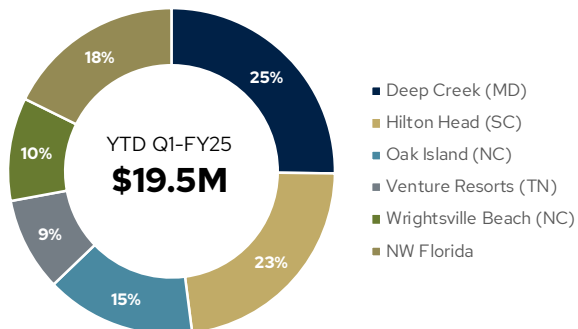


Towne Vacations

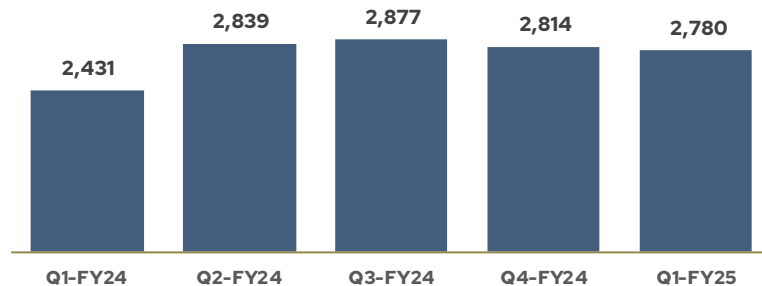
Highlights

- Property management income net of \$19.5 million in Q1-25 compared to \$16.8 million in Q1-24
- Property management locations in North Carolina, South Carolina, Maryland, Tennessee and Florida
- NW Florida full quarter impact in Q1-25 (acquired March 1, 2024)
- Vacation rental industry continues to be adversely impacted by macro economic uncertainties

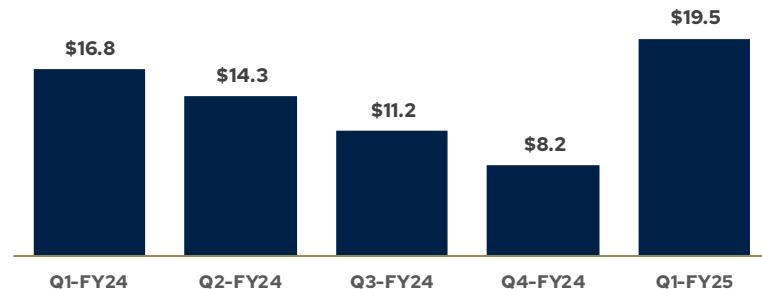
Property Management Income Net



Home Count [Quarterly Average]



Property Management Income Net [Dollars in millions]

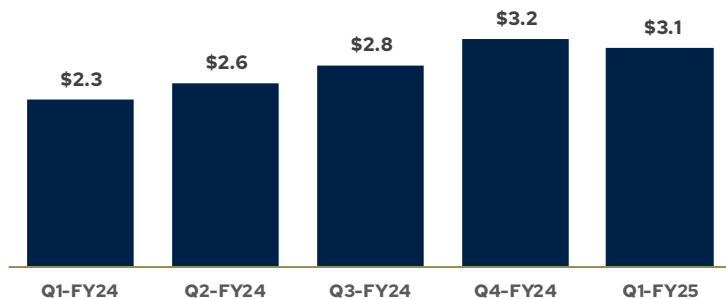


Wealth Management

Highlights

- Experienced team of advisors serves a variety of clients providing professional investment consulting or complete financial planning
- Investment commissions income net of \$3.1 million in Q1-25 compared to \$2.3 million in Q1-24
- Assets under management at the end of Q1-25 totaled \$5.6 billion
- Gross production¹ of \$7.9 million in Q1-25

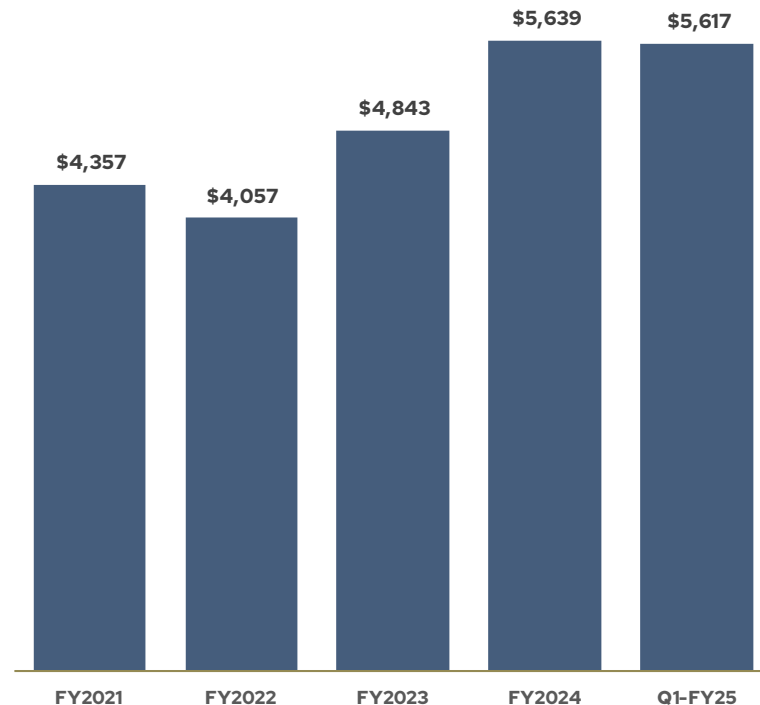
Investment Commissions Income Net [Dollars in millions]



(1) Gross production is total revenue before Raymond James revenue share/expenses and advisor payout

(2) Excludes assets held in 401k and 529 plans

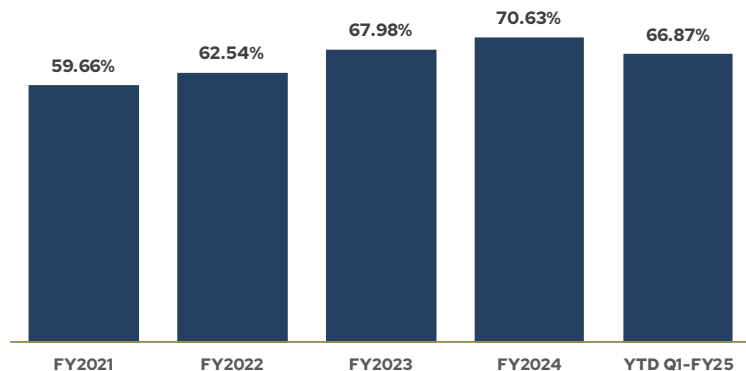
Assets Under Management² [Dollars in millions]



Noninterest Expense

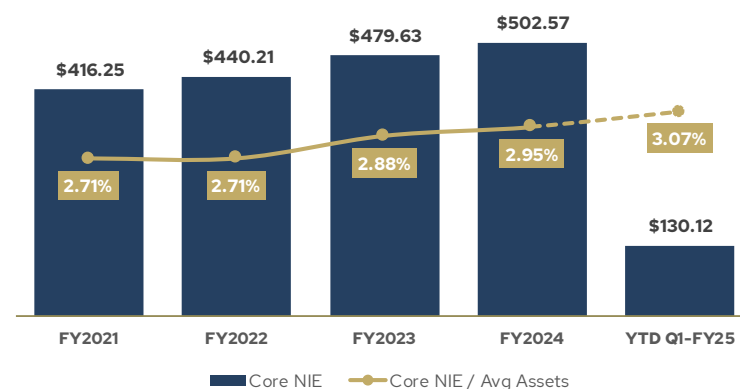
Dollars in millions	QTD				
	Q1-FY25	Q4-FY24	Q/Q Change	Q1-FY24	Y/Y Change
Employee Compensation	\$ 75.08	\$ 74.40	0.9%	\$ 71.38	5.2%
Occupancy, Furniture and Equipment	13.95	14.67	(4.9%)	13.90	0.4%
Software and Data Processing	10.13	10.66	(5.0%)	10.02	1.1%
Advertising and Marketing	4.47	3.36	33.1%	4.58	(2.4%)
Other Expenses	26.90	24.36	10.5%	25.72	4.6%
Noninterest Expense	\$ 130.54	\$ 127.44	2.4%	\$ 125.59	3.9%
Acquisition Related Expenses	0.42	0.27	56.8%	0.59	(29.3%)
Core Noninterest Expense	\$ 130.12	\$ 127.17	2.3%	\$ 125.00	4.1%

Core Efficiency Ratio¹



Dollars in millions

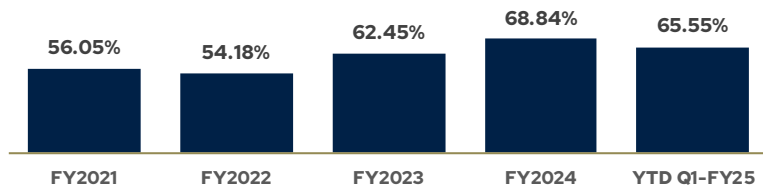
Core Noninterest Expense¹



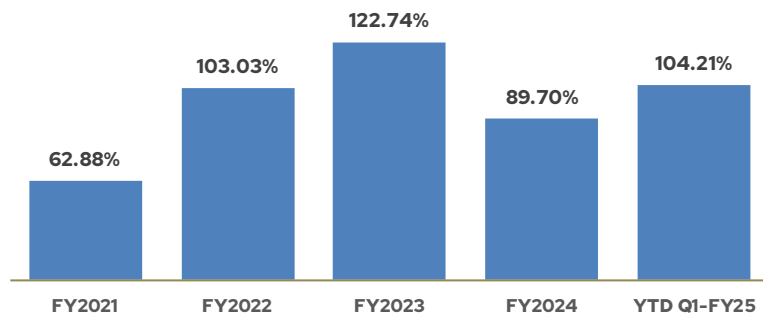
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Core Efficiency Ratio¹

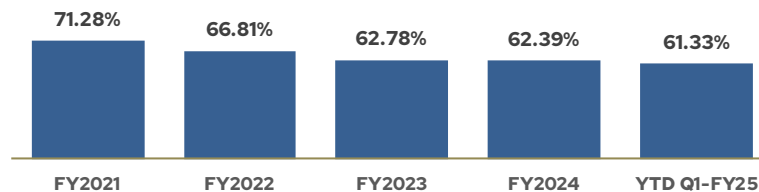
Banking



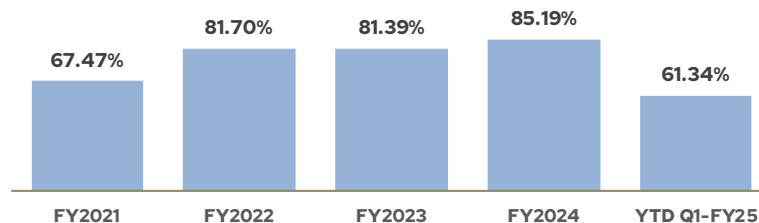
Mortgage



Insurance



Resort Property Management



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

Balance Sheet Summary

Dollars in millions	Q1-FY25	Q4-FY24	Q/Q Change	Q1-FY24	Y/Y Change
Cash and Cash Equivalents	\$ 1,317	\$ 1,339	(1.7%)	\$ 1,101	19.6%
Securities	2,697	2,590	4.1%	2,542	6.1%
Loans Held for Sale	169	200	(15.9%)	151	11.8%
Loans	11,653	11,459	1.7%	11,452	1.7%
Allowance for Credit Losses	(126)	(124)	1.8%	(126)	0.2%
Net Loans	11,527	11,335	1.7%	11,327	1.8%
Premises and Equipment Net	373	369	1.1%	343	8.9%
Goodwill	458	458	-	458	-
Intangible Assets	57	60	(5.0%)	69	(16.9%)
Bank-owned Life Insurance	280	280	0.2%	279	0.4%
Other Assets	634	615	3.1%	615	3.1%
Assets	17,512	17,247	1.5%	16,884	3.7%
Noninterest Bearing Deposits	4,314	4,253	1.4%	4,194	2.8%
Interest Bearing Deposits	10,295	10,184	1.1%	9,932	3.7%
Deposits	14,609	14,437	1.2%	14,126	3.4%
Borrowings	284	297	(4.3%)	291	(2.4%)
Other Liabilities	402	357	12.7%	401	0.2%
Liabilities	15,295	15,091	1.3%	14,818	3.2%
Shareholders' Equity	2,201	2,139	2.9%	2,050	7.4%
Noncontrolling Interest	16	16	0.2%	16	(0.2%)
Equity	2,217	2,156	2.8%	2,066	7.3%
Liabilities and Equities	\$ 17,512	\$ 17,247	1.5%	\$ 16,884	3.7%



\$17.5B

Total Assets

80%

Loans / Deposits

1.08%

ACL / Loans

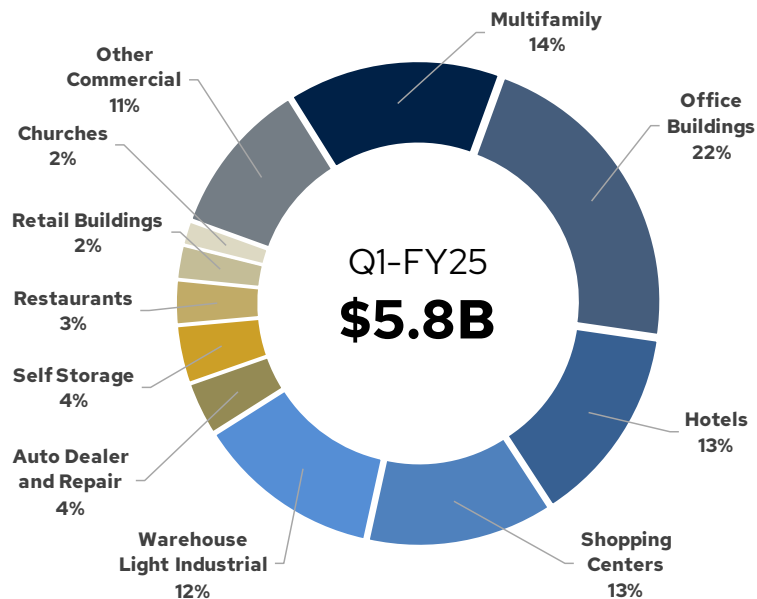
0.04%

Nonperforming Assets /
Total Assets

30%

Noninterest Bearing
Deposits / Total Deposits

Commercial Real Estate

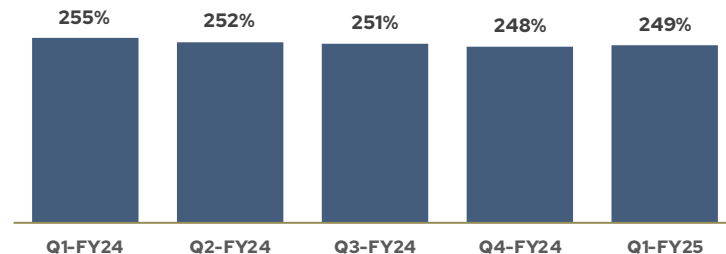


Dollars in millions	Q1-FY25	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	\$ 1,654	28%	1.6%	-2.7%
CRE-Non Owner Occupied	3,330	57%	4.2%	4.7%
Multifamily	841	15%	5.0%	41.4%
Commercial Real Estate	\$ 5,825	100%	3.5%	6.4%

Owner and Non-Owner Occupied

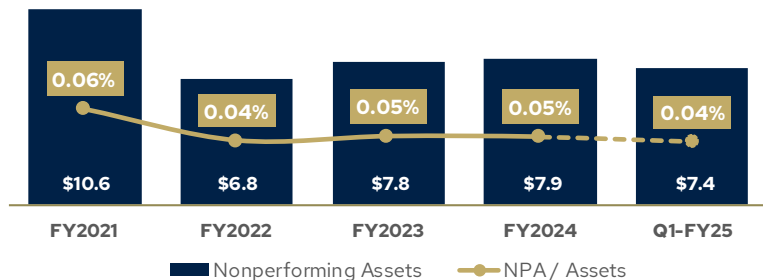
Dollars in millions	Owner	Non-owner	Total
Office Buildings	\$ 476	\$ 791	\$ 1,267
Hotels	-	787	787
Shopping Centers	-	736	736
Warehouse Light Industrial	331	401	732
Auto Dealer and Repair	181	29	210
Self Storage	-	229	229
Restaurants	124	52	176
Retail Buildings	62	72	134
Churches	93	2	95
Other Commercial	387	229	617
Total	\$ 1,654	\$ 3,330	\$ 4,984

CRE / Total Risk Based Capital

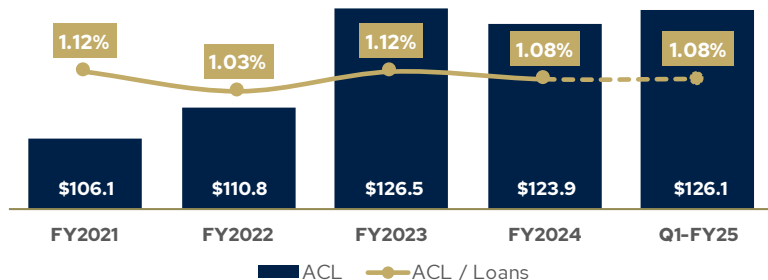


Asset Quality

Nonperforming Assets¹ [Dollars in millions]

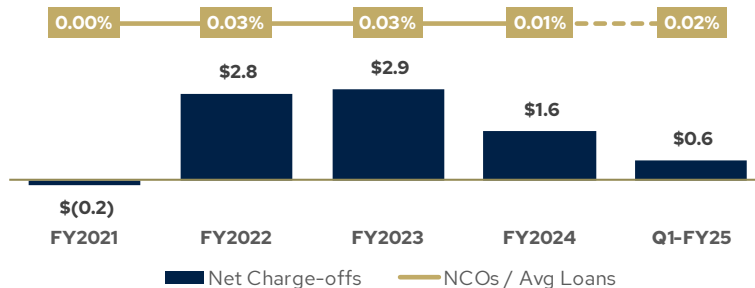


Allowance for Credit Losses [Dollars in millions]

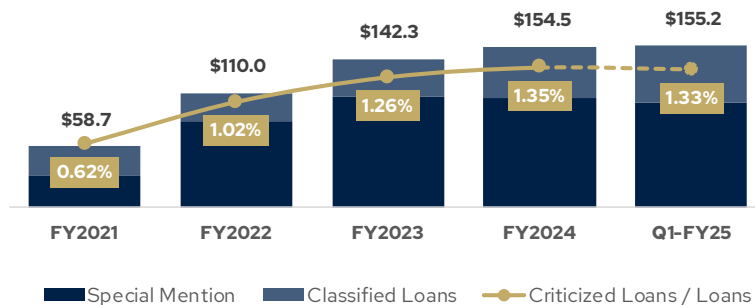


(1) Non-performing assets (Non-accrual loans/leases, repossessed assets, and real estate owned) as a percent of assets

Net Charge-offs [Dollars in millions]

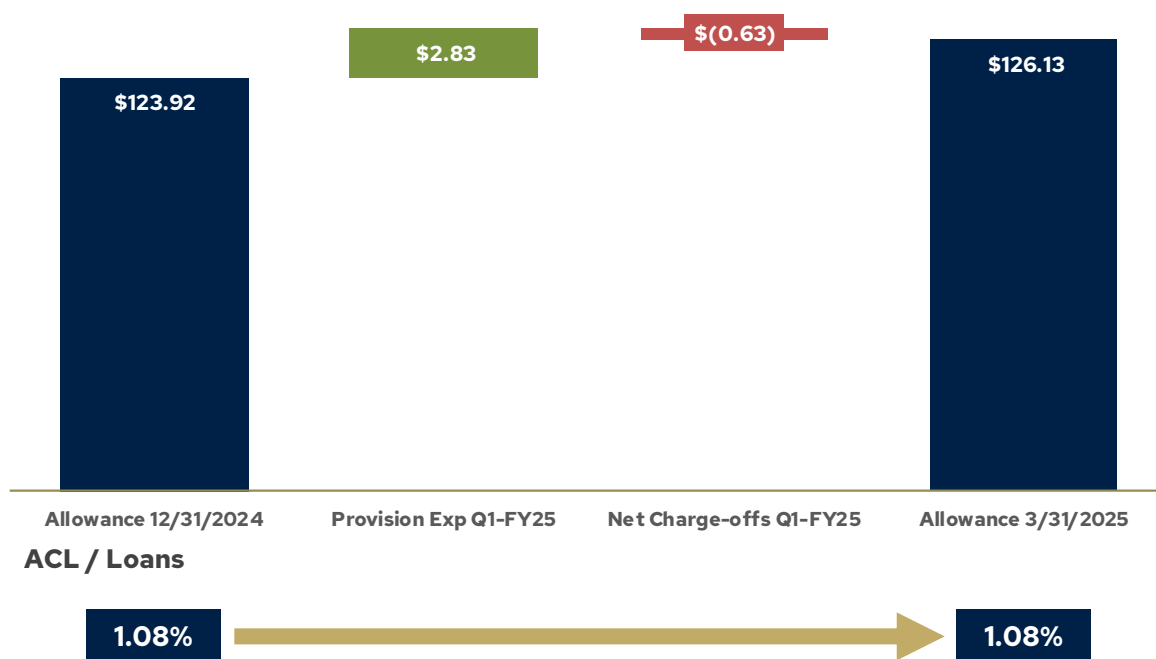


Criticized Loans [Dollars in millions]



Current Expected Credit Loss (CECL)

Allowance for Credit Losses [Dollars in millions]



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
Interest Rates
Disposable Income

Liquidity

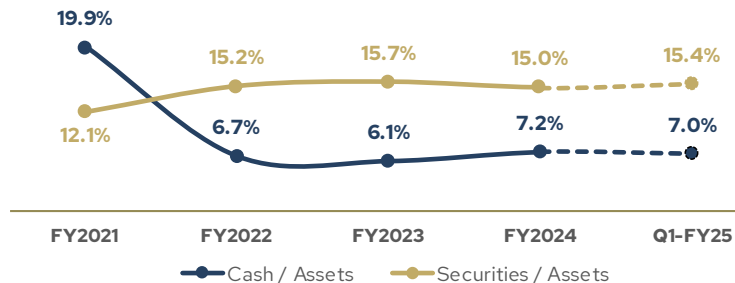
Liquidity Sources [Dollars in millions]

	Q1-FY25
Available Liquid Funds:	
Cash and cash equivalents	\$ 1,317
Unencumbered investment securities	1,885
Availability of Borrowings:	
Amount available from FHLB with loan collateral	1,577
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	1,925
Total Liquidity Sources	\$ 6,855

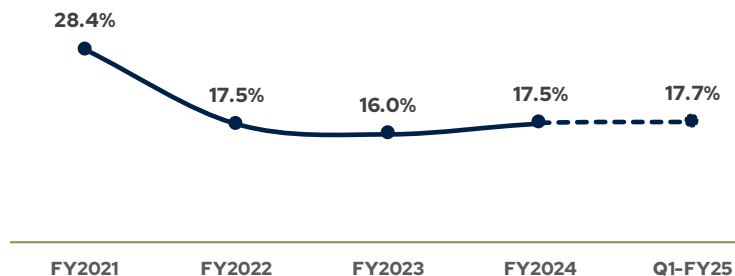
Uninsured Deposits [Dollars in millions]

	Q1-FY25
TowneBank Estimated Uninsured Deposits	\$ 7,170
Less Collateralized Deposits	645
Adjusted Uninsured Deposits	6,525
TowneBank Total Deposits	14,409
Adjusted Uninsured Deposits / Total Deposits	45%
Total Liquidity Sources / Adjusted Uninsured Deposits	105%

Cash and Securities



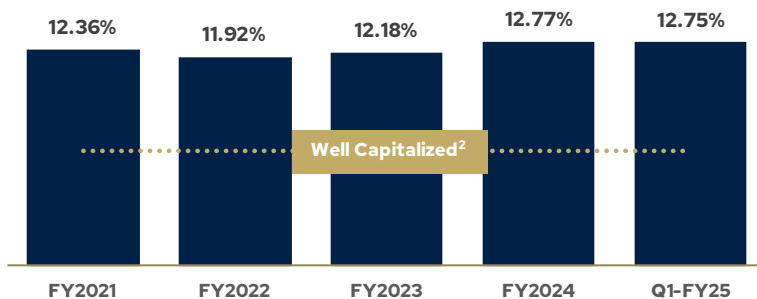
Liquidity Buffer¹



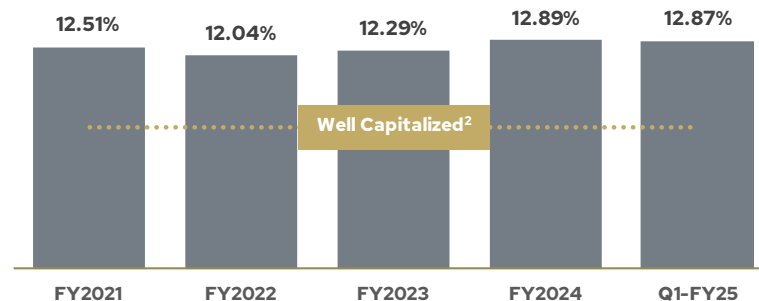
(1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

Capital

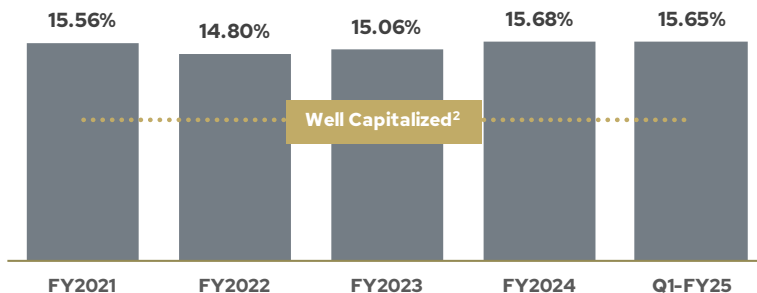
Common Equity Tier 1¹



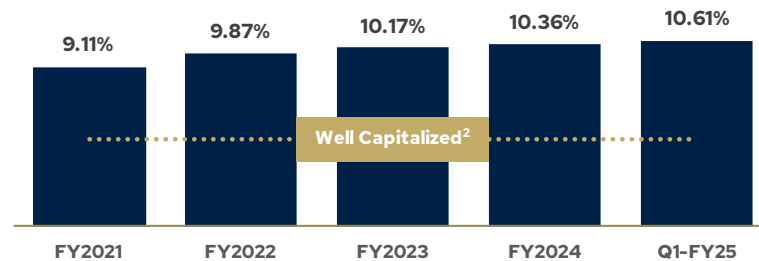
Tier 1 Risk-Based¹



Total Risk-Based¹



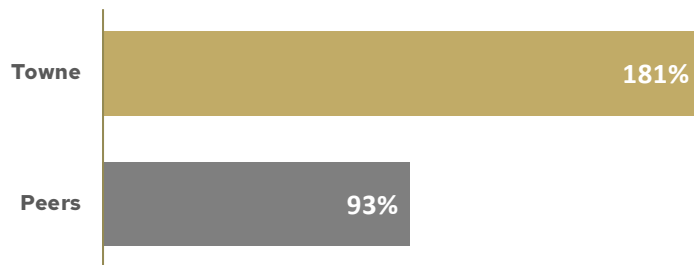
Tier 1 Leverage¹



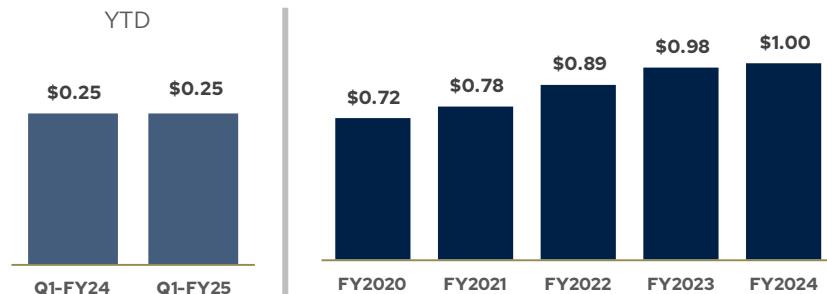
(1) Current reporting period regulatory capital ratios are preliminary
 (2) FDIC "Well Capitalized" under prompt corrective action rules

Shareholder Value

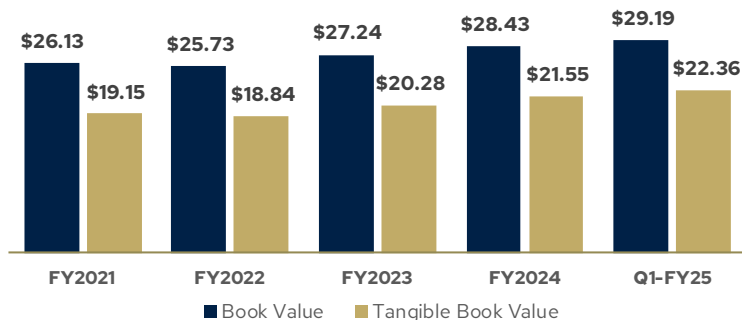
10Yr Total Shareholder Return - TowneBank vs Peers⁽¹⁾



Dividends



Book Value and Tangible Book Value per Share

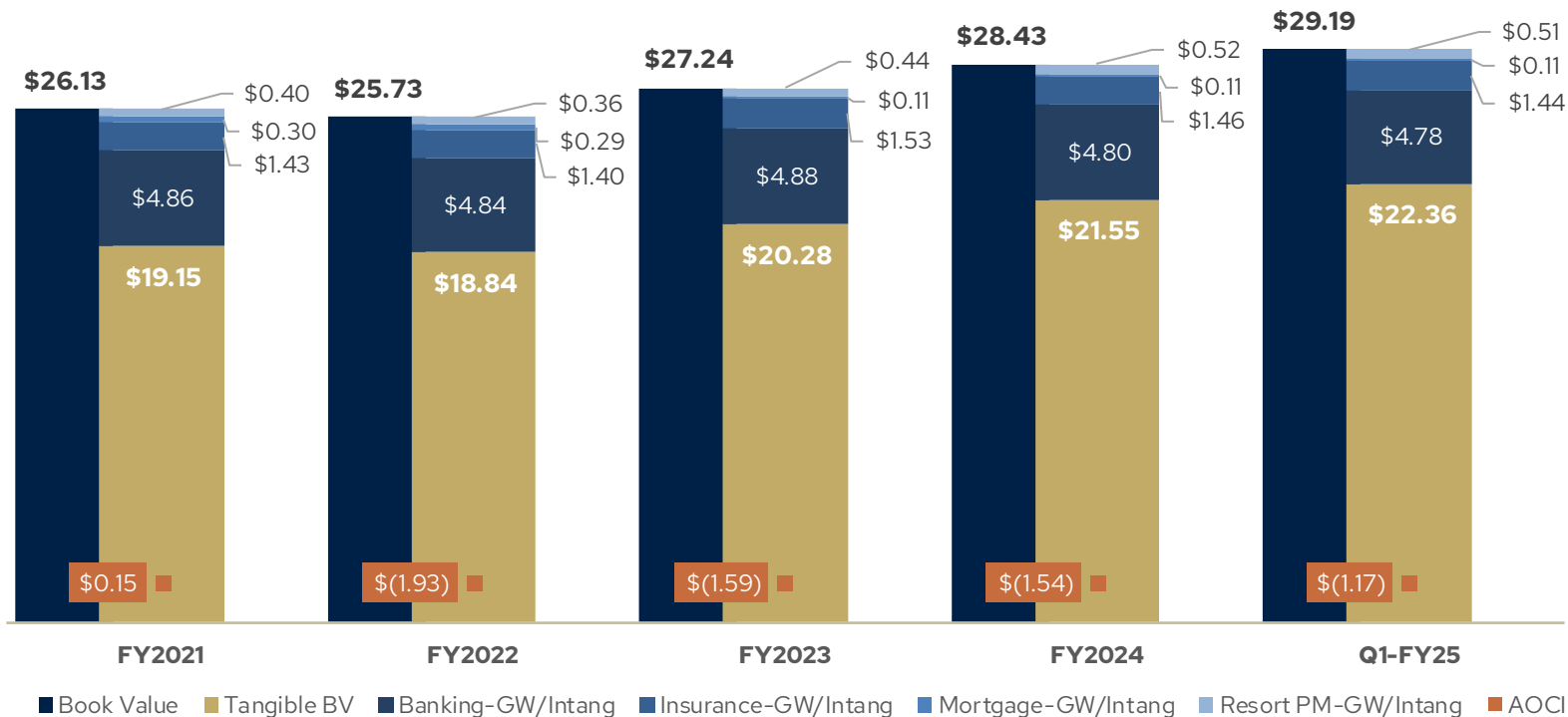


Tangible Book Value Roll Forward



(1) 10Yr Total Return as of 3/31/2025; Source: S&P Global, data collected 4/11/2025. Peer group median - peers as disclosed in the most recent TOWN proxy statement

Book Value and Tangible Book Value



Outlook Summary

Loans and Asset Quality

- Targeting annualized core loan growth in the mid-single digits
- Anticipating credit quality to remain stable in the near term with potential for incremental reserve build due to Village acquisition and loan growth

Profitability⁽¹⁾

- Net interest income expected to range between \$520-530 million for FY2025⁽¹⁾⁽²⁾⁽³⁾
- Noninterest income of \$265-275 million for FY2025⁽¹⁾
- Noninterest expense of \$530-540 million for FY2025⁽¹⁾⁽⁴⁾

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 expected impact of Village acquisition and excludes any proforma impact from the recently announced Old Point Financial acquisition

⁽²⁾ Assumes two implied rate cuts totaling 50 bps in second half of FY2025

⁽³⁾ Tax equivalent

⁽⁴⁾ Excludes one-time M&A expenses





Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions except per share data	QTD			Year			
	Q1-FY25	Q4-FY24	Q1-FY24	FY2024	FY2023	FY2022	FY2021
Net Income Attributable to TowneBank	\$ 50.59	\$ 41.26	\$ 34.69	\$ 161.76	\$ 153.72	\$ 188.99	\$ 215.38
<u>Adjustments</u>							
Plus: Acquisition Related Expenses	0.42	0.27	0.59	1.34	9.59	1.06	1.02
Plus: Initial Provision for Credit Losses	-	-	-	-	4.01	-	-
Plus: FDIC Special Assessment	-	-	1.29	0.71	5.17	-	-
Less: Gain (Loss) on Equity Investment ¹	-	0.13	-	0.15	7.52	-	-
Plus: Income Tax & Other Adjustments	(0.03)	0.01	(0.30)	(0.02)	(4.02)	(0.04)	(0.20)
Core Net Income	\$ 50.98	\$ 41.42	\$ 36.27	\$ 163.64	\$ 160.94	\$ 190.01	\$ 216.20
Return on Avg Assets	1.19%	0.95%	0.83%	0.95%	0.92%	1.16%	1.40%
Core Return on Avg Assets	1.20%	0.95%	0.87%	0.96%	0.97%	1.17%	1.41%
Earnings Per Share-Diluted	\$ 0.67	\$ 0.55	\$ 0.46	\$ 2.15	\$ 2.06	\$ 2.60	\$ 2.97
Core Earnings Per Share-Diluted	\$ 0.68	\$ 0.55	\$ 0.48	\$ 2.18	\$ 2.16	\$ 2.62	\$ 2.98
Return on Avg Tangible Common Equity	13.21%	10.79%	9.98%	11.11%	11.50%	14.54%	16.75%
Core Return on Avg Tangible Common Equity	13.30%	10.82%	10.40%	11.24%	12.01%	14.62%	16.81%
Total Revenue	\$ 192.04	\$ 177.16	\$ 167.10	\$ 693.75	\$ 694.12	\$ 686.93	\$ 680.33
Less: Gain (Loss) on Securities Investments	-	-	0.07	0.07	-	-	1.25
Less: Gain (Loss) on Equity Investments	2.00	0.22	-	0.24	9.38	-	(0.03)
Total Revenue Adjusted	190.04	176.94	167.03	693.44	684.75	686.93	679.11
Noninterest Expense	\$ 130.54	\$ 127.44	\$ 125.59	\$ 503.92	\$ 489.22	\$ 441.28	\$ 417.27
Less: Intangible Amortization	3.03	3.09	3.25	12.77	14.15	10.62	11.13
Noninterest Expense Adjusted	127.51	124.35	122.34	491.15	475.07	430.66	406.15
Efficiency Ratio	67.10%	70.28%	73.25%	70.83%	69.38%	62.69%	59.81%
Less: Acquisition Related Expenses	0.42	0.27	0.59	1.34	9.59	1.06	1.02
Core Efficiency Ratio	66.87%	70.12%	72.89%	70.63%	67.98%	62.54%	59.66%

(1) Gains related to the sale of Beneflex in FY2023 & FY2024 and BHHS Towne Realty (79% ownership stake) in FY2023

Non-GAAP Reconciliations

Core Efficiency Ratio – Banking

Amounts in millions	YTD	Year			
	Q1-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 134.37	\$ 490.95	\$ 499.53	\$ 495.49	\$ 430.21
Less: Gain (Loss) on Securities Investments	-	0.07	-	-	1.25
Less: Gain (Loss) on Equity Investments	2.00	-	-	-	(0.03)
Total Revenue Adjusted	132.37	490.88	499.53	495.49	428.99
Noninterest Expense	\$ 88.16	\$ 343.17	\$ 326.17	\$ 272.39	\$ 244.01
Less: Intangible Amortization	0.98	4.38	5.15	3.01	3.55
Noninterest Expense Adjusted	87.18	338.79	321.02	269.39	240.46
Efficiency Ratio	65.86%	69.02%	64.26%	54.37%	56.05%
Less: Acquisition Related Expenses	0.42	0.87	9.08	0.96	-
Core Efficiency Ratio	65.55%	68.84%	62.45%	54.18%	56.05%

Core Efficiency Ratio – Mortgage

Amounts in millions	YTD	Year			
	Q1-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 11.73	\$ 53.37	\$ 56.25	\$ 74.14	\$ 143.63
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	8.83	-	-
Total Revenue Adjusted	11.73	53.37	47.42	74.14	143.63
Noninterest Expense	\$ 12.23	\$ 48.16	\$ 59.06	\$ 76.96	\$ 90.89
Less: Intangible Amortization	-	0.29	0.58	0.58	0.58
Noninterest Expense Adjusted	12.23	47.87	58.49	76.39	90.31
Efficiency Ratio	104.21%	89.70%	123.34%	103.03%	62.88%
Less: Acquisition Related Expenses	-	-	0.29	-	-
Core Efficiency Ratio	104.21%	89.70%	122.74%	103.03%	62.88%

Core Efficiency Ratio – Insurance

Amounts in millions	YTD	Year			
	Q1-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 26.62	\$ 100.42	\$ 90.92	\$ 74.34	\$ 65.66
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	0.24	0.54	-	-
Total Revenue Adjusted	26.62	100.18	90.38	74.34	65.66
Noninterest Expense	\$ 17.73	\$ 68.17	\$ 62.93	\$ 54.24	\$ 51.60
Less: Intangible Amortization	1.41	5.66	6.10	4.51	4.77
Noninterest Expense Adjusted	16.33	62.51	56.83	49.73	46.83
Efficiency Ratio	61.33%	62.39%	62.88%	66.89%	71.32%
Less: Acquisition Related Expenses	-	0.00	0.09	0.06	0.03
Core Efficiency Ratio	61.33%	62.39%	62.78%	66.81%	71.28%

Core Efficiency Ratio – Resort Property Management

Amounts in millions	YTD	Year			
	Q1-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 19.51	\$ 50.60	\$ 47.42	\$ 42.97	\$ 40.82
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	-	-	-
Total Revenue Adjusted	19.51	50.60	47.42	42.97	40.82
Noninterest Expense	\$ 12.61	\$ 46.01	\$ 41.06	\$ 37.68	\$ 30.78
Less: Intangible Amortization	0.64	2.44	2.33	2.53	2.24
Noninterest Expense Adjusted	11.97	43.57	38.73	35.15	28.54
Efficiency Ratio	61.34%	86.11%	81.68%	81.82%	69.91%
Less: Acquisition Related Expenses	-	0.47	0.14	0.05	0.99
Core Efficiency Ratio	61.34%	85.19%	81.39%	81.70%	67.47%

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q1-FY25	Q4-FY24	Q3-FY24	Q2-FY24	Q1-FY24
Loans TE Adjustment	\$ 0.75	\$ 0.78	\$ 0.82	\$ 0.82	\$ 0.84
Securities TE Adjustment	0.32	0.32	0.29	0.26	0.27
Tax-Equivalent Adjustment	1.07	1.10	1.11	1.09	1.11
<u>Yield & Margin Impacts:</u>					
Loan Yield	5.36%	5.38%	5.43%	5.42%	5.34%
Loan Yield (TE)	5.38%	5.41%	5.46%	5.45%	5.37%
Securities Investment Yield	3.44%	3.42%	3.51%	3.63%	3.07%
Securities Investment Yield (TE)	3.49%	3.47%	3.56%	3.67%	3.12%
Earning Asset Yield	4.95%	4.96%	5.08%	5.11%	4.92%
Earning Asset Yield (TE)	4.97%	4.99%	5.11%	5.14%	4.95%
Net Interest Margin (GAAP)	3.14%	2.99%	2.90%	2.86%	2.72%
Net Interest Margin (TE)	3.17%	3.02%	2.93%	2.89%	2.75%

Tangible Book Value per Share

Amounts in millions except per share data	Q1-FY25	Q4-FY24	Q3-FY24	Q2-FY24	Q1-FY24
Shareholders' Equity (Common)	\$ 2,200.66	\$ 2,139.33	\$ 2,146.28	\$ 2,072.79	\$ 2,049.53
Goodwill and Intangible Assets	514.76	517.79	520.88	523.08	526.38
Tangible Common Equity	\$ 1,685.89	\$ 1,621.54	\$ 1,625.40	\$ 1,549.71	\$ 1,523.15
Common Shares Outstanding	75.39	75.26	75.07	75.04	74.99
Tangible Book Value per Share	\$ 22.36	\$ 21.55	\$ 21.65	\$ 20.65	\$ 20.31



Member FDIC