



Earnings Presentation

4th Quarter 2025



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, 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 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 past and future acquisitions, including our recent mergers with Old Point Financial Corporation and Dogwood State Bank, to the extent that that process may take longer or be more difficult, time-consuming, or costly to accomplish than expected; deposit attrition, operating costs, customer losses, and business disruption associated with 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 that we have acquired that may be greater than expected; expected growth opportunities or cost savings associated with recently completed 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; and 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, 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

21.9%

CAGR FY00 – FY25

#1 Deposit Market Share
in Hampton Roads¹

Ranked on

Forbes

Best Banks List²

7 Years in a Row

Total Assets

\$19.7B

Total Loans

\$13.3B

Total Deposits

\$16.5B

Core ROAA

1.11%

Core ROTCE

13.74%

NIM (FTE)

3.58%

NIB Deposits /
Total Deposits

31%

10 Year Total Shareholder
Return³

112%

(1) Source: FDIC Summary of Deposits for the VA Beach-Norfolk-Newport News, VA MSA, data as of June 30, 2025

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

(3) Total Return as of 12/31/2025; Source: S&P Global, data collected 01/19/2026

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



4th Quarter 2025 Financial Results

Performance Highlights

	Q4-FY25	Q3-FY25 ³	Q/Q Change	Q4-FY24 ³	Y/Y Change
Total Revenue	\$219.94 million	\$222.58 million	(1.2%)	\$175.55 million	25.3%
Provision for Credit Losses	-\$0.17 million	\$15.28 million	(101.1%)	\$1.61 million	(110.5%)
Net Income Attributable to TowneBank	\$40.63 million	\$44.30 million	(8.3%)	\$39.97 million	1.7%
Earnings Per Share-Diluted	\$0.51	\$0.58	(12.1%)	\$0.53	(3.8%)
Return on Avg Assets	0.82%	0.94%	-12 bps	0.92%	-10 bps
Return on Avg Tangible Common Equity ¹	10.36%	11.45%	-109 bps	10.46%	-10 bps
Net Interest Margin (TE) ¹	3.58%	3.50%	+8 bps	3.02%	+56 bps
Assets	\$19.69 billion	\$19.67 billion	0.1%	\$17.24 billion	14.2%
Loans	\$13.34 billion	\$13.38 billion	(0.3%)	\$11.46 billion	16.4%
Deposits	\$16.51 billion	\$16.53 billion	(0.1%)	\$14.44 billion	14.4%
Loans / Deposits	80.78%	80.93%	-15 bps	79.37%	+141 bps
Noninterest Bearing Deposits / Deposits	30.73%	31.09%	-36 bps	29.46%	+127 bps
Nonperforming Assets / Assets	0.07%	0.05%	+2 bps	0.05%	+2 bps
Book Value per Share	\$30.67	\$30.27	1.3%	\$28.33	8.3%
Tangible Book Value per Share ¹	\$21.93	\$21.49	2.1%	\$21.44	2.2%
Tangible Common Equity to Tangible Assets	9.11%	8.93%	+18 bps	9.65%	-54 bps
Total Risk Based Capital Ratio ²	14.14%	13.98%	+16 bps	15.68%	-154 bps

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

(2) Current reporting period regulatory capital ratios are preliminary

(3) 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		
	Q4-FY25	Q3-FY25 ²	Q/Q Change	Q4-FY24 ²	Y/Y Change	Q4-FY25	Q4-FY24 ²	Y/Y Change
Interest Income	\$ 230.67	\$ 218.34	5.6%	\$ 196.05	17.7%	\$ 846.26	\$ 774.53	9.3%
Interest Expense	71.71	71.39	0.4%	77.99	(8.1%)	282.65	331.92	(14.8%)
Net Interest Income	158.96	146.95	8.2%	118.06	34.6%	563.61	442.61	27.3%
Provision for Credit Losses	(0.17)	15.28	(101.1%)	1.61	(110.5%)	23.94	(0.55)	nm
Net Interest Income after Provision for Credit Losses	159.13	131.68	20.9%	116.45	36.7%	539.67	443.15	21.8%
Noninterest Income	60.98	75.63	(19.4%)	57.49	6.1%	272.11	250.68	8.5%
Noninterest Expense	166.62	153.74	8.4%	127.44	30.7%	601.56	503.92	19.4%
Minority Interest in Unconsolidated Subs	0.22	0.32	(30.5%)	0.10	120.4%	1.26	1.02	24.4%
Income Before Taxes	53.27	53.25	0.0%	46.40	14.8%	208.95	188.90	10.6%
Provision for Income Tax Expense	12.64	8.96	41.0%	6.43	96.5%	39.43	27.55	43.1%
Net Income Attributable to TowneBank	\$ 40.63	\$ 44.30	(8.3%)	\$ 39.97	1.7%	\$ 169.53	\$ 161.36	5.1%
Earnings Per Share-Diluted	\$ 0.51	\$ 0.58	(12.1%)	\$ 0.53	(3.8%)	\$ 2.21	\$ 2.15	3.0%

Core Net Income¹

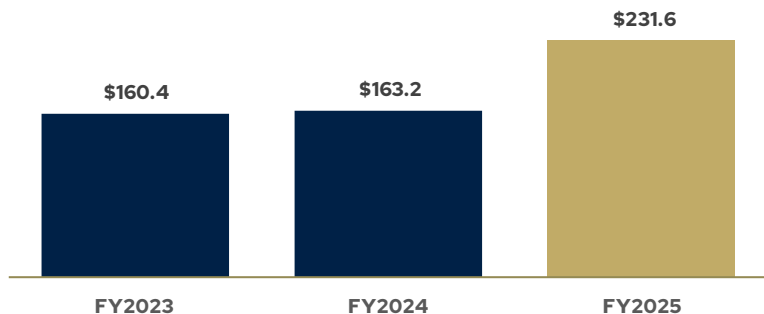
One-time Adjustments After Taxes	\$ 14.66	\$ 24.47	(40.1%)	\$ 0.15	9602.5%	\$ 62.03	\$ 1.89	3188.1%
Core Net Income	55.29	68.77	(19.6%)	40.12	37.8%	231.55	163.24	41.8%
Core Earnings Per Share-Diluted	\$ 0.70	\$ 0.90	(22.2%)	\$ 0.53	32.1%	\$ 3.02	\$ 2.17	39.0%

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

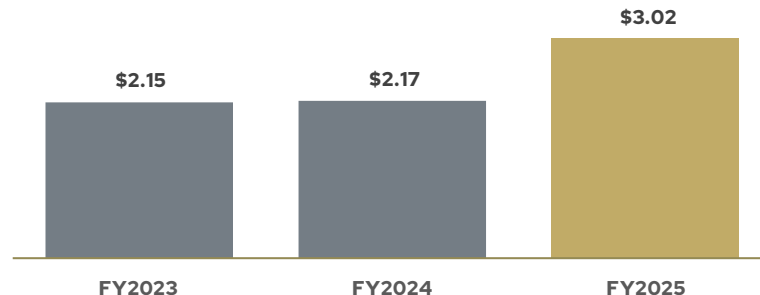
(2) Prior periods adjusted to reflect adoption of new revenue recognition standard for Towne Vacations property management income

Financial Performance Trends

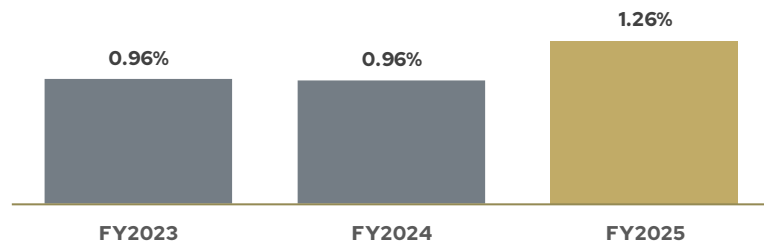
Core Net Income¹ [Dollars in millions]



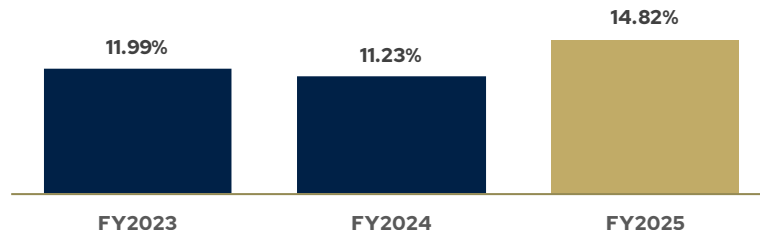
Core EPS¹



Core ROAA¹



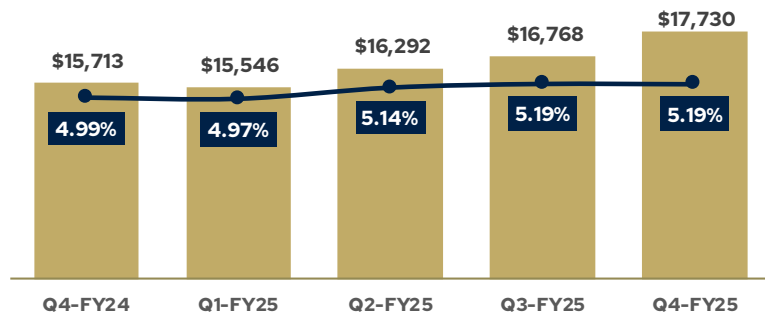
Core ROATCE¹



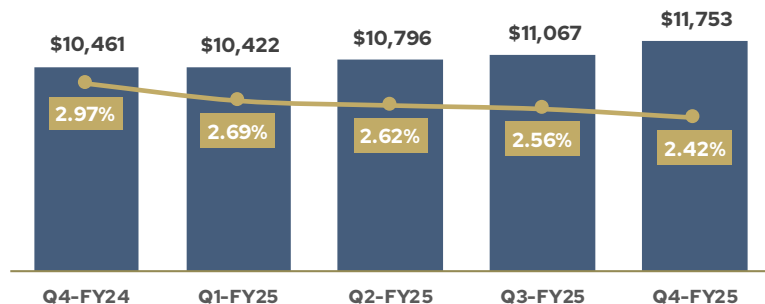
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Net Interest Income

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

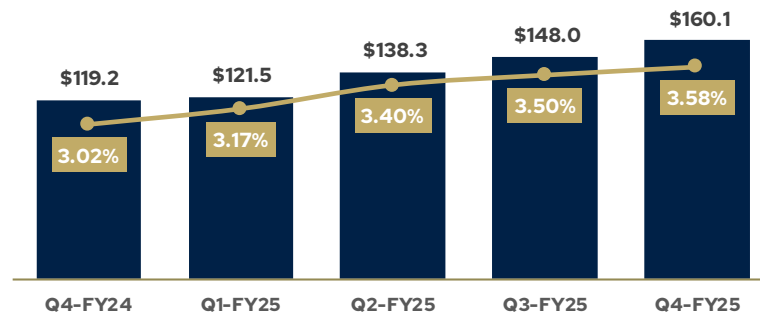


Avg. Interest Bearing Liabilities & Cost [Dollars in millions]

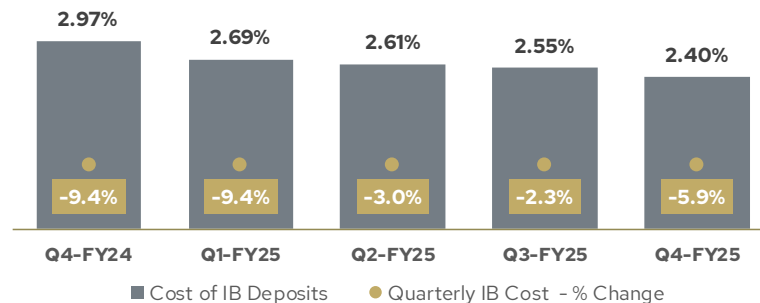


(1) Non-GAAP financial measures - see non-GAAP reconciliations

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



Interest Bearing Deposit Costs



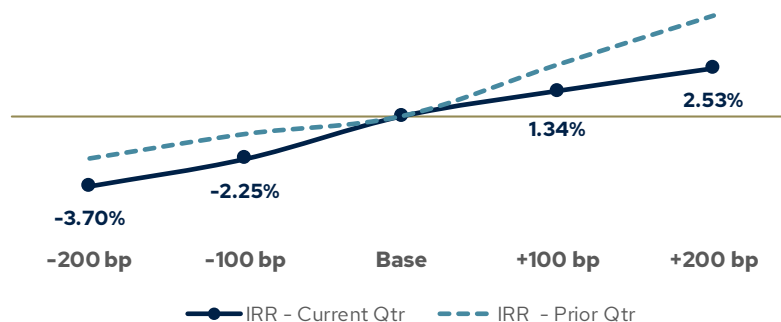
■ Cost of IB Deposits ● Quarterly IB Cost - % Change

NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Dollars in millions	Amount	NIM (%)
Q3-FY25	\$ 148.0	3.50%
Loans HFI	7.7	-0.05%
Recurring Accretion	2.5	0.05%
Loans HFS	(0.6)	-0.01%
Investments & Cash	2.8	0.00%
Earning Assets Mix		0.00%
Deposits	0.1	0.10%
Borrowings	(0.2)	-0.01%
Sub Debt	(0.3)	0.00%
Interest Bearing Funding Mix		0.01%
Other	(0.0)	-0.01%
Q4-FY25	\$ 160.1	3.58%

Net Interest Income Sensitivity²



Comments

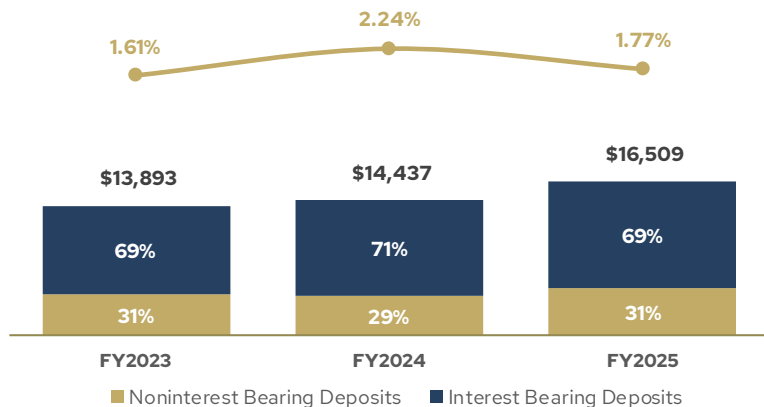
- Sensitivity changes reflect mid-rate cycle beta modifications and recent deposit rate cuts
- Incremental rate cuts spread over time have been manageable
- NII growth from NIM expansion, repricing fixed rate maturities and closed acquisitions

(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)	Q4-FY25	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	2,053	12%	0.38%	13.6%	27.3%
Money Market	6,214	37%	2.57%	3.8%	12.1%
Savings	332	2%	0.75%	-0.1%	5.2%
Time Deposits	2,790	17%	3.72%	6.2%	3.5%
Interest Bearing Deposits	11,388	69%	2.40%	5.9%	12.0%
Noninterest Bearing Deposits	5,184	31%	na	5.8%	18.2%
Total Deposits	\$ 16,572	100%	1.65%	5.9%	13.9%

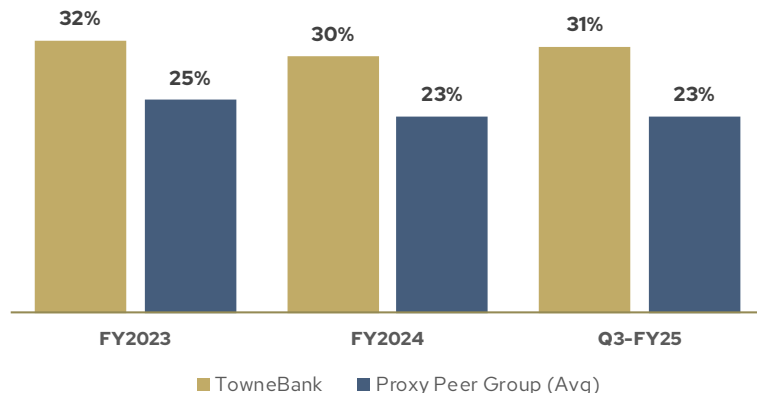
(1) Source: S&P Global, data as of 11/17/2025. Peers as disclosed in the most recent TOWN proxy statement

(2) Includes the impact from recent Old Point Financial acquisition

Portfolio Highlights

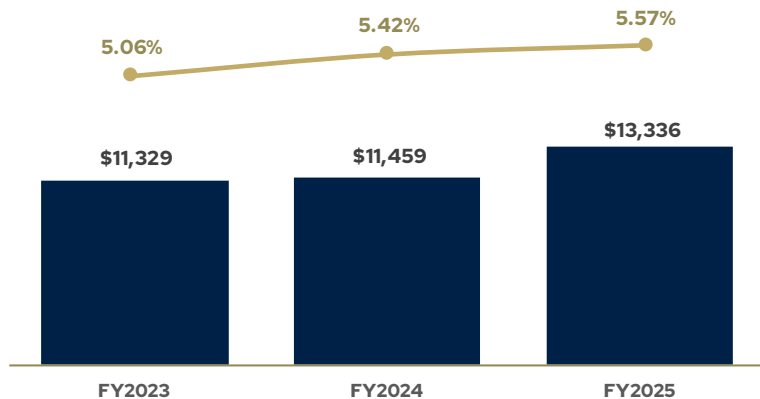
- Six consecutive quarterly decreases in deposit costs since Q2-24 (92bps cumulative decrease in IB deposit costs)
- NIB deposits in legacy Hampton Roads region equal to 33% of total regional deposits ⁽²⁾
- Excluding acquired deposits, total deposits increased \$414 million, or 2.9% on an annualized basis compared to prior year-end

NIB Deposits % of Total Deposits TowneBank vs Peers¹



Loans

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



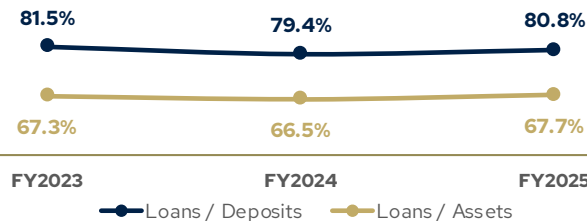
Loans	Q4-FY25	% Total	Q/Q %	Y/Y %
(Dollars in millions)				
Construction and Development	\$ 1,266	9%	2.2%	17.0%
Commercial Real Estate	6,568	49%	-1.1%	16.7%
Residential 1-4 Family	2,766	21%	0.7%	20.1%
Commercial and Industrial	1,455	11%	0.2%	13.7%
Government	508	4%	0.6%	-1.1%
Indirect	672	5%	-3.6%	18.5%
Consumer & Other	101	1%	0.4%	15.0%
Total Loans	\$ 13,336	100%	-0.3%	16.4%

(1) Non-GAAP financial measure – see non-GAAP reconciliations
 (2) Information as of 12/31/25 excludes impacts of 2026 acquisitions

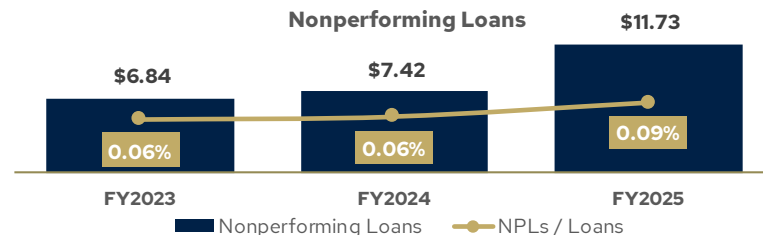
Portfolio Highlights²

- Variable portfolio of \$4.8 billion at the end of Q4-25 with 75% of portfolio tied to prime rate or SOFR
- Fixed rate scheduled maturities and amortization of ~\$1.3 billion over the next twelve months
- Excluding acquired loans, total loans increased \$402 million, or 3.5% on an annualized basis compared to prior year-end

Loans % of Deposits and Assets

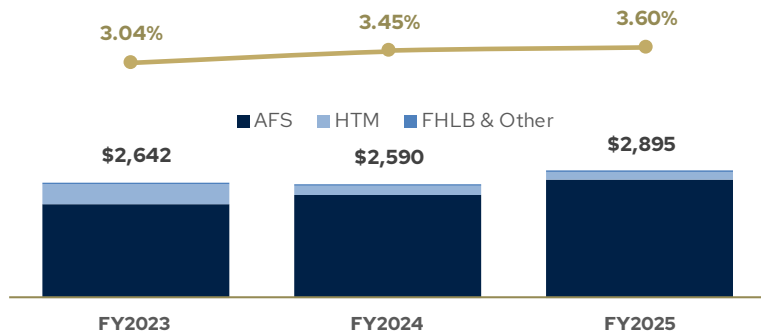


Nonperforming Loans



Investments

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



AFS and HTM Securities ²	AFS	HTM	Total
(Dollars in millions)			
US Treasuries	\$ 82	\$ 96	\$ 178
US Agencies	387	48	435
Municipals	510	5	516
Trust Preferred & Oth Corp	148	2	150
MBS Issued by GSE/GNMA	1,657	5	1,662
Securities - Amortized Cost	2,784	157	2,941
Valuation Adjustment	(73)	-	(73)
Credit Loss Reserve	(1)	(0)	(1)
Total	\$ 2,710	\$ 157	\$ 2,867

(1) Non-GAAP financial measure – see non-GAAP reconciliations
 (2) AFS and HTM portfolio, excludes FHLB and other equity securities
 (3) Information as of 12/31/25 excludes impacts of 2026 acquisitions

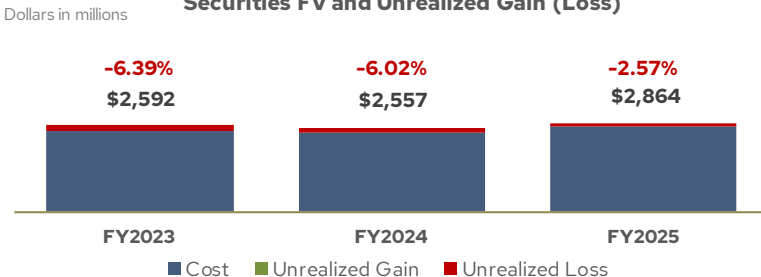
Portfolio Highlights³

- Portfolio roll-off yield of 3.24% over the next twelve months
- Portfolio duration of 3.22 years at the end of Q4-25
- Portfolio: 95%/5% - AFS/HTM and 82%/18% - Fixed/Floating

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

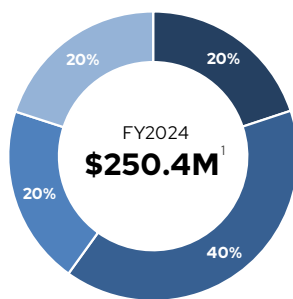
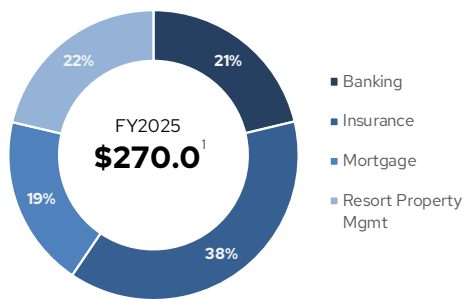


Securities FV and Unrealized Gain (Loss)



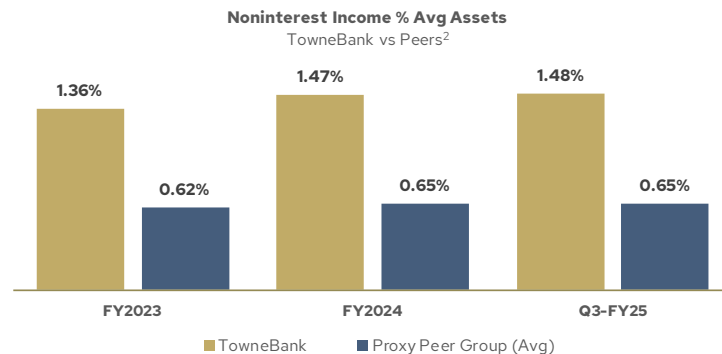
Noninterest Income

Dollars in millions	QTD					YTD		
	Q4-FY25	Q3-FY25	Q/Q Change	Q4-FY24	Y/Y Change	Q4-FY25	Q4-FY24	Y/Y Change
Residential Mortgage Banking Income Net	\$ 11.54	\$ 13.12	(12.1%)	\$ 11.27	2.4%	\$ 48.58	\$ 46.96	3.5%
Insurance Commissions Income, Net	23.12	25.79	(10.4%)	23.27	(0.6%)	101.01	98.56	2.5%
Property Mgmt Income, Net	8.41	20.45	(58.9%)	6.57	28.0%	57.62	50.03	15.2%
Service Charges on Deposit Accounts	4.64	4.06	14.3%	3.29	40.9%	15.66	12.84	22.0%
Credit Card Merchant Fees, Net	1.81	1.91	(5.3%)	1.49	21.6%	7.21	6.53	10.4%
Investment Income Net	3.39	3.70	(8.4%)	3.19	6.0%	13.32	10.95	21.6%
Bank-owned Life Insurance	2.90	2.16	34.4%	4.48	(35.3%)	8.92	11.44	(22.1%)
Other Income	5.04	4.46	13.2%	3.71	35.8%	17.65	13.06	35.2%
Gain (Loss) on Equity Investment	0.13	-	-	0.22	(42.3%)	2.13	0.24	793.3%
Gain (Loss) on Investment Securities	0.01	(0.01)	(280.3%)	-	-	0.01	0.07	(92.5%)
Noninterest Income	\$ 60.98	\$ 75.63	(19.4%)	\$ 57.49	6.1%	\$ 272.11	\$ 250.68	8.5%



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

(2) Source: S&P Global, data as of 11/17/2025. Peers as disclosed in the most recent TOWN proxy statement

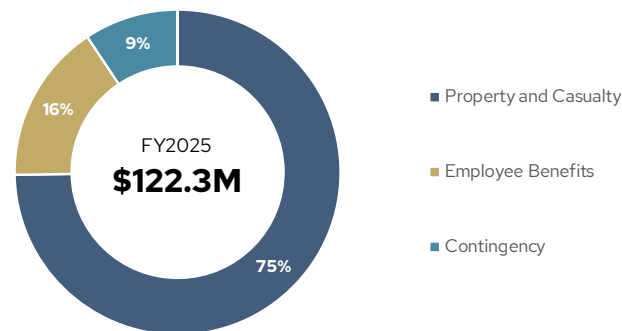


Towne Insurance

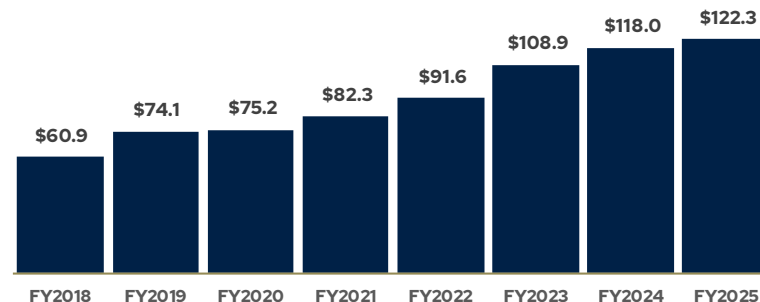
Highlights

- Largest bank-owned insurance company in the country¹
- Insurance revenue of \$28.3 million in Q4-25 compared to \$28.1 million in Q4-24
- CAGR of 10.5% from 2018 to 2025
- 27 Acquisitions since 2001
- P&C markets are experiencing a gradual softening as rate increases moderate

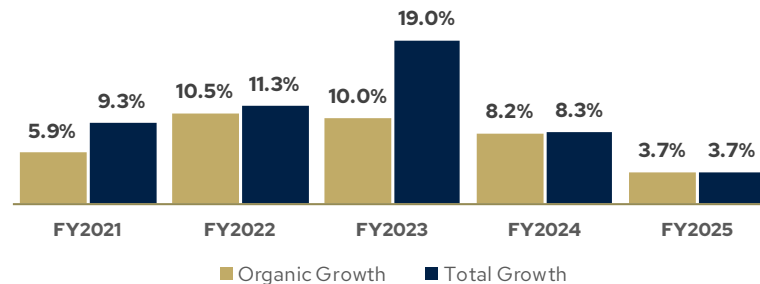
Insurance Revenue Composition²



Revenues² [Dollars in millions]



Revenue Growth Trend



(1) Q3-25 Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 1/19/2026

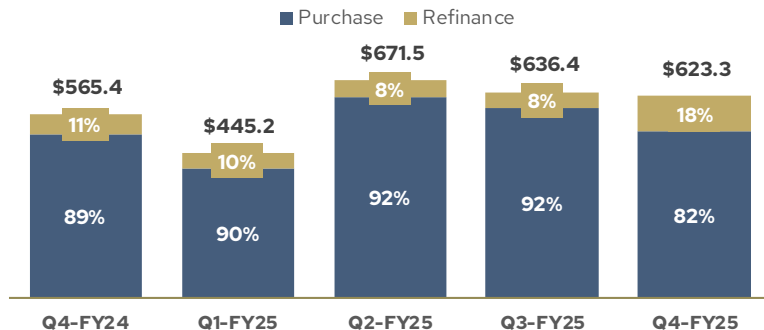
(2) Normalized revenue does not include travel insurance income, gains from the sale of Red Sky Travel Insurance (FY2020) or gains from the sale Beneflex (FY2023, FY2024 & FY2025)

TowneBank Mortgage

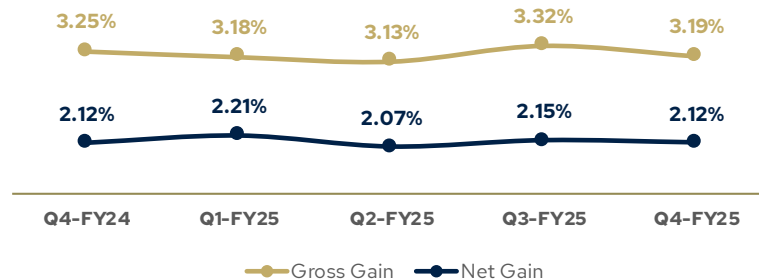
Highlights

- Mortgage banking income of \$12.2 million in Q4-25 compared to \$11.6 million in Q4-24
- Gain on sales & fees as a % of loans originated was 3.19% in Q4-25 compared to 3.25% in Q4-24
- Experienced an uptick in refinance transactions in Q4-25 and expect higher refinancing levels going into 2026

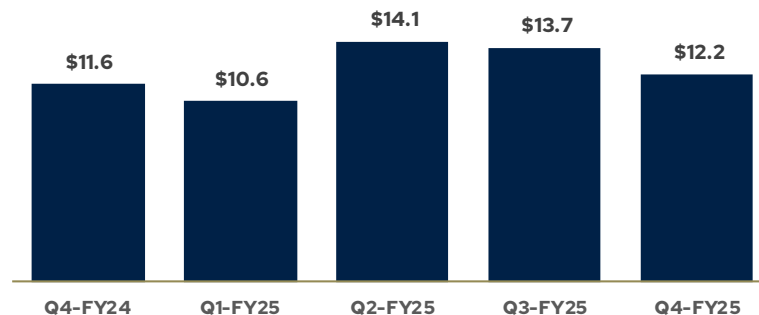
Mortgage Production [Dollars in millions]



Gain on Sales & Fees as a % of Loans Originated



Mortgage Banking Income Net [Dollars in millions]

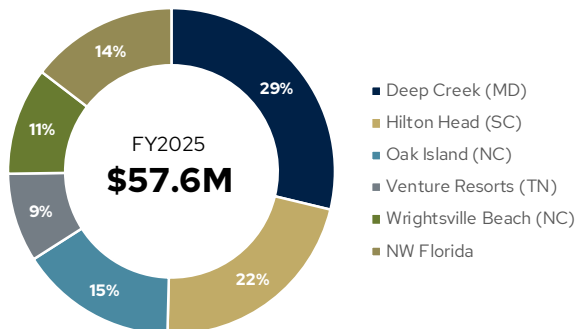


Towne Vacations

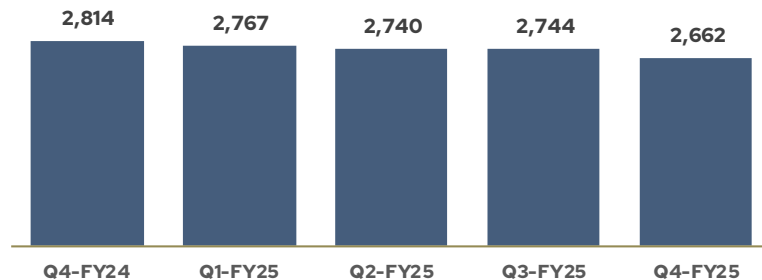
Highlights

- Property management income net of \$8.4 million in Q4-25 compared to \$6.6 million in Q4-24
- Property management locations in North Carolina, South Carolina, Maryland, Tennessee and Florida
- Revised timing of revenue recognition to more closely align revenue with guest stays
- Vacation rental industry continues to be impacted by macro economic uncertainties

Property Management Income Net



Home Count [Quarterly Average]



Property Management Income Net⁽¹⁾ [Dollars in millions]



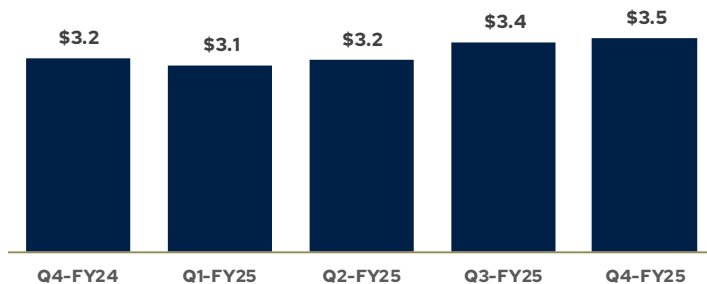
(1) Property management income has been revised in all prior periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings

Wealth Management

Highlights¹

- Experienced team of advisors serves a variety of clients providing professional investment consulting or complete financial planning
- Investment fee and commission income net of \$3.5 million in Q4-25 compared to \$3.2 million in Q4-24
- Assets under management at the end of Q4-25 totaled \$6.5 billion
- Gross production² of \$8.8 million in Q4-25

Investment Income Net¹ [Dollars in millions]

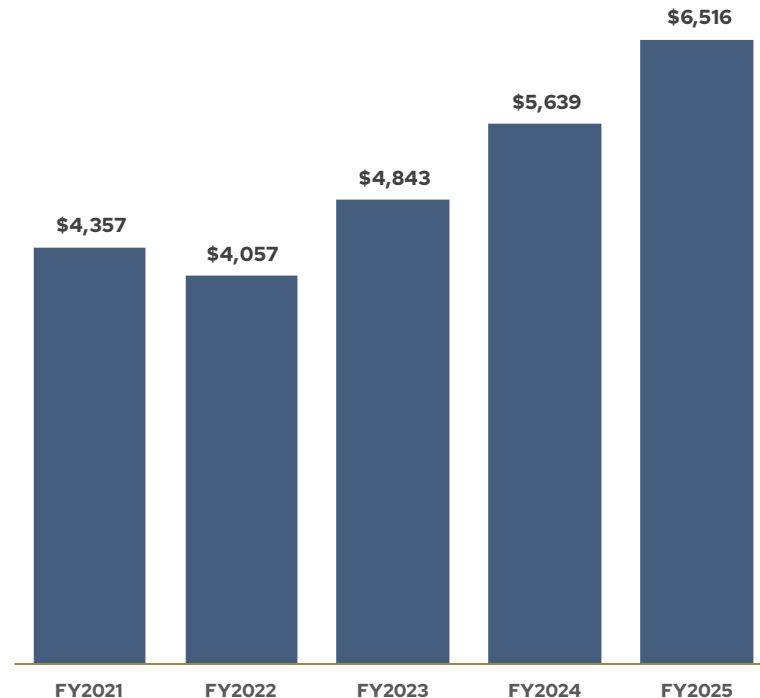


(1) Includes activity and income from recently acquired Old Point Trust

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

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

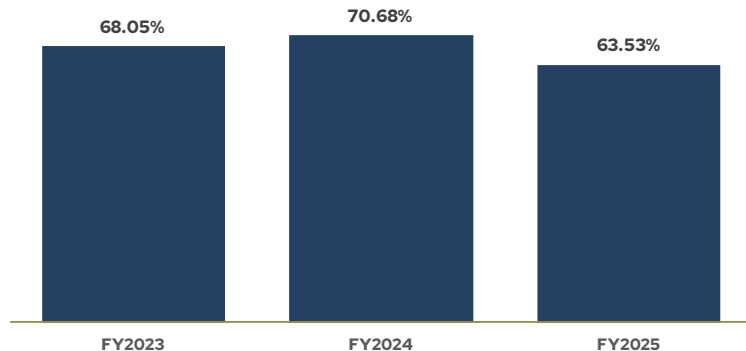
Assets Under Management^{1,3} [Dollars in millions]



Noninterest Expense

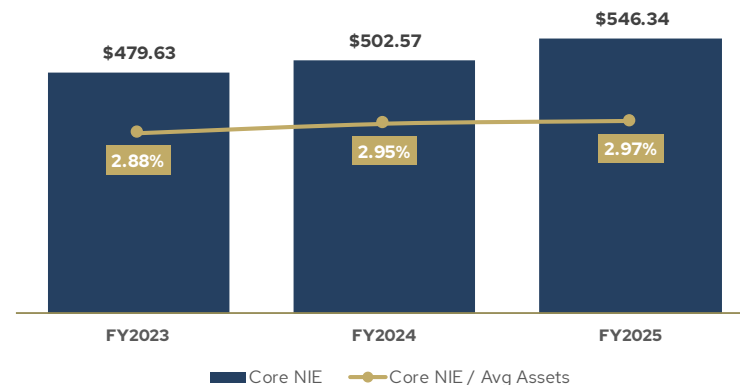
Dollars in millions	QTD					YTD		
	Q4-FY25	Q3-FY25	Q/Q Change	Q4-FY24	Y/Y Change	Q4-FY25	Q4-FY24	Y/Y Change
Employee Compensation	\$ 85.09	\$ 78.96	7.8%	\$ 74.40	14.4%	\$ 317.49	\$ 289.25	9.8%
Occupancy, Furniture and Equipment	16.68	15.03	11.0%	14.67	13.7%	60.23	56.93	5.8%
Software and Data Processing	11.22	12.15	(7.6%)	10.66	5.3%	44.84	43.83	2.3%
Advertising and Marketing	3.67	3.76	(2.4%)	3.36	9.2%	15.13	15.63	(3.2%)
Other Expenses	49.97	43.84	14.0%	24.36	105.1%	163.87	98.29	66.7%
Noninterest Expense	\$ 166.62	\$ 153.74	8.4%	\$ 127.44	30.7%	\$ 601.56	\$ 503.92	19.4%
Acquisition Related Expenses	18.26	17.81	nm	0.27	nm	55.23	1.34	nm
Core Noninterest Expense	\$ 148.37	\$ 135.92	9.2%	\$ 127.17	16.7%	\$ 546.34	\$ 502.57	8.7%

Core Efficiency Ratio¹



Dollars in millions

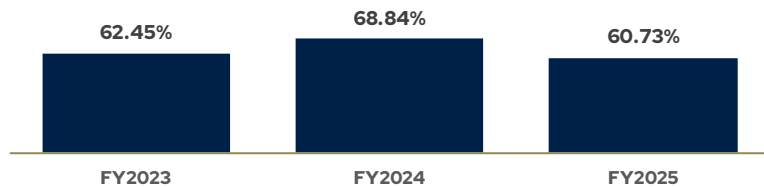
Core Noninterest Expense¹



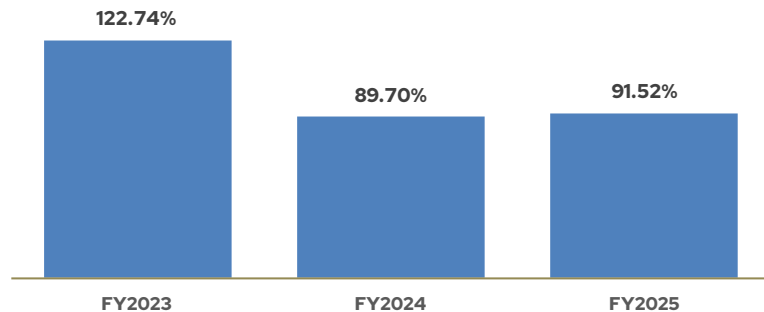
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Core Efficiency Ratio¹

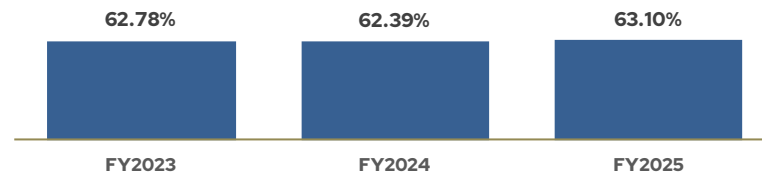
Banking



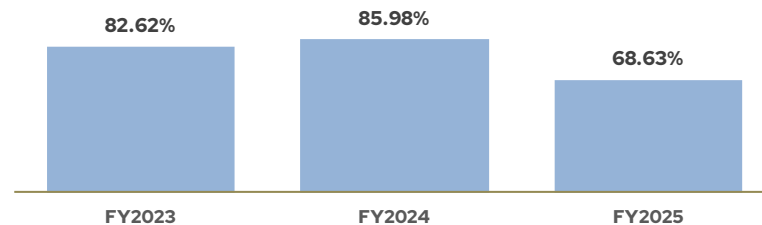
Mortgage



Insurance



Resort Property Management



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

Balance Sheet Summary

Dollars in millions	Q4-FY25	Q3-FY25	Q/Q Change	Q4-FY24	Y/Y Change
Cash and Cash Equivalents	\$ 1,351	\$ 1,250	8.1%	\$ 1,339	0.8%
Securities	2,895	2,874	0.7%	2,590	11.8%
Loans Held for Sale	154	213	(27.3%)	200	(23.0%)
Loans	13,336	13,379	(0.3%)	11,459	16.4%
Allowance for Credit Losses	(147)	(149)	(1.2%)	(124)	18.9%
Net Loans	13,188	13,230	(0.3%)	11,335	16.4%
Premises and Equipment Net	431	422	2.1%	369	16.8%
Goodwill	594	592	0.4%	458	29.8%
Intangible Assets	97	102	(5.2%)	60	60.4%
Bank-owned Life Insurance	337	335	0.9%	280	20.6%
Other Assets	639	658	(2.8%)	607	5.4%
Assets	19,687	19,674	0.1%	17,238	14.2%
Noninterest Bearing Deposits	5,073	5,139	(1.3%)	4,253	19.3%
Interest Bearing Deposits	11,436	11,391	0.4%	10,184	12.3%
Deposits	16,509	16,531	(0.1%)	14,437	14.4%
Borrowings	371	362	2.5%	297	25.0%
Other Liabilities	378	384	(1.6%)	357	5.9%
Liabilities	17,258	17,277	(0.1%)	15,091	14.4%
Shareholders' Equity	2,422	2,389	1.4%	2,132	13.6%
Noncontrolling Interest	7	8	(7.5%)	15	(55.0%)
Equity	2,429	2,397	1.3%	2,147	13.1%
Liabilities and Equities	\$ 19,687	\$ 19,674	0.1%	\$ 17,238	14.2%



\$19.7B

Total Assets

81%

Loans / Deposits

1.10%

ACL / Loans

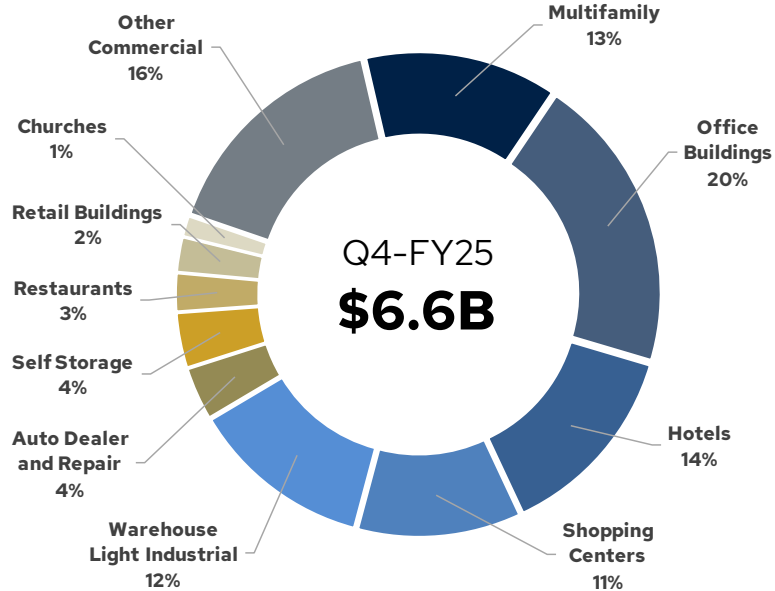
0.07%

Nonperforming Assets /
Total Assets

31%

Noninterest Bearing
Deposits / Total Deposits

Commercial Real Estate

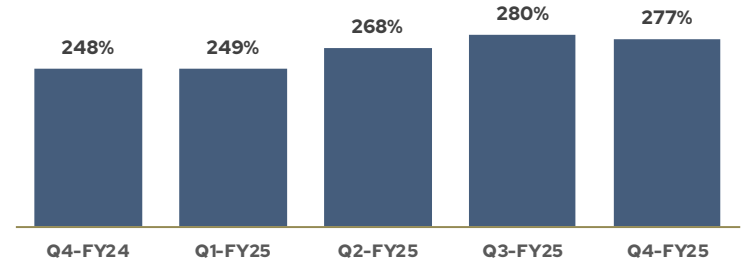


Dollars in millions	Q4-FY25	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	\$ 1,932	29%	1.1%	18.6%
CRE-Non Owner Occupied	3,777	58%	-0.8%	18.2%
Multifamily	858	13%	-6.7%	7.1%
Commercial Real Estate	\$ 6,568	100%	-1.1%	16.7%

Owner and Non-Owner Occupied

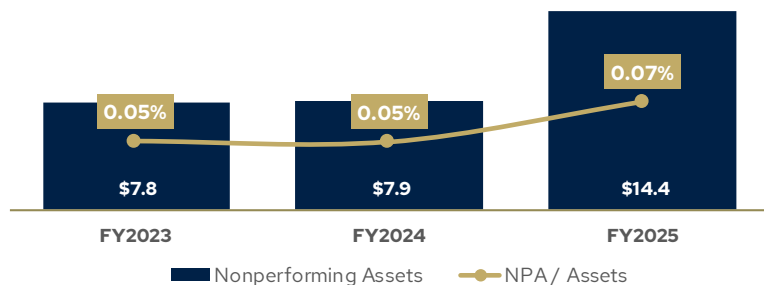
Dollars in millions	Owner	Non-owner	Total
Office Buildings	\$ 523	\$ 800	\$ 1,323
Hotels	-	883	883
Shopping Centers	-	730	730
Warehouse Light Industrial	368	442	810
Auto Dealer and Repair	209	27	236
Self Storage	-	247	247
Restaurants	122	50	172
Retail Buildings	76	81	157
Churches	90	3	93
Other Commercial	544	514	1,058
Total	\$ 1,932	\$ 3,777	\$ 5,709

CRE / Total Risk Based Capital

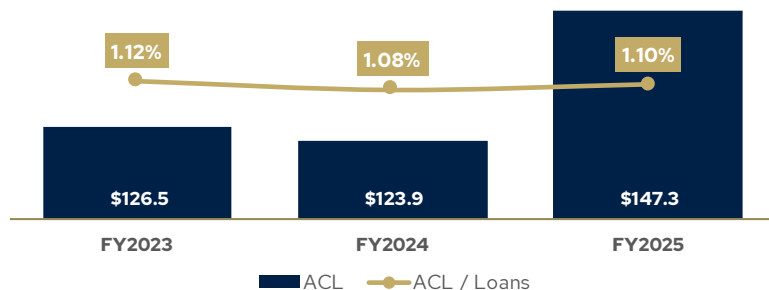


Asset Quality

Nonperforming Assets¹ [Dollars in millions]

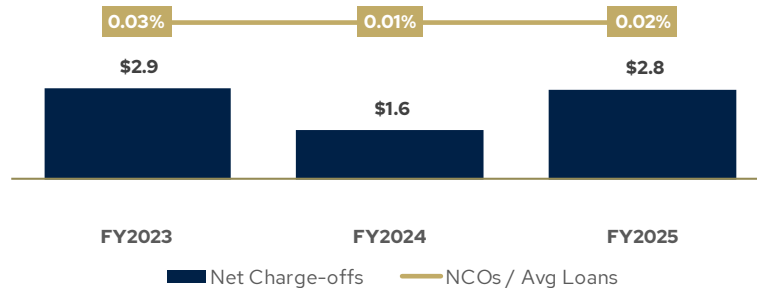


Allowance for Credit Losses [Dollars in millions]

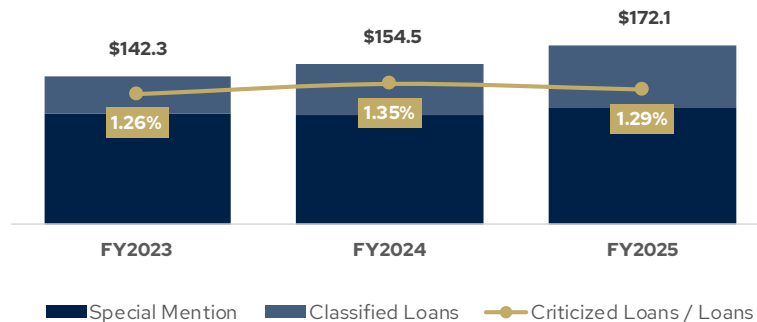


(1) Non-performing assets (Non-accrual loans/leases, repossessed assets, and real estate owned) as a percent of assets

Net Charge-offs [Dollars in millions]

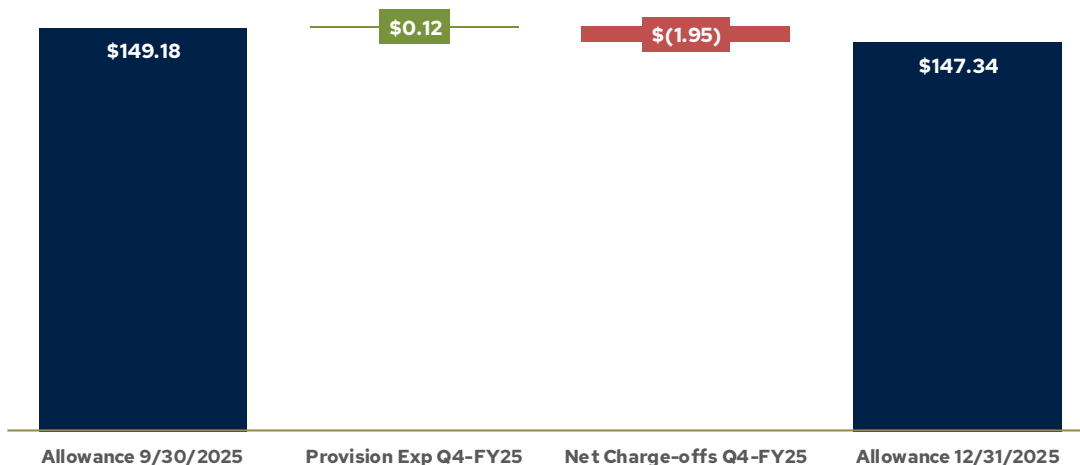


Criticized Loans [Dollars in millions]



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

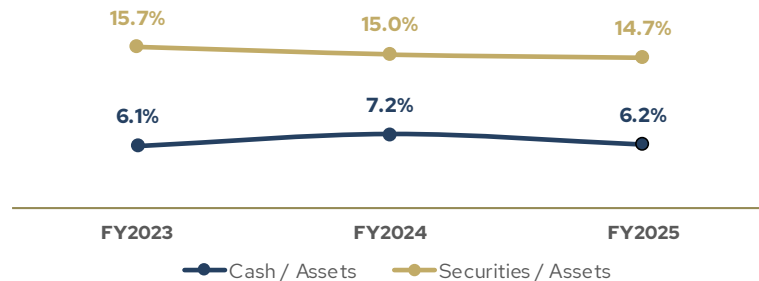
Liquidity Sources [Dollars in millions]

	Q4-FY25
Available Liquid Funds:	
Cash and cash equivalents	\$ 1,351
Unencumbered investment securities	1,861
Availability of Borrowings:	
Amount available from FHLB with loan collateral	1,625
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	2,033
Total Liquidity Sources	\$ 7,020

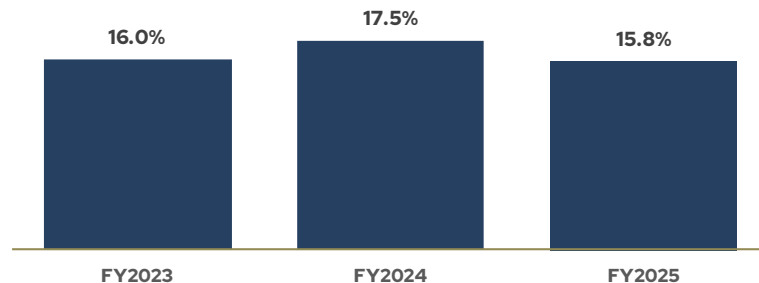
Uninsured Deposits [Dollars in millions]

	Q4-FY25
TowneBank Estimated Uninsured Deposits	\$ 7,880
Less Collateralized Deposits	827
Adjusted Uninsured Deposits	7,053
TowneBank Total Deposits	16,509
Adjusted Uninsured Deposits / Total Deposits	43%
Total Liquidity Sources / Adjusted Uninsured Deposits	100%

Cash and Securities



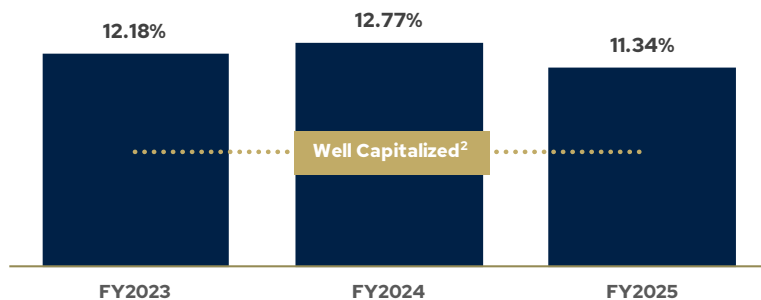
Liquidity Buffer¹



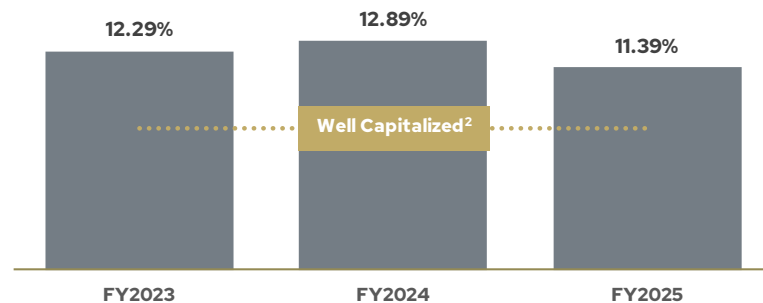
(1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

Capital

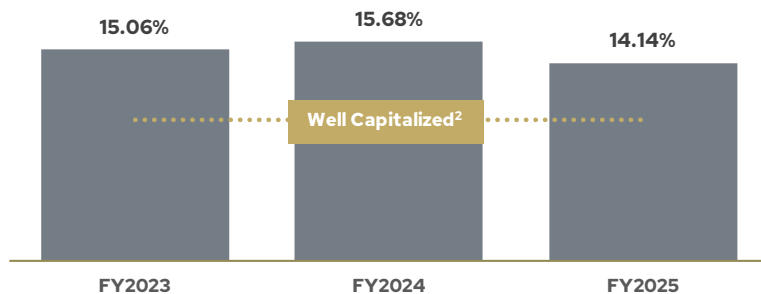
Common Equity Tier 1¹



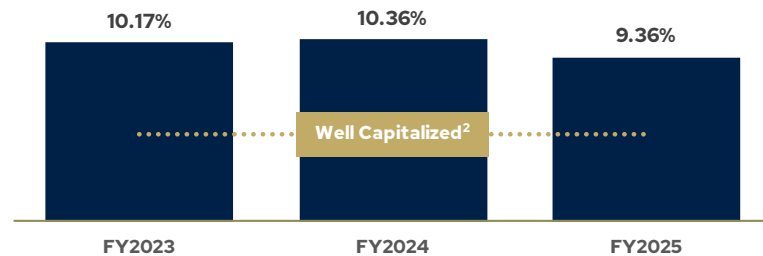
Tier 1 Risk-Based¹



Total Risk-Based¹



Tier 1 Leverage¹



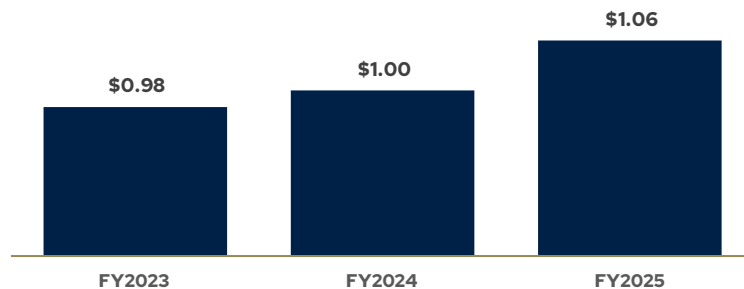
(1) Current reporting period regulatory capital ratios are preliminary
(2) FDIC "Well Capitalized" under prompt corrective action rules

Shareholder Value

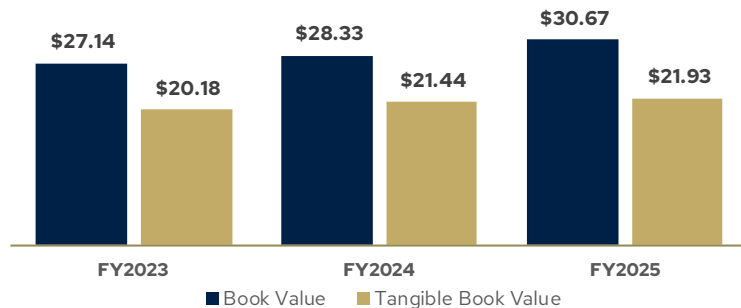
10Yr Total Shareholder Return - TowneBank vs Peers¹



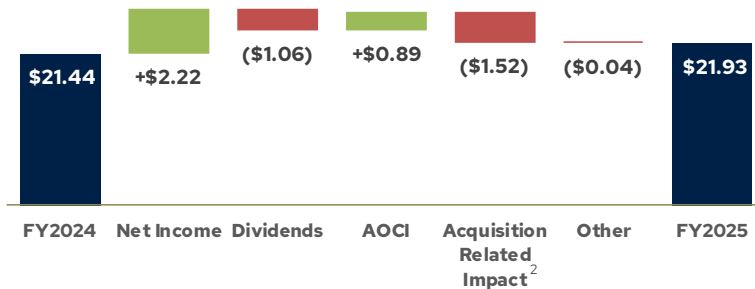
Dividends



Book Value and Tangible Book Value per Share



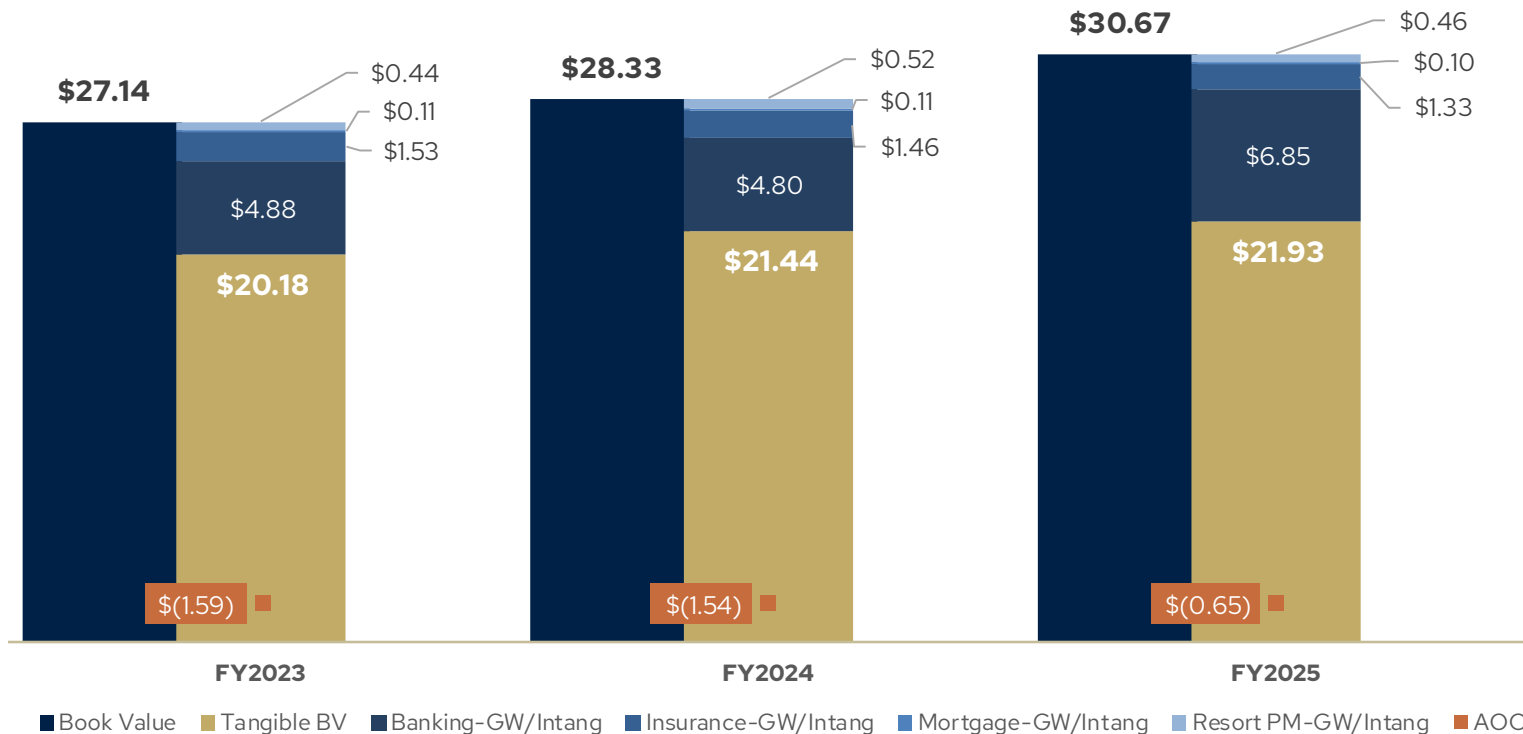
Tangible Book Value Roll Forward



(1) 10Yr Total Return as of 12/31/2025; Source: S&P Global, data collected 1/19/2026. Peer group median - peers as disclosed in the most recent TOWN proxy statement

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

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 M&A and loan growth

Profitability⁽¹⁾

- Net interest income expected to range between \$765-775 million for FY2026⁽¹⁾⁽²⁾⁽³⁾
- Noninterest income of \$300-310 million for FY2026⁽¹⁾
- Noninterest expense of \$645-655 million for FY2026⁽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 the expected impact of recently closed acquisition of Dogwood State Bank

⁽²⁾ Base forecast assumes consistent rate environment in FY2026

⁽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		
	Q4-FY25	Q3-FY25	Q4-FY24	FY2025	FY2024	FY2023
Net Income Attributable to TowneBank	\$ 40.63	\$ 44.30	\$ 39.97	\$ 169.53	\$ 161.36	\$ 153.21
<u>Adjustments</u>						
Plus: Acquisition Related Expenses	18.26	17.81	0.27	55.23	1.34	9.59
Plus: Initial Provision for Credit Losses	-	12.00	-	18.23	-	4.01
Plus: FDIC Special Assessment	-	-	-	-	0.71	5.17
Less: Gain (Loss) on Equity Investment ¹	-	-	0.22	-	0.15	7.52
Plus: Income Tax & Other Adjustments	(3.60)	(5.34)	0.10	(11.44)	(0.02)	(4.02)
Core Net Income	\$ 55.29	\$ 68.77	\$ 40.12	\$ 231.55	\$ 163.24	\$ 160.43
Return on Avg Assets	0.82%	0.94%	0.92%	0.92%	0.95%	0.92%
Core Return on Avg Assets	1.11%	1.46%	0.92%	1.26%	0.96%	0.96%
Earnings Per Share-Diluted	\$ 0.51	\$ 0.58	\$ 0.53	\$ 2.21	\$ 2.15	\$ 2.05
Core Earnings Per Share-Diluted	\$ 0.70	\$ 0.90	\$ 0.53	\$ 3.02	\$ 2.17	\$ 2.15
Return on Avg Tangible Common Equity	10.36%	11.45%	10.46%	11.06%	11.11%	11.49%
Core Return on Avg Tangible Common Equity	13.74%	17.31%	10.50%	14.82%	11.23%	11.99%
Total Revenue	\$ 219.94	\$ 222.58	\$ 175.55	\$ 835.72	\$ 693.29	\$ 693.41
Less: Gain (Loss) on Securities Investments	0.01	(0.01)	-	0.01	0.07	-
Less: Gain (Loss) on Equity Investments	0.13	-	0.22	2.13	0.24	9.38
Total Revenue Adjusted	219.80	222.59	175.33	833.59	692.97	684.04
Noninterest Expense	\$ 166.62	\$ 153.74	\$ 127.44	\$ 601.56	\$ 503.92	\$ 489.22
Less: Intangible Amortization	5.35	4.43	3.09	16.78	12.77	14.15
Noninterest Expense Adjusted	161.28	149.31	124.35	584.79	491.15	475.07
Efficiency Ratio	73.37%	67.08%	70.92%	70.15%	70.88%	69.45%
Less: Acquisition Related Expenses	18.26	17.81	0.27	55.23	1.34	9.59
Core Efficiency Ratio	65.07%	59.08%	70.77%	63.53%	70.68%	68.05%

(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	Year		
	FY2025	FY2024	FY2023
Total Revenue	\$ 621.09	\$ 490.95	\$ 499.53
Less: Gain (Loss) on Securities Investments	0.01	0.07	-
Less: Gain (Loss) on Equity Investments	2.00	-	-
Total Revenue Adjusted	619.08	490.88	499.53
Noninterest Expense	\$ 438.12	\$ 343.17	\$ 326.17
Less: Intangible Amortization	8.72	4.38	5.15
Noninterest Expense Adjusted	429.39	338.79	321.02
Efficiency Ratio	69.36%	69.02%	64.26%
Less: Acquisition Related Expenses	53.45	0.87	9.08
Core Efficiency Ratio	60.73%	68.84%	62.45%

Core Efficiency Ratio – Mortgage

Amounts in millions	Year		
	FY2025	FY2024	FY2023
Total Revenue	\$ 55.70	\$ 53.37	\$ 56.25
Less: Gain (Loss) on Securities Investments	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	8.83
Total Revenue Adjusted	55.70	53.37	47.42
Noninterest Expense	\$ 52.75	\$ 48.16	\$ 59.06
Less: Intangible Amortization	-	0.29	0.58
Noninterest Expense Adjusted	52.75	47.87	58.49
Efficiency Ratio	94.71%	89.70%	123.34%
Less: Acquisition Related Expenses	1.78	-	0.29
Core Efficiency Ratio	91.52%	89.70%	122.74%

Core Efficiency Ratio – Insurance

Amounts in millions	Year		
	FY2025	FY2024	FY2023
Total Revenue	\$ 103.23	\$ 100.42	\$ 90.92
Less: Gain (Loss) on Securities Investments	-	-	-
Less: Gain (Loss) on Equity Investments	0.13	0.24	0.54
Total Revenue Adjusted	103.10	100.18	90.38
Noninterest Expense	\$ 70.56	\$ 68.17	\$ 62.93
Less: Intangible Amortization	5.51	5.66	6.10
Noninterest Expense Adjusted	65.06	62.51	56.83
Efficiency Ratio	63.10%	62.39%	62.88%
Less: Acquisition Related Expenses	-	0.00	0.09
Core Efficiency Ratio	63.10%	62.39%	62.78%

Core Efficiency Ratio – Resort Property Management

Amounts in millions	Year		
	FY2025	FY2024	FY2023
Total Revenue	\$ 57.77	\$ 50.13	\$ 46.71
Less: Gain (Loss) on Securities Investments	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	-
Total Revenue Adjusted	57.77	50.13	46.71
Noninterest Expense	\$ 42.20	\$ 46.01	\$ 41.06
Less: Intangible Amortization	2.55	2.44	2.33
Noninterest Expense Adjusted	39.65	43.57	38.73
Efficiency Ratio	68.63%	86.90%	82.92%
Less: Acquisition Related Expenses	-	0.47	0.14
Core Efficiency Ratio	68.63%	85.98%	82.62%

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q4-FY25	Q3-FY25	Q2-FY25	Q1-FY25	Q4-FY24
Loans TE Adjustment	\$ 0.73	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.78
Securities TE Adjustment	0.41	0.33	0.31	0.32	0.32
Tax-Equivalent Adjustment	1.15	1.08	1.06	1.07	1.10
<u>Yield & Margin Impacts:</u>					
Loan Yield	5.64%	5.63%	5.53%	5.36%	5.38%
Loan Yield (TE)	5.66%	5.65%	5.56%	5.38%	5.41%
Securities Investment Yield	3.63%	3.54%	3.59%	3.44%	3.42%
Securities Investment Yield (TE)	3.69%	3.58%	3.63%	3.49%	3.47%
Earning Asset Yield	5.16%	5.17%	5.11%	4.95%	4.96%
Earning Asset Yield (TE)	5.19%	5.19%	5.14%	4.97%	4.99%
Net Interest Margin (GAAP)	3.56%	3.48%	3.38%	3.14%	2.99%
Net Interest Margin (TE)	3.58%	3.50%	3.40%	3.17%	3.02%

Tangible Book Value per Share

Amounts in millions except per share data	Q4-FY25	Q3-FY25	Q2-FY25	Q1-FY25	Q4-FY24
Shareholders' Equity (Common)	\$ 2,422.07	\$ 2,389.45	\$ 2,217.95	\$ 2,186.08	\$ 2,131.63
Goodwill and Intangible Assets	690.61	693.57	573.89	514.76	517.79
Tangible Common Equity	\$ 1,731.46	\$ 1,695.88	\$ 1,644.05	\$ 1,671.31	\$ 1,613.84
Common Shares Outstanding	78.96	78.93	75.42	75.39	75.26
Tangible Book Value per Share	\$ 21.93	\$ 21.49	\$ 21.80	\$ 22.17	\$ 21.44



Member FDIC