



Earnings Presentation

1st 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, 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 recently completed acquisitions, including our 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; 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

Consistent Focus on Earnings and Growth

Earnings Growth

22%

CAGR FY00 – FY25

#1 Deposit Market Share
in Hampton Roads¹

Ranked on

Forbes

Best Banks List²

8 Years in a Row

Total Assets

\$22.4B

Total Loans

\$15.3B

Total Deposits

\$18.5B

Net Promoter Score³

76%

Core ROAA

1.24%

Core ROTCE

14.95%

NIM (FTE)

3.60%

NIB Deposits /
Total Deposits

30%

10 Year Total Shareholder
Return⁴

119%

(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) 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%)

(4) Total Return as of 3/31/2026; Source: S&P Global, data collected 4/16/2026

Note: Financial results for the quarter ending March 31, 2026



1st Quarter 2026 Financial Results

Performance Highlights

	Q1-FY26	Q4-FY25	Q/Q Change	Q1-FY25	Y/Y Change
Total Revenue	\$246.45 million	\$219.94 million	12%	\$183.10 million	35%
Provision for Credit Losses	\$0.34 million	-\$0.17 million	303%	\$2.42 million	(86%)
Net Income Attributable to TowneBank	\$40.99 million	\$40.63 million	1%	\$43.71 million	(6%)
Earnings Per Share-Diluted	\$0.45	\$0.51	(12%)	\$0.58	(22%)
Return on Avg Assets	0.76%	0.82%	-6 bps	1.03%	-27 bps
Return on Avg Tangible Common Equity ¹	9.58%	10.36%	-78 bps	11.50%	-192 bps
Net Interest Margin (TE) ¹	3.60%	3.58%	+2 bps	3.17%	+43 bps
Assets	\$22.36 billion	\$19.69 billion	14%	\$17.50 billion	28%
Loans	\$15.26 billion	\$13.34 billion	14%	\$11.65 billion	31%
Deposits	\$18.48 billion	\$16.51 billion	12%	\$14.61 billion	27%
Loans / Deposits	82.58%	80.78%	+180 bps	79.77%	+281 bps
Noninterest Bearing Deposits / Deposits	30.29%	30.73%	-44 bps	29.53%	+76 bps
Nonperforming Assets / Assets	0.23%	0.07%	+16 bps	0.04%	+19 bps
Book Value per Share	\$31.31	\$30.67	2%	\$29.00	8%
Tangible Book Value per Share ¹	\$21.49	\$21.93	(2%)	\$22.17	(3%)
Tangible Common Equity to Tangible Assets	9.25%	9.11%	+14 bps	9.84%	-59 bps
Total Risk Based Capital Ratio ²	14.08%	14.14%	-6 bps	15.65%	-157 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				
	Q1-FY26	Q4-FY25 ²	Q/Q Change	Q1-FY25 ²	Y/Y Change
Interest Income	\$ 250.40	\$ 230.67	9%	\$ 189.61	32%
Interest Expense	77.46	71.71	8%	69.14	12%
Net Interest Income	172.94	158.96	9%	120.48	44%
Provision for Credit Losses	0.34	(0.17)	303%	2.42	(86%)
Net Interest Income after Provision for Credit Losses	172.60	159.13	8%	118.06	46%
Noninterest Income	73.51	60.98	21%	62.62	17%
Noninterest Expense	195.89	166.62	18%	130.54	50%
Minority Interest in Unconsolidated Subs	0.11	0.22	(51%)	0.30	(63%)
Income Before Taxes	50.11	53.27	(6%)	49.84	1%
Provision for Income Tax Expense	9.12	12.64	(28%)	6.13	49%
Net Income Attributable to TowneBank	\$ 40.99	\$ 40.63	1%	\$ 43.71	(6%)
Earnings Per Share-Diluted	\$ 0.45	\$ 0.51	(12%)	\$ 0.58	(22%)

Core Net Income¹

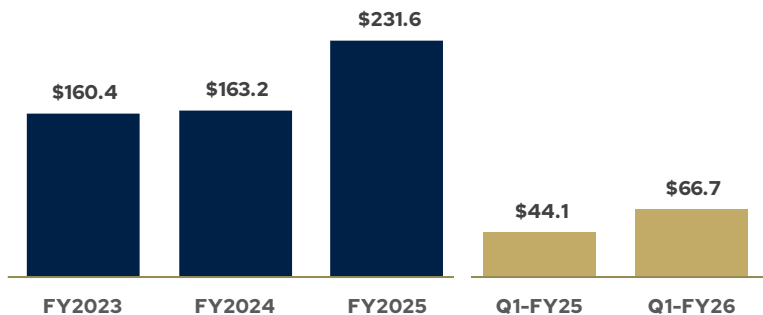
One-time Adjustments After Taxes	\$ 25.74	\$ 14.66	75.6%	\$ 0.39	nm
Core Net Income	66.73	55.29	20.7%	44.10	51.3%
Core Earnings Per Share-Diluted	\$ 0.74	\$ 0.70	5.7%	\$ 0.58	27.6%

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

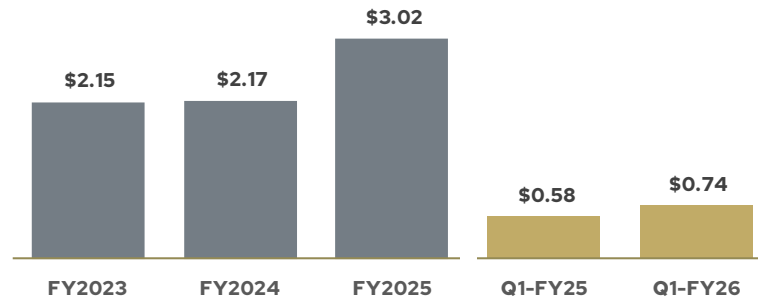
(2) Prior periods adjusted to reflect adoption of new revenue recognition standard for Towne Vacations property management income

Financial Performance Trends

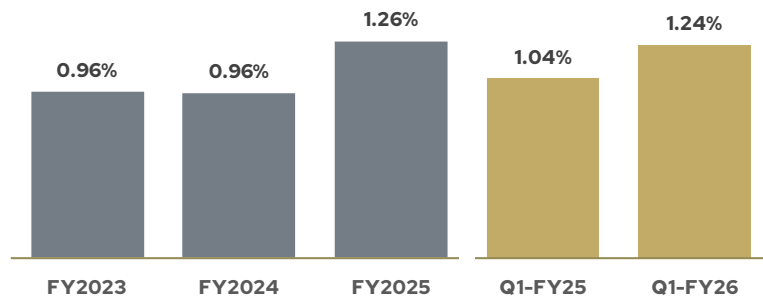
Core Net Income¹ [Dollars in millions]



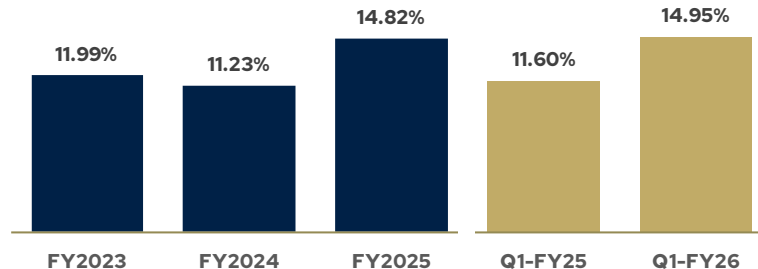
Core EPS¹



Core ROAA¹



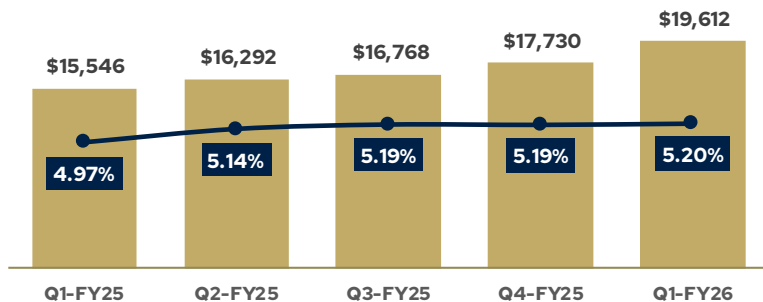
Core ROATCE¹



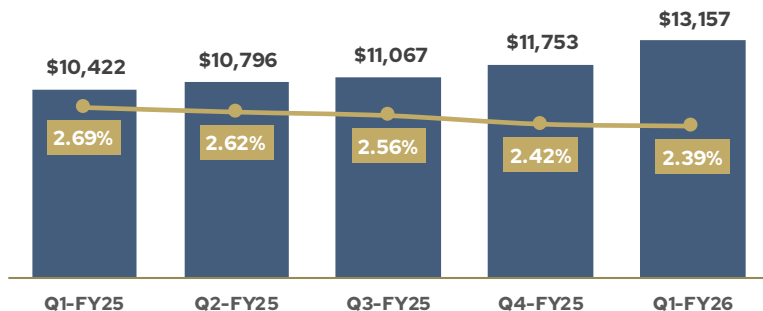
(1) Non-GAAP financial measure - see non-GAAP reconciliations

Net Interest Income

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

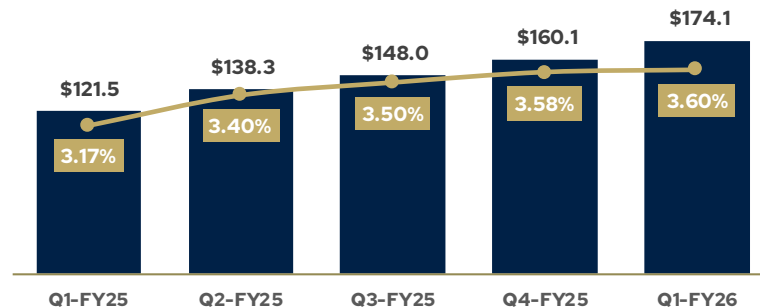


Avg. Interest Bearing Liabilities & Cost [Dollars in millions]

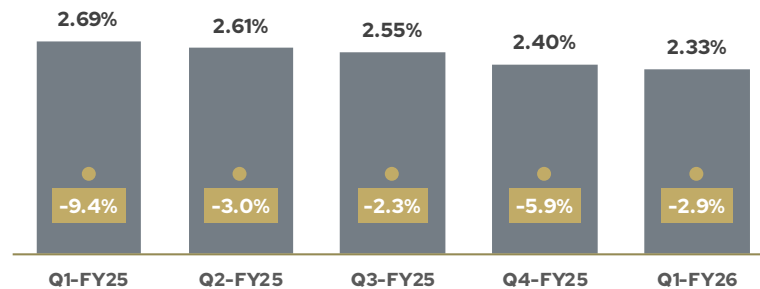


(1) Non-GAAP financial measures - see non-GAAP reconciliations

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



Interest Bearing Deposit Costs



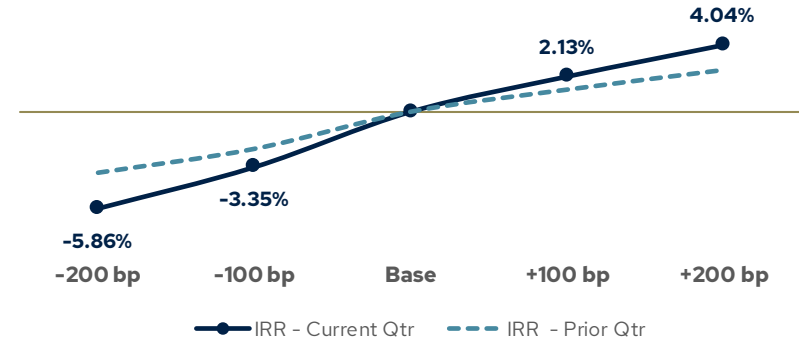
■ Cost of IB Deposits ● Quarterly IB Cost - % Change

NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Dollars in millions	Amount	NIM (%)
Q4-FY25	\$ 160.1	3.58%
Loans HFI	21.0	0.04%
Recurring Accretion	(1.4)	-0.03%
Loans HFS	(0.7)	0.00%
Investments & Cash	0.8	-0.03%
Earning Assets Mix		0.03%
Deposits	(3.5)	0.05%
Borrowings	(2.2)	-0.05%
Sub Debt	0.0	0.00%
Interest Bearing Funding Mix		0.02%
Other	0.0	-0.01%
Q1-FY26	\$ 174.1	3.60%

Net Interest Income Sensitivity²



Comments

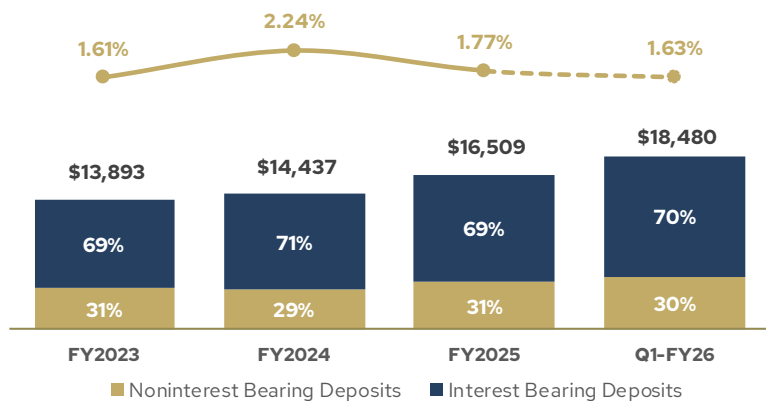
- Continuation of recent trend to rising asset sensitivity
- Forecast did not rely on rate cuts
- NII growth from NIM expansion, repricing fixed rate maturities and closed acquisitions
- Reflects updated purchase accounting adjustments for Dogwood acquisition

(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]



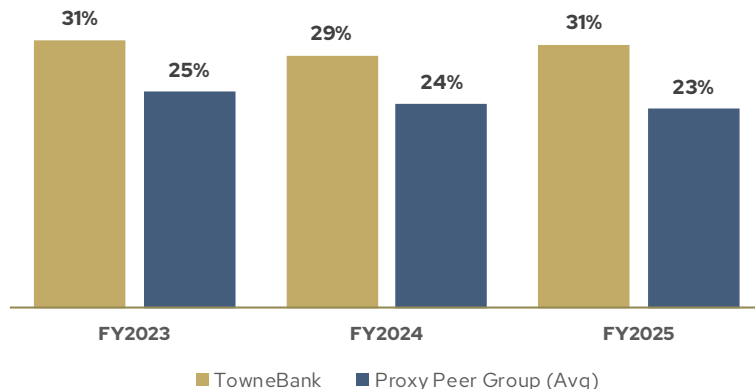
Deposits (Avg)	Q1-FY26	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	2,208	12%	0.49%	8%	34%
Money Market	6,873	38%	2.49%	11%	22%
Savings	421	2%	0.59%	27%	35%
Time Deposits	3,097	17%	3.54%	11%	22%
Interest Bearing Deposits	12,600	70%	2.33%	11%	24%
Noninterest Bearing Deposits	5,463	30%	na	5%	28%
Total Deposits	\$ 18,063	100%	1.63%	9%	25%

(1) Source: S&P Global, data as of 2/12/2026. Peers as disclosed in the most recent TOWN proxy statement

Portfolio Highlights

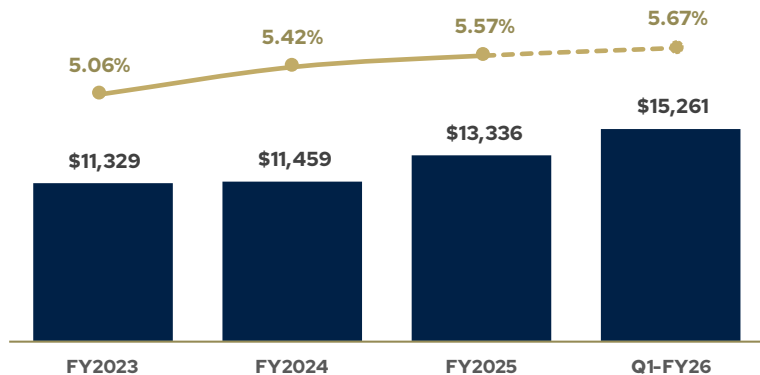
- Seven consecutive quarterly decreases in deposit costs since Q2-24 (cumulative decrease of 99bps in IB deposit costs vs Fed decrease of 175 bps)
- NIB deposits in legacy Hampton Roads region equal to 34% of total regional deposits
- Q1-26 includes the addition of Dogwood deposit balances (Day 1 = \$1.93 billion)

NIB Deposits % of Total Deposits TowneBank vs Peers¹



Loans

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



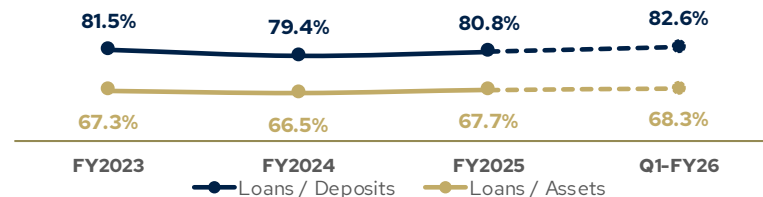
Loans	Q1-FY26	% Total	Q/Q %	Y/Y %
(Dollars in millions)				
Construction and Development	\$ 1,479	10%	17%	47%
Commercial Real Estate	7,627	50%	16%	31%
Residential 1-4 Family	3,008	20%	9%	30%
Commercial and Industrial	1,734	11%	19%	30%
Government	500	3%	-2%	-2%
Indirect	694	5%	3%	22%
Consumer & Other	219	1%	117%	154%
Total Loans	\$ 15,261	100%	14%	31%

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

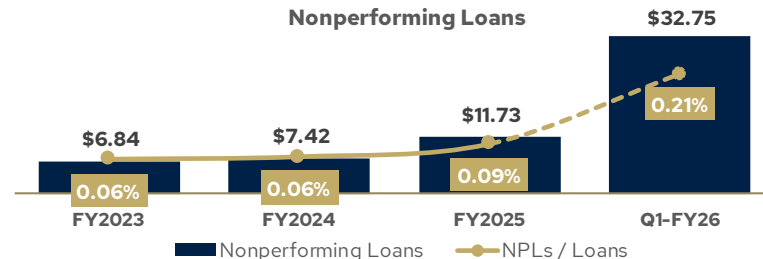
Portfolio Highlights

- Variable portfolio of \$5.6 billion at the end of Q1-26 with 78% of portfolio tied to prime rate or SOFR
- Fixed rate scheduled maturities and amortization of ~\$1.6 billion over the next twelve months
- Q1-26 includes the addition of Dogwood loan balances (Day 1 = \$1.95 billion)

Loans % of Deposits and Assets

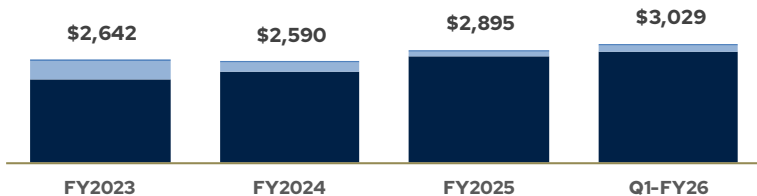
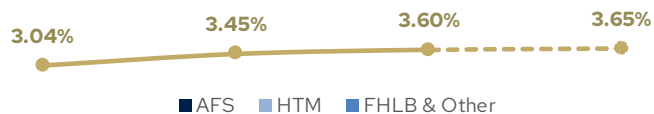


Nonperforming Loans



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	407	18	425
Municipals	557	5	562
Trust Preferred & Oth Corp	165	2	167
MBS Issued by GSE/GNMA	1,734	5	1,739
Securities - Amortized Cost	2,945	127	3,072
Valuation Adjustment	(81)	-	(81)
Credit Loss Reserve	(1)	(0)	(1)
Total	\$ 2,862	\$ 126	\$ 2,989

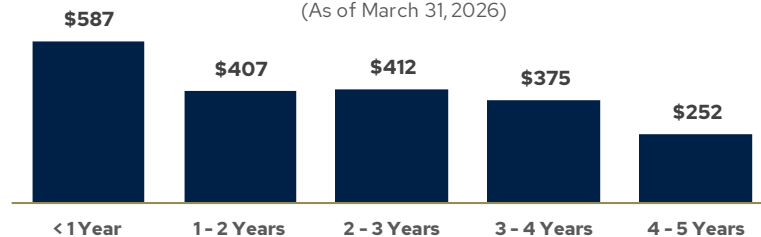
(1) Non-GAAP financial measure – see non-GAAP reconciliations
 (2) AFS and HTM portfolio, excludes FHLB and other equity securities

Portfolio Highlights

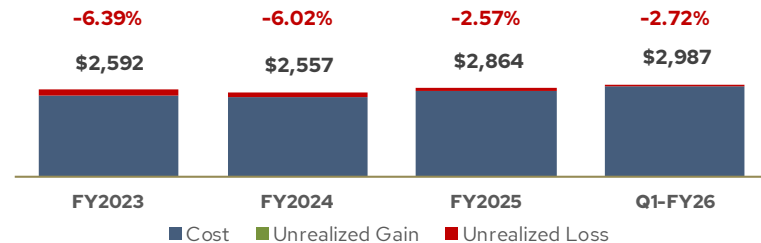
- Portfolio roll-off yield of 3.23% over the next twelve months
- Portfolio duration of 3.43 years at the end of Q1-26
- Portfolio: 96%/4% - AFS/HTM and 84%/16% - Fixed/Floating

Expected Cashflows from Investments

(As of March 31, 2026)

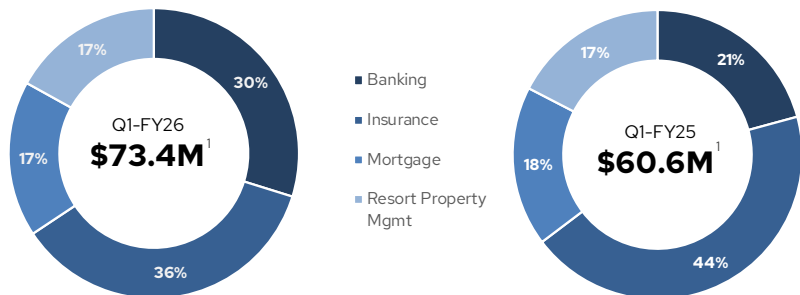


Securities FV and Unrealized Gain (Loss)

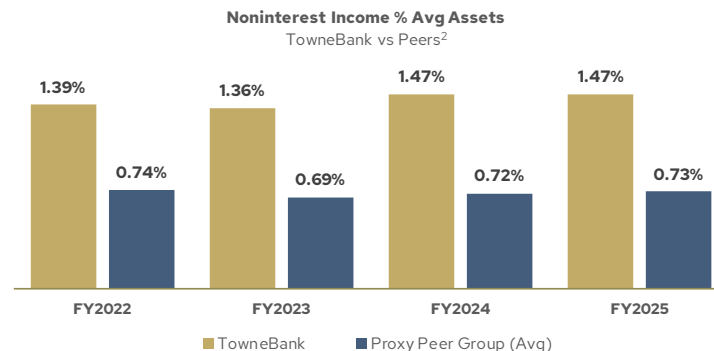


Noninterest Income

Dollars in millions	QTD				
	Q1-FY26	Q4-FY25	Q/Q Change	Q1-FY25	Y/Y Change
Residential Mortgage Banking Income Net	\$ 11.73	\$ 11.54	2%	\$ 10.36	13%
Insurance Commissions Income, Net	26.03	23.12	13%	26.42	(1%)
Property Mgmt Income, Net	12.44	8.41	48%	10.55	18%
Service Charges on Deposit Accounts	4.64	4.64	0%	3.33	40%
Credit Card Merchant Fees, Net	1.92	1.81	6%	1.70	13%
Investment Income Net	3.72	3.39	10%	3.07	21%
Bank-owned Life Insurance	3.02	2.90	4%	1.87	61%
Government Lending Income, Net	4.20	-	-	-	-
Other Income	5.67	5.04	12%	3.31	71%
Gain (Loss) on Equity Investment	-	0.13	(100%)	2.00	(100%)
Gain (Loss) on Investment Securities	0.13	0.01	897%	-	-
Noninterest Income	\$ 73.51	\$ 60.98	21%	\$ 62.62	17%



(1) Core noninterest income excluding gain (loss) on equity investments and investment securities
 (2) Source: S&P Global, data as of 2/12/2026. Peers as disclosed in the most recent TOWN proxy statement

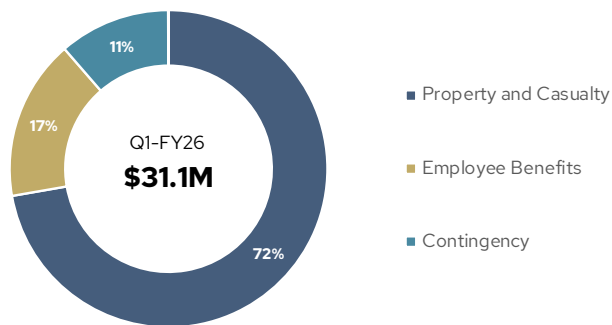


Towne Insurance

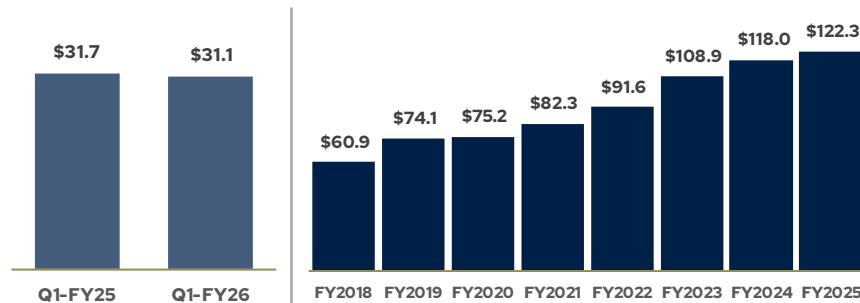
Highlights

- 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 \$1.12 of Consolidated book value per share
- P&C markets are experiencing a gradual softening as rate increases moderate

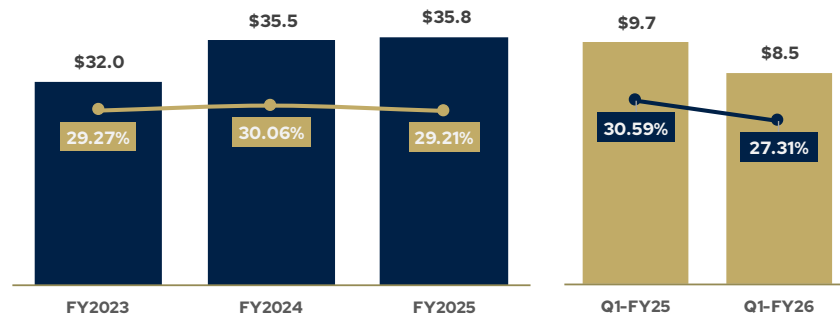
Insurance Revenue Composition²



Revenues² [Dollars in millions]



EBITDA & Margin [Dollars in millions]



(1) Q4-25 Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 4/16/2026

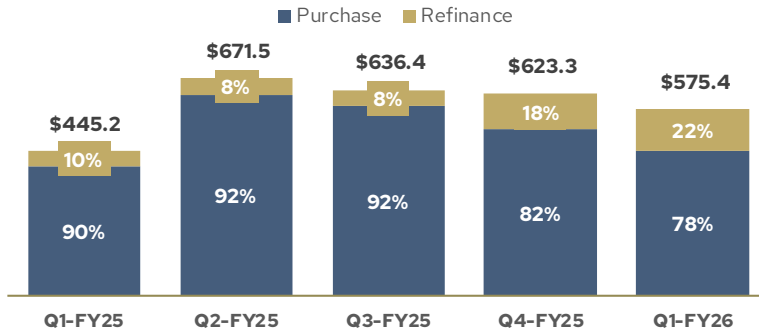
(2) Normalized revenue does not include travel insurance income, gains from the sale of Red Sky Travel Insurance (FY2020) or gains from the sale Beneflex (FY2023, FY2024 & FY2025)

TowneBank Mortgage

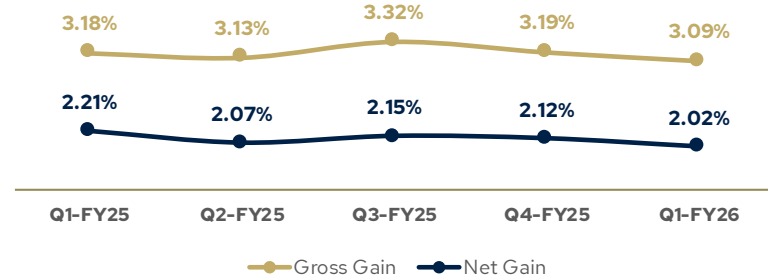
Highlights

- Mortgage banking income of \$12.5 million in Q1-26 compared to \$10.6 million in Q1-25
- Gain on sales & fees as a % of loans originated was 3.09% in Q1-26 compared to 3.18% in Q1-25
- Experienced an uptick in refinance transactions in Q4-25 that continued into Q1-26

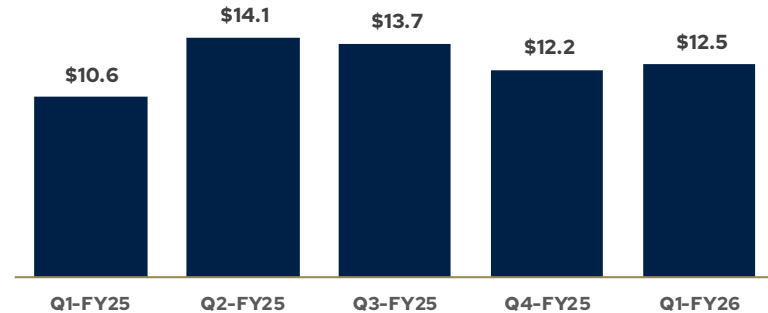
Mortgage Production [Dollars in millions]



Gain on Sales & Fees as a % of Loans Originated



Mortgage Banking Income Net [Dollars in millions]

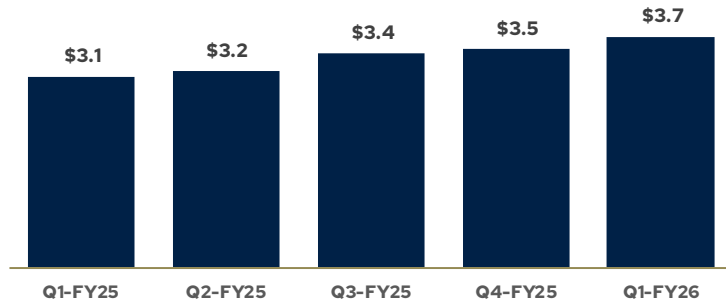


Wealth Management

Highlights ¹

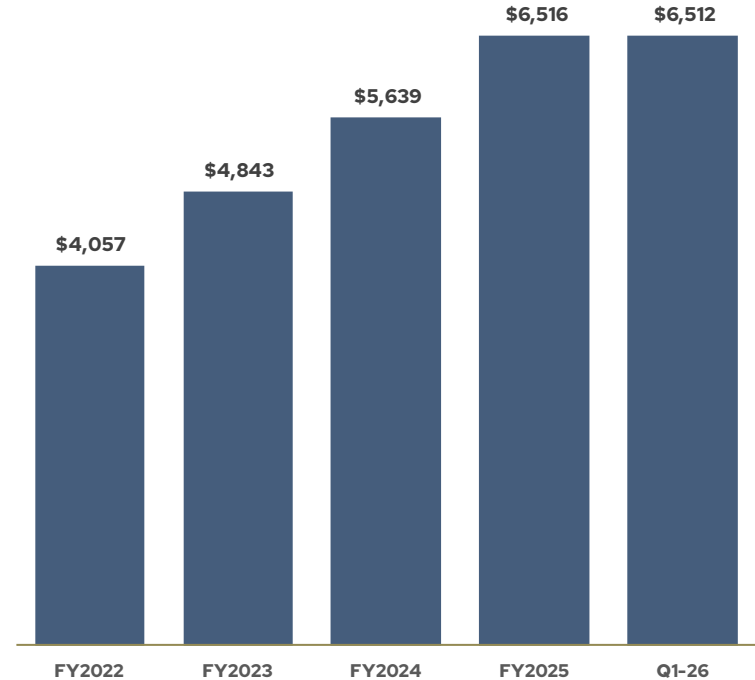
- Experienced team of advisors serves a variety of clients providing professional investment consulting or complete financial planning
- Investment fee and commission income net of \$3.7 million in Q1-26 compared to \$3.1 million in Q1-25
- Assets under management at the end of Q1-26 totaled \$6.5 billion
- Gross production¹ of \$9.7 million in Q1-26

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 \$510 million of assets held in 401k and 529 plans

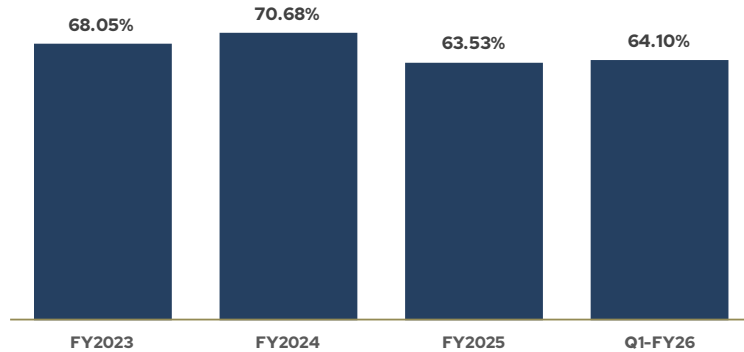
Assets Under Management ² [Dollars in millions]



Noninterest Expense

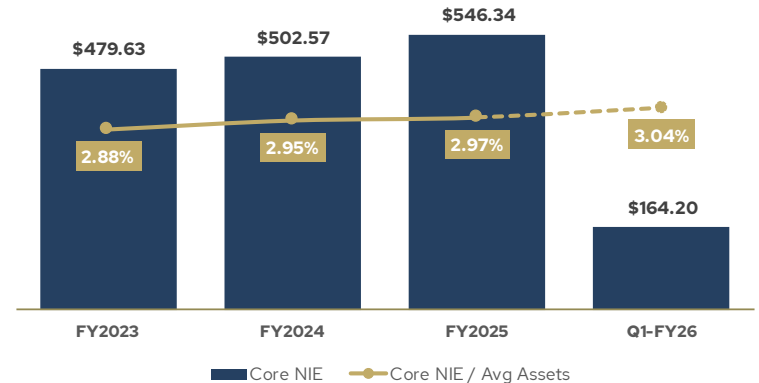
Dollars in millions	QTD				
	Q1-FY26	Q4-FY25	Q/Q Change	Q1-FY25	Y/Y Change
Employee Compensation	\$ 93.18	\$ 85.09	10%	\$ 75.08	24%
Occupancy, Furniture and Equipment	17.90	16.68	7%	13.95	28%
Software and Data Processing	13.33	11.22	19%	10.13	32%
Advertising and Marketing	5.68	3.67	55%	4.47	27%
Other Expenses	65.80	49.97	32%	26.90	145%
Noninterest Expense	\$ 195.89	\$ 166.62	18%	\$ 130.54	50%
Acquisition Related Expenses	31.68	18.26	74%	0.42	nm
Core Noninterest Expense	\$ 164.20	\$ 148.37	11%	\$ 130.12	26%

Core Efficiency Ratio¹



Dollars in millions

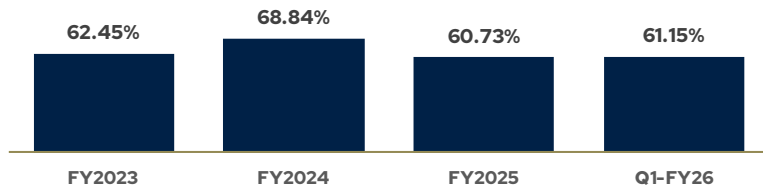
Core Noninterest Expense¹



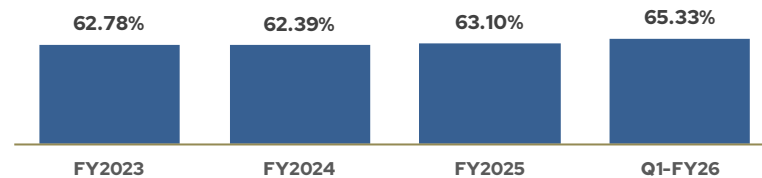
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Core Efficiency Ratio¹

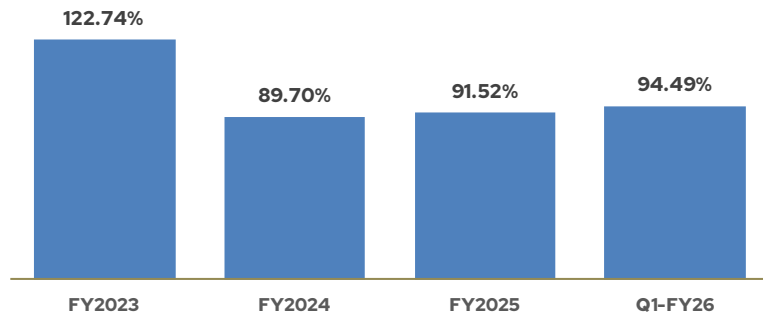
Banking



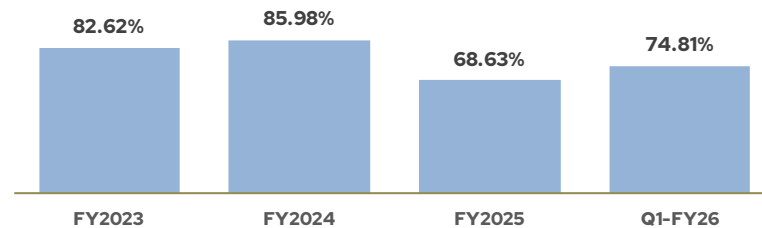
Insurance



Mortgage



Resort Property Management



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

Balance Sheet Summary

Dollars in millions	Q1-FY26	Q4-FY25	Q/Q Change	Q1-FY25	Y/Y Change
Cash and Cash Equivalents	\$ 1,562	\$ 1,351	16%	\$ 1,317	19%
Securities	3,029	2,895	5%	2,697	12%
Loans Held for Sale	177	154	15%	169	5%
Loans	15,261	13,336	14%	11,653	31%
Allowance for Credit Losses	(199)	(147)	35%	(126)	58%
Net Loans	15,062	13,188	14%	11,527	31%
Premises and Equipment Net	439	431	2%	373	18%
Goodwill	804	594	35%	458	76%
Intangible Assets	103	97	6%	57	80%
Bank-owned Life Insurance	385	337	14%	280	37%
Assets Held For Sale	103	-	-	-	-
Other Assets	694	639	9%	619	12%
Assets	22,359	19,687	14%	17,496	28%
Noninterest Bearing Deposits	5,597	5,073	10%	4,314	30%
Interest Bearing Deposits	12,883	11,436	13%	10,295	25%
Deposits	18,480	16,509	12%	14,609	27%
Borrowings	512	371	38%	284	80%
Liabilities Held for Sale	52	-	-	-	-
Other Liabilities	415	378	10%	402	3%
Liabilities	19,460	17,258	13%	15,295	27%
Shareholders' Equity	2,892	2,422	19%	2,186	32%
Noncontrolling Interest	7	7	(2%)	15	(56%)
Equity	2,899	2,429	19%	2,202	32%
Liabilities and Equities	\$ 22,359	\$ 19,687	14%	\$ 17,496	28%



\$22.4B

Total Assets

83%

Loans / Deposits

1.31%

ACL / Loans

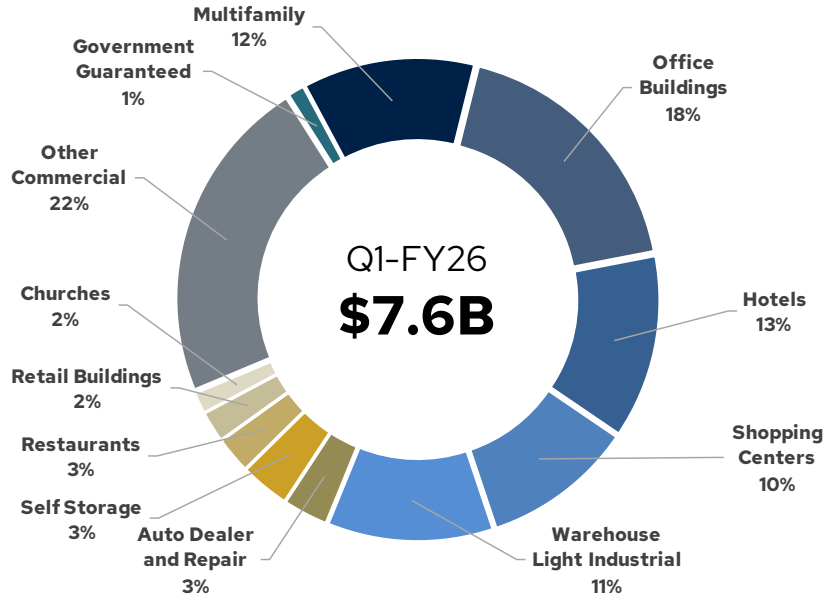
0.23%

Nonperforming Assets /
Total Assets

30%

Noninterest Bearing
Deposits / Total Deposits

Commercial Real Estate

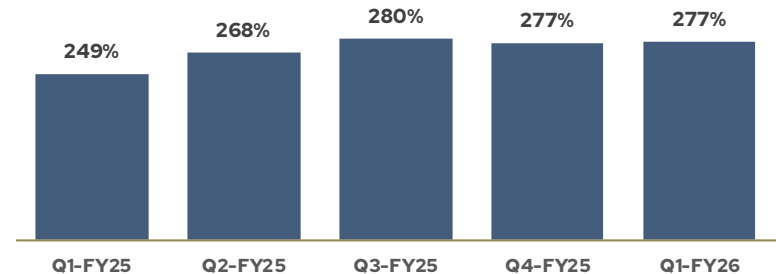


Dollars in millions	Q1-FY26	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	\$ 2,448	32%	26.7%	47.9%
CRE-Non Owner Occupied	4,285	56%	13.4%	28.7%
Multifamily	895	12%	4.2%	6.3%
Commercial Real Estate	\$ 7,627	100%	16.1%	30.9%

Owner and Non-Owner Occupied

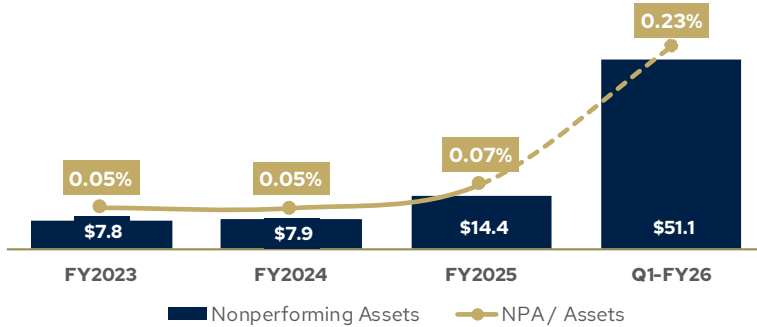
Dollars in millions	Owner	Non-owner	Total
Office Buildings	\$ 529	\$ 850	\$ 1,379
Hotels	-	957	957
Shopping Centers	-	789	789
Warehouse Light Industrial	415	448	863
Auto Dealer and Repair	208	27	235
Self Storage	-	257	257
Restaurants	140	50	190
Retail Buildings	79	82	162
Churches	108	3	110
Government Guaranteed	88	-	88
Other Commercial	880	823	1,703
Total	\$ 2,448	\$ 4,285	\$ 6,733

CRE / Total Risk Based Capital

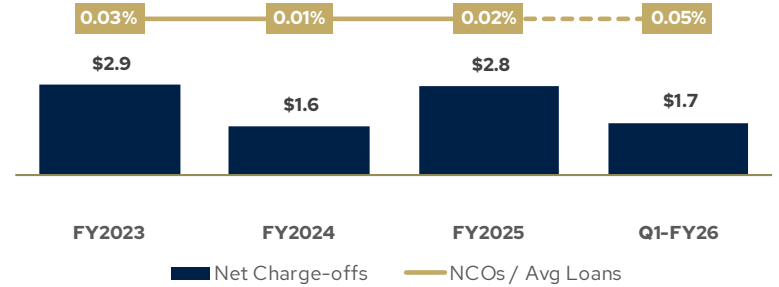


Asset Quality

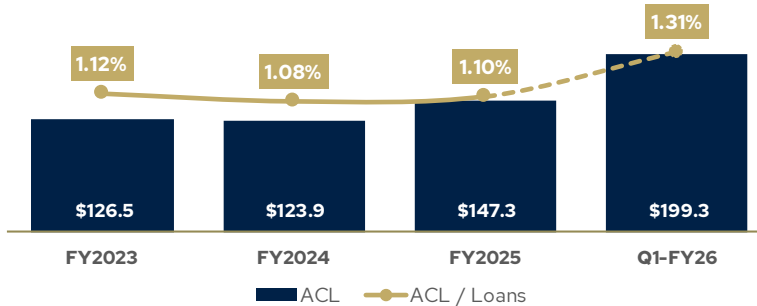
Nonperforming Assets¹ [Dollars in millions]



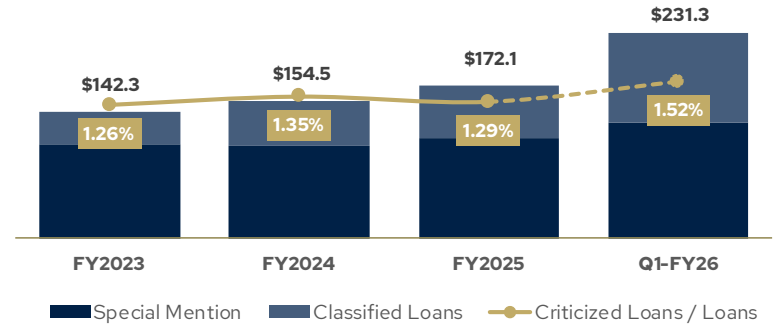
Net Charge-offs [Dollars in millions]



Allowance for Credit Losses [Dollars in millions]



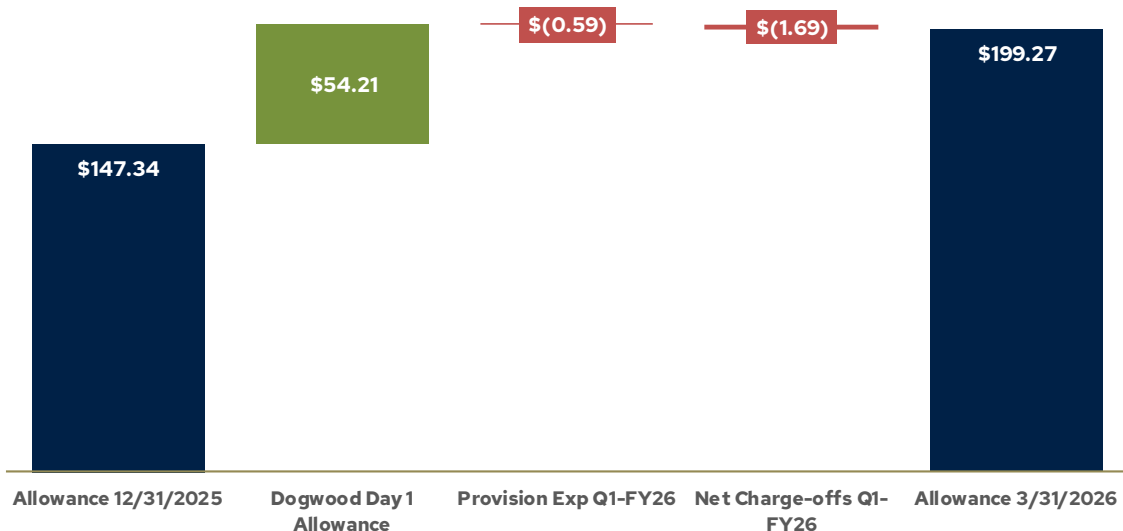
Criticized Loans [Dollars in millions]



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

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

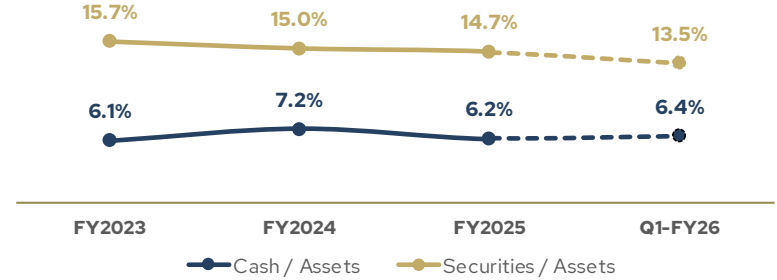
Liquidity Sources [Dollars in millions]

	Q1-FY26
Available Liquid Funds:	
Cash and cash equivalents	\$ 1,562
Unencumbered investment securities	1,946
Availability of Borrowings:	
Amount available from FHLB with loan collateral	1,921
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	2,077
Total Liquidity Sources	\$ 7,656

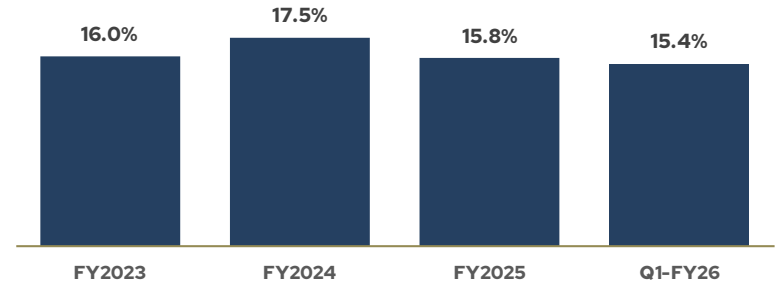
Uninsured Deposits [Dollars in millions]

	Q1-FY26
TowneBank Estimated Uninsured Deposits	\$ 8,584
Less Collateralized Deposits	769
Adjusted Uninsured Deposits	7,814
TowneBank Total Deposits	18,480
Adjusted Uninsured Deposits / Total Deposits	42%
Total Liquidity Sources / Adjusted Uninsured Deposits	98%

Cash and Securities



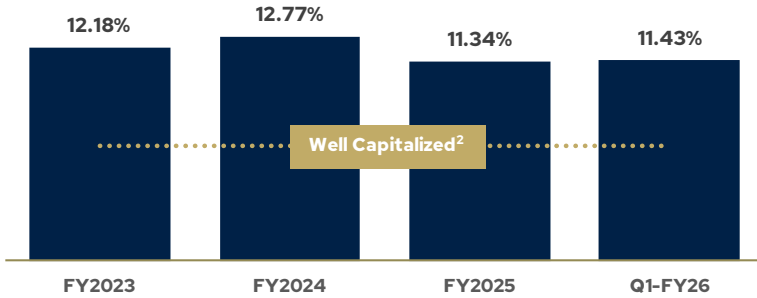
Liquidity Buffer¹



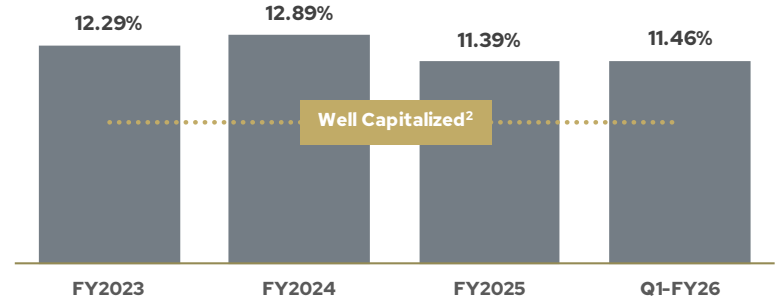
(1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

Capital

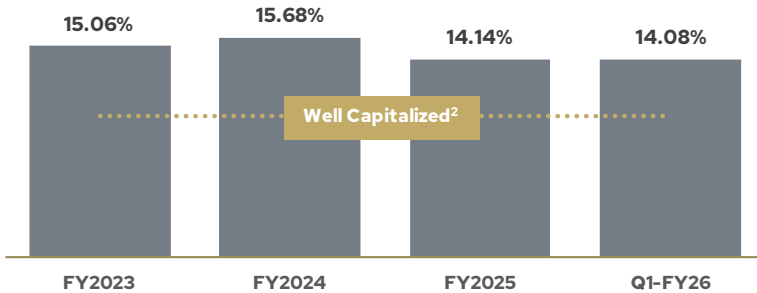
Common Equity Tier 1¹



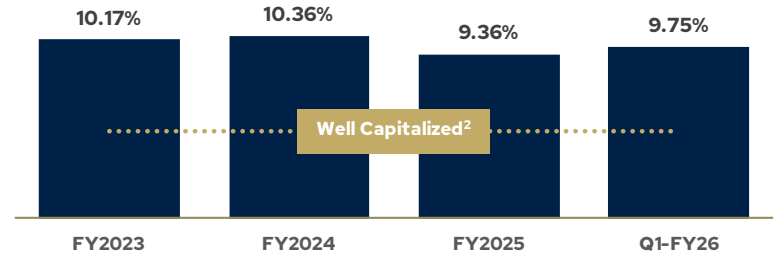
Tier 1 Risk-Based¹



Total Risk-Based¹



Tier 1 Leverage¹



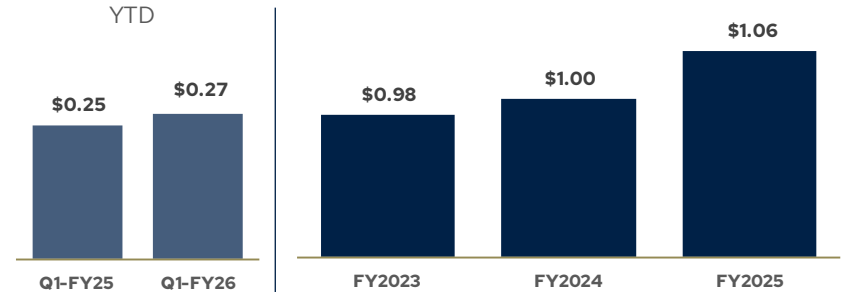
(1) Current reporting period regulatory capital ratios are preliminary
(2) FDIC "Well Capitalized" under prompt corrective action rules

Shareholder Value

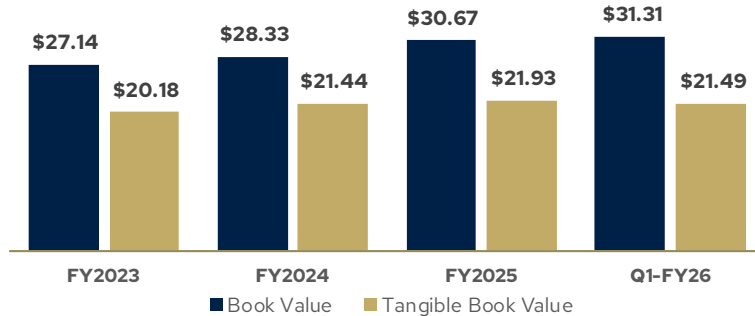
10Yr Total Shareholder Return - TowneBank vs Peers¹



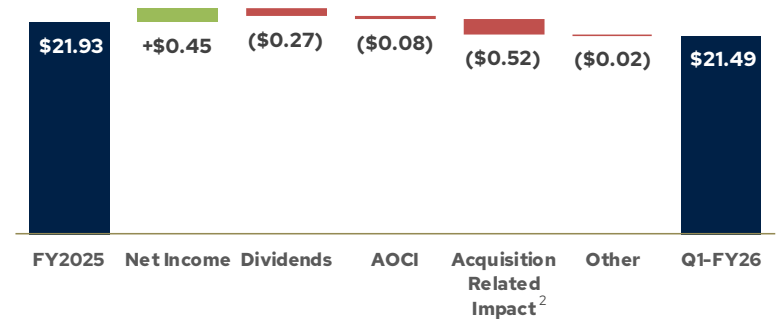
Dividends



Book Value and Tangible Book Value per Share



Tangible Book Value Roll Forward



(1) 10Yr Total Return as of 3/31/2026; Source: S&P Global, data collected 4/16/2026. 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

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 aligned with loan growth rates

Profitability⁽¹⁾

- Net interest income expected to range between \$745-760 million for FY2026⁽¹⁾⁽²⁾⁽³⁾
- Noninterest income of \$235-245 million for FY2026⁽¹⁾⁽⁴⁾
- Noninterest expense of \$605-615 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 expected impact of recently acquired Dogwood State Bank

(2) Base forecast assumes consistent rate environment in FY2026

(3) Tax equivalent

(4) Includes the expected impact from the recently announced sale of Resort Property Management Segment excluding one-time gains resulting from the sale

(5) 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-FY26	Q4-FY25	Q1-FY25	FY2025	FY2024	FY2023
Net Income Attributable to TowneBank	\$ 40.99	\$ 40.63	\$ 43.71	\$ 169.53	\$ 161.36	\$ 153.21
<u>Adjustments</u>						
Plus: Acquisition Related Expenses	31.68	18.26	0.42	55.23	1.34	9.59
Plus: Initial Provision for Credit Losses	-	-	-	18.23	-	4.01
Plus: FDIC Special Assessment	-	-	-	-	0.71	5.17
Less: Gain (Loss) on Equity Investment ¹	-	-	-	-	0.15	7.52
Plus: Income Tax & Other Adjustments	(5.95)	(3.60)	(0.03)	(11.44)	(0.02)	(4.02)
Core Net Income	\$ 66.73	\$ 55.29	\$ 44.10	\$ 231.55	\$ 163.24	\$ 160.43
Return on Avg Assets	0.76%	0.82%	1.03%	0.92%	0.95%	0.92%
Core Return on Avg Assets	1.24%	1.11%	1.04%	1.26%	0.96%	0.96%
Earnings Per Share-Diluted	\$ 0.45	\$ 0.51	\$ 0.58	\$ 2.21	\$ 2.15	\$ 2.05
Core Earnings Per Share-Diluted	\$ 0.74	\$ 0.70	\$ 0.58	\$ 3.02	\$ 2.17	\$ 2.15
Return on Avg Tangible Common Equity	9.58%	10.36%	11.50%	11.06%	11.11%	11.49%
Core Return on Avg Tangible Common Equity	14.95%	13.74%	11.60%	14.82%	11.23%	11.99%
Total Revenue	\$ 246.45	\$ 219.94	\$ 183.10	\$ 835.72	\$ 693.29	\$ 693.41
Less: Gain (Loss) on Securities Investments	0.13	0.01	-	0.01	0.07	-
Less: Gain (Loss) on Equity Investments	-	0.13	2.00	2.13	0.24	9.38
Total Revenue Adjusted	246.32	219.80	181.10	833.59	692.97	684.04
Noninterest Expense	\$ 195.89	\$ 166.62	\$ 130.54	\$ 601.56	\$ 503.92	\$ 489.22
Less: Intangible Amortization	6.32	5.35	3.03	16.78	12.77	14.15
Noninterest Expense Adjusted	189.57	161.28	127.51	584.79	491.15	475.07
Efficiency Ratio	76.96%	73.37%	70.41%	70.15%	70.88%	69.45%
Less: Acquisition Related Expenses	31.68	18.26	0.42	55.23	1.34	9.59
Core Efficiency Ratio	64.10%	65.07%	70.18%	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	QTD	Year		
	Q1-FY26	FY2025	FY2024	FY2023
Total Revenue	\$ 194.26	\$ 621.09	\$ 490.95	\$ 499.53
Less: Gain (Loss) on Securities Investments	0.13	0.01	0.07	-
Less: Gain (Loss) on Equity Investments	-	2.00	-	-
Total Revenue Adjusted	194.13	619.08	490.88	499.53
Noninterest Expense	\$ 154.94	\$ 438.12	\$ 343.17	\$ 326.17
Less: Intangible Amortization	4.55	8.72	4.38	5.15
Noninterest Expense Adjusted	150.39	429.39	338.79	321.02
Efficiency Ratio	77.47%	69.36%	69.02%	64.26%
Less: Acquisition Related Expenses	31.68	53.45	0.87	9.08
Core Efficiency Ratio	61.15%	60.73%	68.84%	62.45%

Core Efficiency Ratio – Mortgage

Amounts in millions	QTD	Year		
	Q1-FY26	FY2025	FY2024	FY2023
Total Revenue	\$ 13.70	\$ 55.70	\$ 53.37	\$ 56.25
Less: Gain (Loss) on Securities Investments	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	-	8.83
Total Revenue Adjusted	13.70	55.70	53.37	47.42
Noninterest Expense	\$ 12.95	\$ 52.75	\$ 48.16	\$ 59.06
Less: Intangible Amortization	-	-	0.29	0.58
Noninterest Expense Adjusted	12.95	52.75	47.87	58.49
Efficiency Ratio	94.49%	94.71%	89.70%	123.34%
Less: Acquisition Related Expenses	-	1.78	-	0.29
Core Efficiency Ratio	94.49%	91.52%	89.70%	122.74%

Core Efficiency Ratio – Insurance

Amounts in millions	QTD	Year		
	Q1-FY26	FY2025	FY2024	FY2023
Total Revenue	\$ 26.32	\$ 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	26.32	103.10	100.18	90.38
Noninterest Expense	\$ 18.53	\$ 70.56	\$ 68.17	\$ 62.93
Less: Intangible Amortization	1.34	5.51	5.66	6.10
Noninterest Expense Adjusted	17.19	65.06	62.51	56.83
Efficiency Ratio	65.33%	63.10%	62.39%	62.88%
Less: Acquisition Related Expenses	-	-	0.00	0.09
Core Efficiency Ratio	65.33%	63.10%	62.39%	62.78%

Core Efficiency Ratio – Resort Property Management

Amounts in millions	QTD	Year		
	Q1-FY26	FY2025	FY2024	FY2023
Total Revenue	\$ 12.44	\$ 57.77	\$ 50.13	\$ 46.71
Less: Gain (Loss) on Securities Investments	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	-	-
Total Revenue Adjusted	12.44	57.77	50.13	46.71
Noninterest Expense	\$ 9.73	\$ 42.20	\$ 46.01	\$ 41.06
Less: Intangible Amortization	0.42	2.55	2.44	2.33
Noninterest Expense Adjusted	9.31	39.65	43.57	38.73
Efficiency Ratio	74.82%	68.63%	86.90%	82.92%
Less: Acquisition Related Expenses	0.00	-	0.47	0.14
Core Efficiency Ratio	74.81%	68.63%	85.98%	82.62%

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q1-FY26	Q4-FY25	Q3-FY25	Q2-FY25	Q1-FY25
Loans TE Adjustment	\$ 0.71	\$ 0.73	\$ 0.75	\$ 0.75	\$ 0.75
Securities TE Adjustment	0.46	0.41	0.33	0.31	0.32
Tax-Equivalent Adjustment	1.17	1.15	1.08	1.06	1.07
<u>Yield & Margin Impacts:</u>					
Loan Yield	5.65%	5.64%	5.63%	5.53%	5.36%
Loan Yield (TE)	5.67%	5.66%	5.65%	5.56%	5.38%
Securities Investment Yield	3.59%	3.63%	3.54%	3.59%	3.44%
Securities Investment Yield (TE)	3.65%	3.69%	3.58%	3.63%	3.49%
Earning Asset Yield	5.18%	5.16%	5.17%	5.11%	4.95%
Earning Asset Yield (TE)	5.20%	5.19%	5.19%	5.14%	4.97%
Net Interest Margin (GAAP)	3.58%	3.56%	3.48%	3.38%	3.14%
Net Interest Margin (TE)	3.60%	3.58%	3.50%	3.40%	3.17%

Tangible Book Value per Share

Amounts in millions except per share data	Q1-FY26	Q4-FY25	Q3-FY25	Q2-FY25	Q1-FY25
Shareholders' Equity (Common)	\$ 2,891.69	\$ 2,422.07	\$ 2,389.45	\$ 2,217.95	\$ 2,186.08
Goodwill and Intangible Assets	906.77	690.61	693.57	573.89	514.76
Tangible Common Equity	\$ 1,984.91	\$ 1,731.46	\$ 1,695.88	\$ 1,644.05	\$ 1,671.31
Common Shares Outstanding	92.37	78.96	78.93	75.42	75.39
Tangible Book Value per Share	\$ 21.49	\$ 21.93	\$ 21.49	\$ 21.80	\$ 22.17



Member FDIC