Earnings Presentation

2nd Quarter 2026

TowneBank
Serving Others. Enriching Lives.®

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 Roads[1]

Ranked on **Forbes Best Banks List**[2]
8 Years in a Row

Total Assets	Total Loans	Total Deposits	Net Promoter Score[3]
$22.6B	$15.2B	$18.7B	76%

Core ROAA	Core ROTCE	NIM (FTE)	NIB Deposits / Total Deposits	10 Year Total Shareholder Return[4]
1.28%	14.63%	3.70%	31%	127%

(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 6/30/2026; Source: S&P Global, data collected 7/10/2026
Note: Financial results for the quarter ending June 30, 2026

2nd Quarter 2026 Financial Results

Performance Highlights

	Q2-FY26	Q1-FY26	Q/Q Change	Q2-FY25 [2]	Y/Y Change
Total Revenue	$444.27 million	$246.45 million	80%	$210.09 million	111%
Provision for Credit Losses	$0.62 million	$0.34 million	81%	$6.41 million	(90%)
Net Income Attributable to TowneBank	$193.19 million	$40.99 million	371%	$40.89 million	372%
Earnings Per Share-Diluted	$2.09	$0.45	364%	$0.54	287%
Return on Avg Assets	3.45%	0.76%	+269 bps	0.91%	+254 bps
Return on Avg Tangible Common Equity [1]	37.76%	9.58%	+2,818 bps	10.99%	+2,677 bps
Net Interest Margin (TE) [1]	3.70%	3.60%	+10 bps	3.40%	+30 bps
Assets	$22.62 billion	$22.36 billion	1%	$18.25 billion	24%
Loans	$15.17 billion	$15.26 billion	(1%)	$12.36 billion	23%
Deposits	$18.71 billion	$18.48 billion	1%	$15.33 billion	22%
Loans / Deposits	81.06%	82.58%	-152 bps	80.63%	+43 bps
Noninterest Bearing Deposits / Deposits	31.22%	30.29%	+93 bps	31.02%	+20 bps
Nonperforming Assets / Assets	0.21%	0.23%	-2 bps	0.05%	+16 bps
Book Value per Share	$32.40	$31.31	3%	$29.41	10%
Tangible Book Value per Share [1]	$22.60	$21.49	5%	$21.80	4%
Tangible Common Equity to Tangible Assets	9.62%	9.25%	+37 bps	9.30%	+32 bps
Total Risk Based Capital Ratio	14.58%	13.87%	+71 bps	14.49%	+9 bps

(1) Non-GAAP financial measure – see non-GAAP reconciliations
(2) Prior periods adjusted to reflect adoption of new revenue recognition standard for Towne Vacations property management income. This revision did not have a material impact on annual earnings

Income Statement Summary

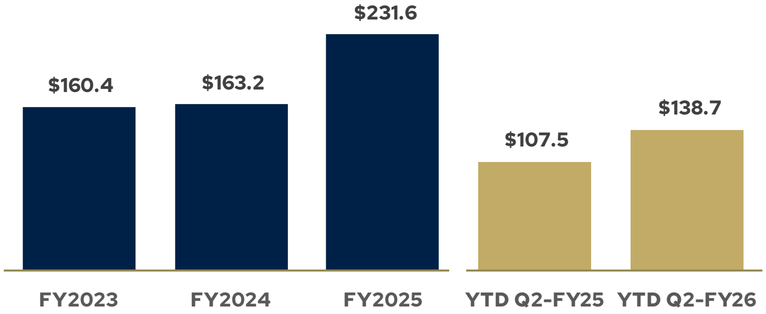
Dollars in millions, except per share data	QTD					YTD		
	Q2-FY26	Q1-FY26	Q/Q Change	Q2-FY25	Y/Y Change	Q2-FY26	Q2-FY25	Y/Y Change
Interest Income	$ 260.64	$ 250.40	4%	$ 207.63	26%	$ 511.04	$ 397.25	29%
Interest Expense	75.53	77.46	(2%)	70.42	7%	152.98	139.56	10%
Net Interest Income	**185.12**	**172.94**	**7%**	**137.21**	**35%**	**358.06**	**257.69**	**39%**
Provision for Credit Losses	0.62	0.34	81%	6.41	(90%)	0.97	8.83	(89%)
Net Interest Income after Provision for Credit Losses	**184.49**	**172.60**	**7%**	**130.80**	**41%**	**357.09**	**248.86**	**43%**
Noninterest Income	259.15	73.51	253%	72.88	256%	332.65	135.50	146%
Noninterest Expense	189.94	195.89	(3%)	150.66	26%	385.83	281.20	37%
Minority Interest in Unconsolidated Subs	0.43	0.11	299%	0.43	(0%)	0.54	0.73	(26%)
Income Before Taxes	**253.27**	**50.11**	**405%**	**52.59**	**382%**	**303.38**	**102.43**	**196%**
Provision for Income Tax Expense	60.08	9.12	559%	11.70	414%	69.20	17.83	288%
Net Income Attributable to TowneBank	**$ 193.19**	**$ 40.99**	**371%**	**$ 40.89**	**372%**	**$ 234.18**	**$ 84.60**	**177%**
Earnings Per Share-Diluted	$ 2.09	$ 0.45	364%	$ 0.54	287%	$ 2.56	$ 1.12	128%
Core Net Income[1]								
One-time Adjustments After Taxes	$ (121.17)	$ 25.74		$ 22.50		$ (95.44)	$ 22.89	
Core Net Income	72.01	66.73	7.9%	63.39	13.6%	138.74	107.49	29.1%
Core Earnings Per Share-Diluted	$ 0.78	$ 0.74	5.4%	$ 0.84	(7.1%)	$ 1.52	$ 1.42	6.4%

(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

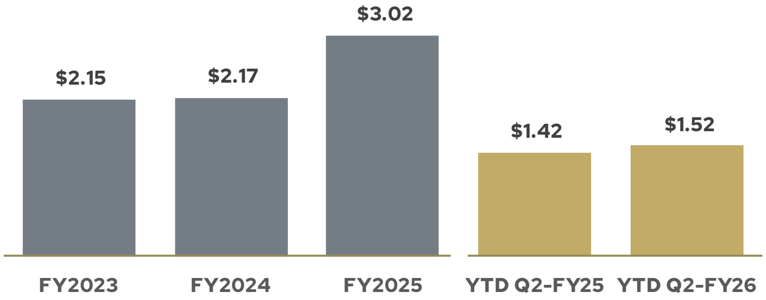
TOWNEBANK

Financial Performance Trends

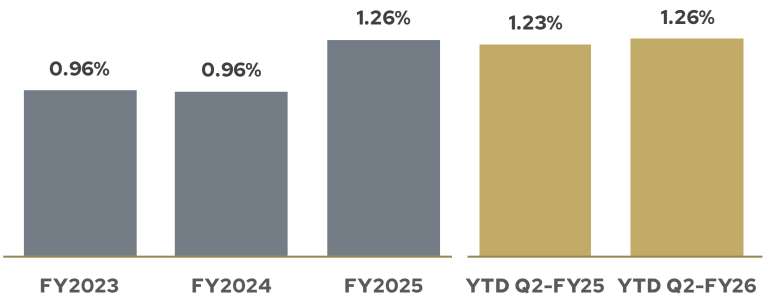
Core Net Income[1] [Dollars in millions]



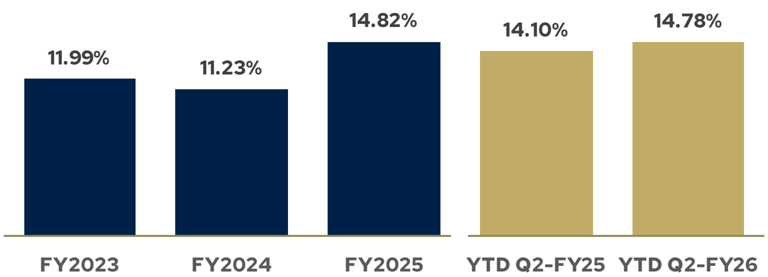
Core EPS[1]



Core ROAA[1]



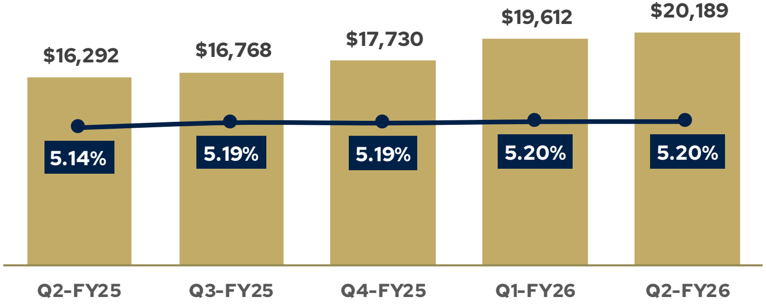
Core ROATCE[1]



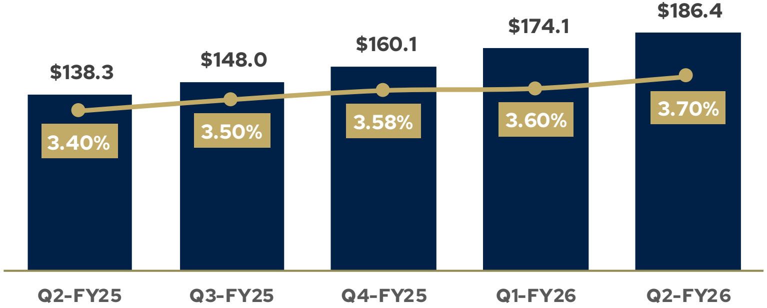
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Net Interest Income

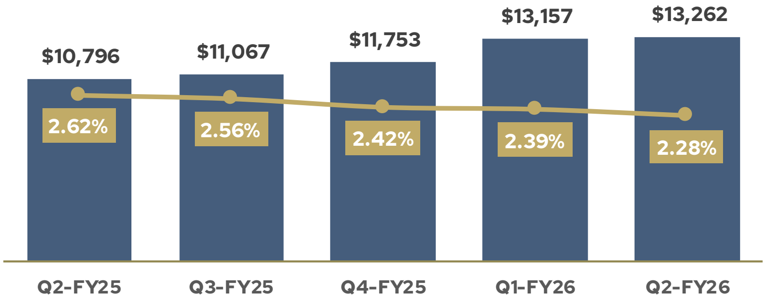
Avg. Earning Assets & Yield (TE)[1] [Dollars in millions]



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

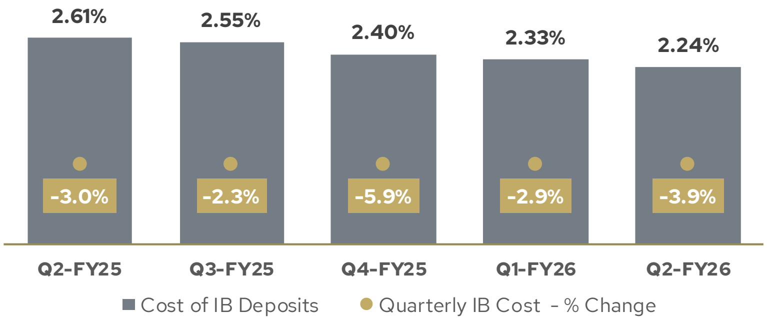


Avg. Interest Bearing Liabilities & Cost [Dollars in millions]



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

Interest Bearing Deposit Costs



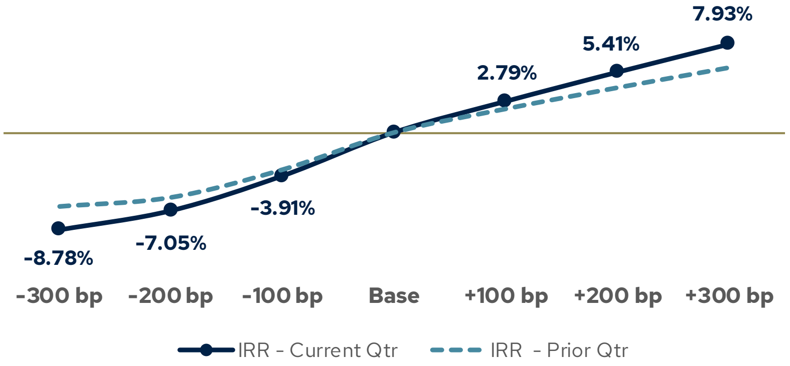
TowneBank

NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)[1]

Dollars in millions	Amount	NIM (%)
Q1-FY26	**$ 174.1**	**3.60%**
Loans HFI	5.7	0.01%
Recurring Accretion	0.2	0.00%
Loans HFS	1.0	0.00%
Investments & Cash	3.5	0.02%
Earning Assets Mix		-0.03%
Deposits	1.0	0.06%
Borrowings	0.9	0.00%
Sub Debt	0.0	0.00%
Interest Bearing Funding Mix		0.01%
Other	(0.0)	0.03%
Q2-FY26	**$ 186.4**	**3.70%**

Net Interest Income Sensitivity[2]



Comments

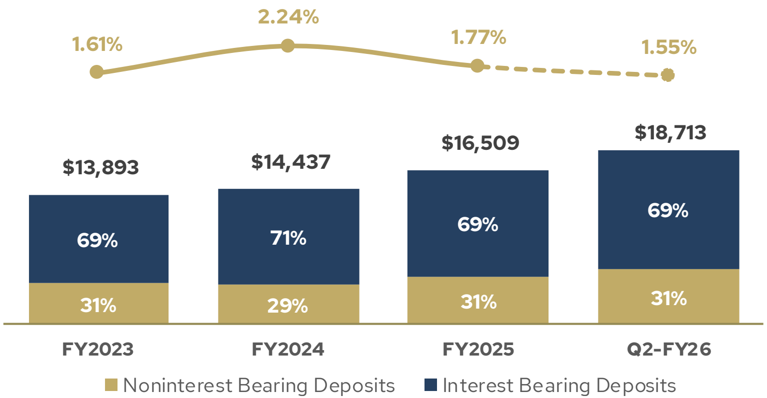
- Continuation of recent trend to rising asset sensitivity
- Forecast assumes zero rate cuts
- NII growth from NIM expansion, repricing fixed rate maturities and closed acquisitions
- Reflects updated purchase accounting adjustments

(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.

TowneBank

Deposits

Deposit Balances and Cost [Dollars in millions]



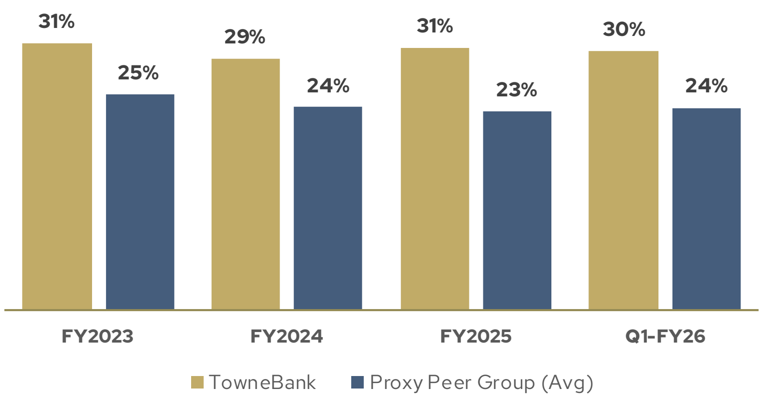
Deposits (Avg)	Q2-FY26	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	2,340	13%	0.48%	6%	31%
Money Market	6,940	38%	2.42%	1%	19%
Savings	446	2%	0.56%	6%	32%
Time Deposits	3,077	17%	3.40%	-1%	20%
Interest Bearing Deposits	**12,803**	**69%**	**2.24%**	**2%**	**22%**
Noninterest Bearing Deposits	5,694	31%	na	4%	22%
Total Deposits	**$ 18,497**	**100%**	**1.55%**	**2%**	**22%**

(1) Excludes the impact of Dogwood balances in 2026
(2) Source: S&P Global, data as of 5/22/2026. Peers as disclosed in the most recent TOWN proxy statement

Portfolio Highlights

- Eight consecutive quarterly decreases in deposit costs since Q2-24 (cumulative decrease of 108 bps in IB deposit costs vs Fed decrease of 175 bps)
- NIB deposits in legacy Hampton Roads region equal to 35% of total regional deposits
- YTD annualized core deposit growth of 7%[1]

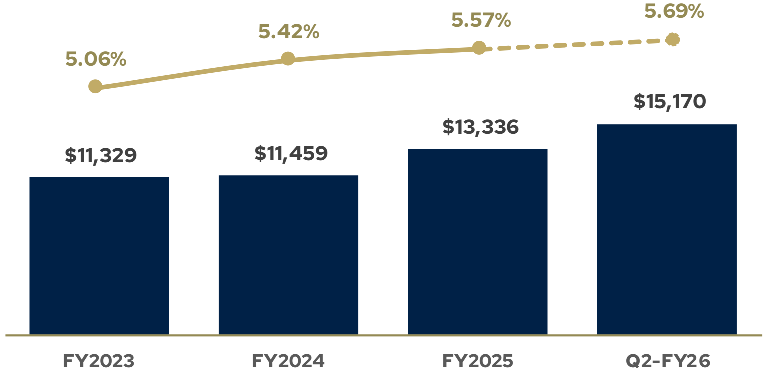
NIB Deposits % of Total Deposits
TowneBank vs Peers[2]



TowneBank

Loans

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

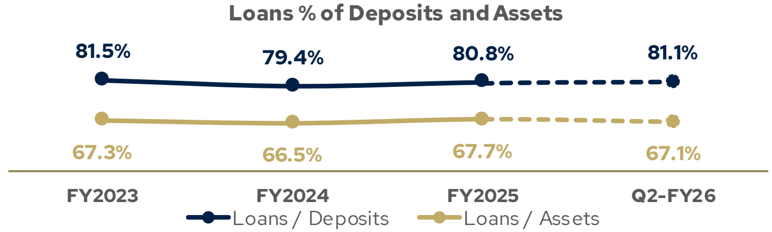


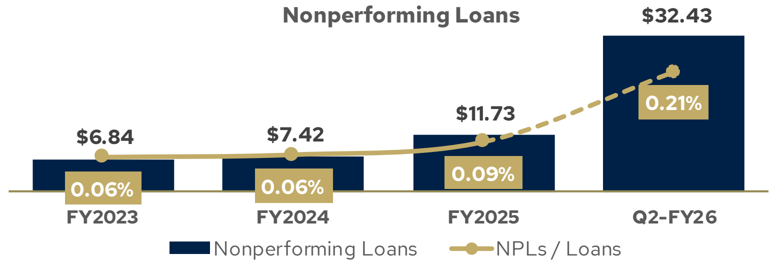
Loans	Q2-FY26		% Total	Q/Q %	Y/Y %
(Dollars in millions)					
Construction and Development	$	1,321	9%	-11%	23%
Commercial Real Estate		7,679	51%	1%	23%
Residential 1-4 Family		3,009	20%	0%	21%
Commercial and Industrial		1,723	11%	-1%	26%
Government		524	3%	5%	3%
Indirect		690	5%	-1%	19%
Consumer & Other		223	1%	2%	152%
Total Loans	**$**	**15,170**	**100%**	**-1%**	**23%**

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

Portfolio Highlights

- Variable portfolio of $5.6 billion at the end of Q2-26 with 79% of portfolio tied to prime rate or SOFR
- Fixed rate scheduled maturities and amortization of ~$1.6 billion over the next twelve months
- Quarterly loan growth of $218 million (16% annualized) in Carolina markets

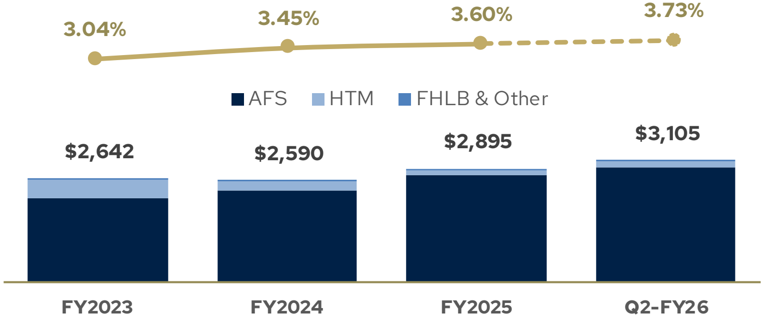




TOWNEBANK

Investments

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

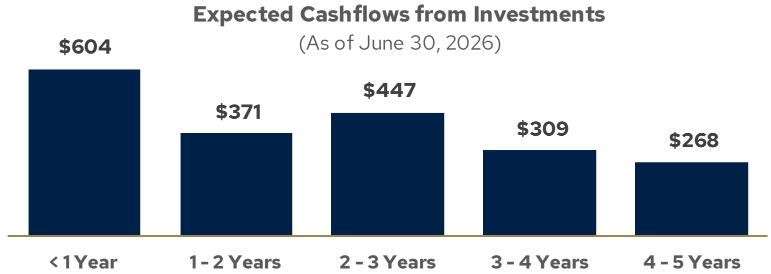


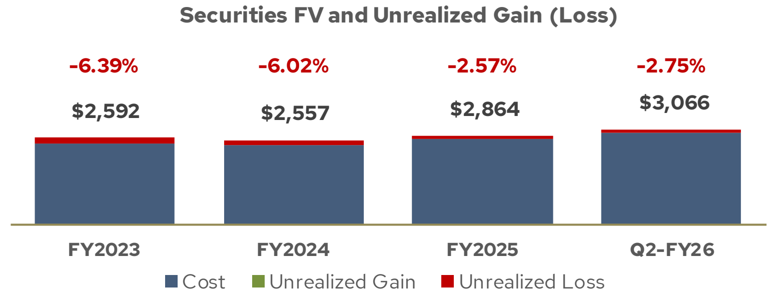
AFS and HTM Securities[2]	AFS	HTM	Total
(Dollars in millions)			
US Treasuries	$ 177	$ 95	$ 272
US Agencies	426	18	444
Municipals	558	6	564
Trust Preferred & Oth Corp	167	2	169
MBS Issued by GSE/GNMA	1,700	5	1,705
Securities - Amortized Cost	**3,027**	**126**	**3,153**
Valuation Adjustment	(85)	-	(85)
Credit Loss Reserve	(1)	(0)	(1)
Total	**$ 2,941**	**$ 126**	**$ 3,067**

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

Portfolio Highlights

- Portfolio roll-off yield of 3.26% over the next twelve months
- Portfolio duration of 3.57 years at the end of Q2-26
- Portfolio: 96%/4% - AFS/HTM and 85%/15% - Fixed/Floating

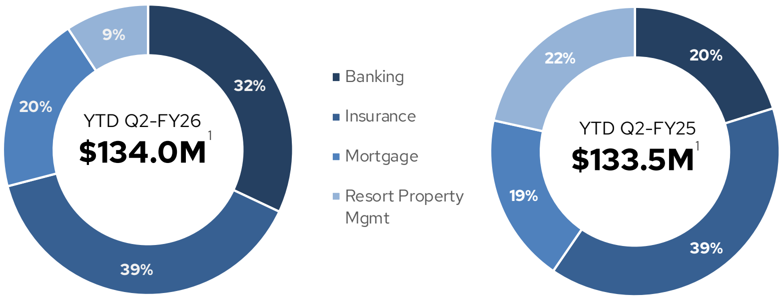


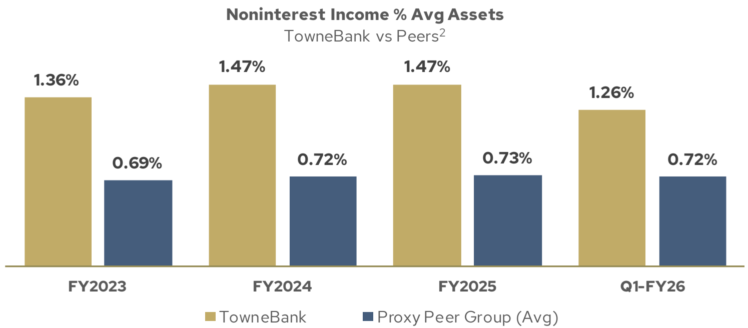


TowneBank

Noninterest Income

Dollars in millions	QTD Q2-FY26	QTD Q1-FY26	QTD Q/Q Change	QTD Q2-FY25	QTD Y/Y Change	YTD Q2-FY26	YTD Q2-FY25	YTD Y/Y Change
Residential Mortgage Banking Income Net	$ 12.54	$ 11.73	7%	$ 13.56	(8%)	$ 24.27	$ 23.92	1%
Insurance Commissions Income, Net	25.29	26.03	(3%)	25.68	(1%)	51.33	52.10	(1%)
Property Mgmt Income, Net	-	12.44	(100%)	18.21	(100%)	12.44	28.76	(57%)
Service Charges on Deposit Accounts	4.75	4.64	2%	3.64	30%	9.39	6.97	35%
Credit Card Merchant Fees, Net	2.15	1.92	12%	1.79	20%	4.06	3.49	16%
Investment Income Net	3.79	3.72	2%	3.16	20%	7.51	6.23	21%
Bank-owned Life Insurance	2.76	3.02	(9%)	1.99	39%	5.78	3.86	50%
Government Lending Income, Net	1.99	4.20	(53%)	-	-	6.20	-	-
Other Income	7.33	5.67	29%	4.85	51%	13.00	8.16	59%
Gain (Loss) on Equity Investment	198.55	-	-	-	-	198.55	2.00	9828%
Gain (Loss) on Investment Securities	-	0.13	(100%)	(0.00)	(100%)	0.13	(0.00)	(128301%)
Noninterest Income	**$ 259.15**	**$ 73.51**	**253%**	**$ 72.88**	**256%**	**$ 332.65**	**$ 135.50**	**146%**





(1) Core noninterest income excluding gain (loss) on equity investments and investment securities
(2) Source: S&P Global, data as of 5/22/2026. Peers as disclosed in the most recent TOWN proxy statement

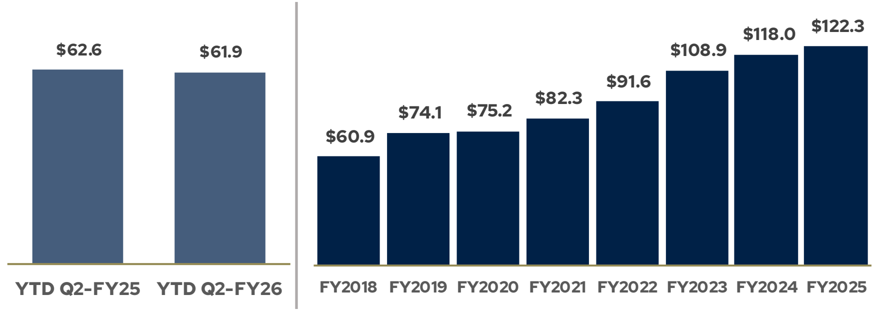
TowneBank

Towne Insurance

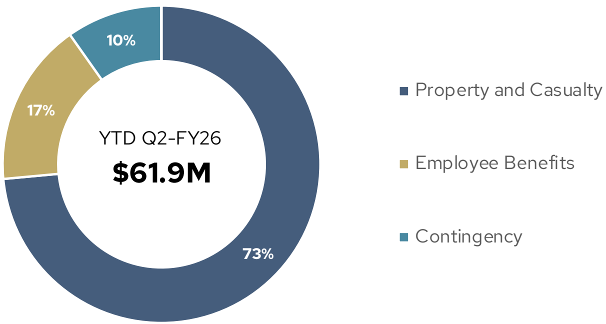
Highlights

- Largest bank-owned insurance company in the country[1]
- CAGR of 10.5% from 2018 to 2025
- 27 Acquisitions since 2001
- Insurance Segment goodwill and intangible assets account for $1.11 of Consolidated book value per share
- P&C markets are experiencing a softening as rate increases moderate

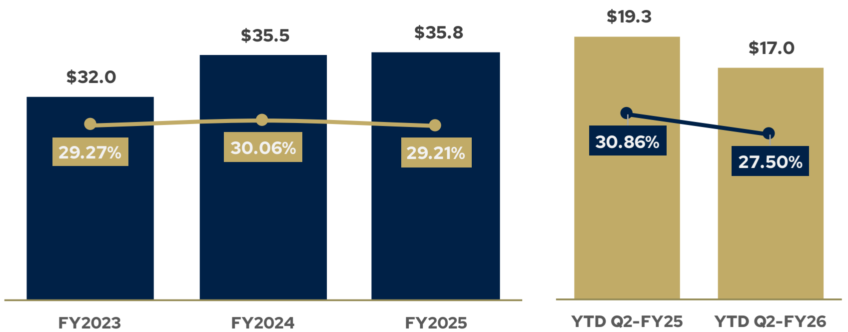
Revenues[2] [Dollars in millions]



Insurance Revenue Composition[2]



EBITDA & Margin [Dollars in millions]



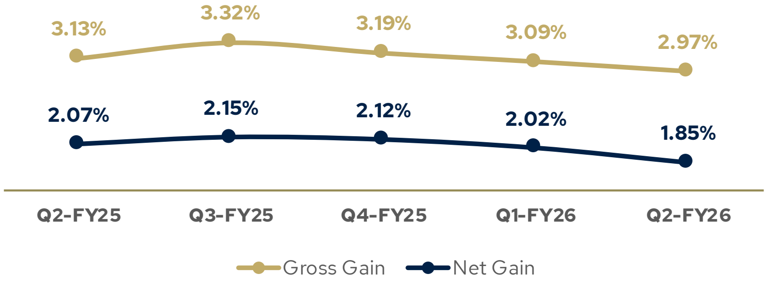
(1) Q4-25 Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 4/16/2026
(2) Normalized revenue does not include travel insurance income, gains from the sale of Red Sky Travel Insurance (FY2020) or gains from the sale Beneflex (FY2023 , FY2024 & FY2025)

TowneBank Mortgage

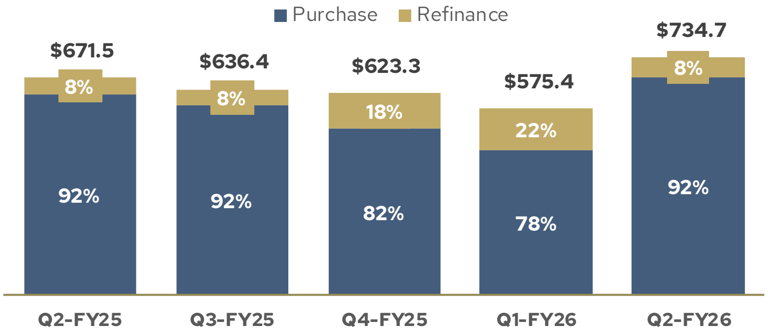
Highlights

- Mortgage banking income of $13.4 million in Q2-26 compared to $14.1 million in Q2-25
- Gain on sales & fees as a % of loans originated was 2.97% in Q2-26 compared to 3.13% in Q2-25
- Experienced an uptick in refinance transactions in Q4-25 that continued into Q1-26 and then leveled off in Q2-26

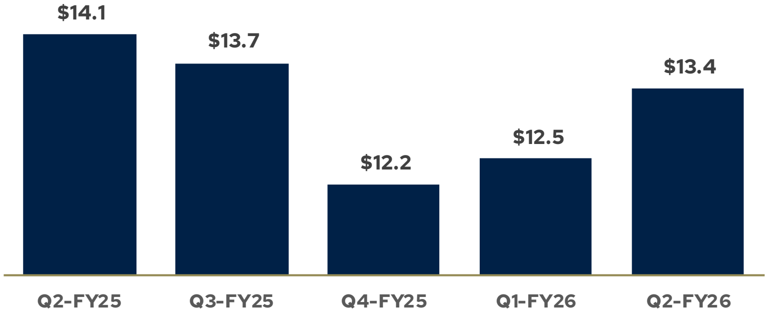
Gain on Sales & Fees as a % of Loans Originated



Mortgage Production [Dollars in millions]



Mortgage Banking Income Net [Dollars in millions]



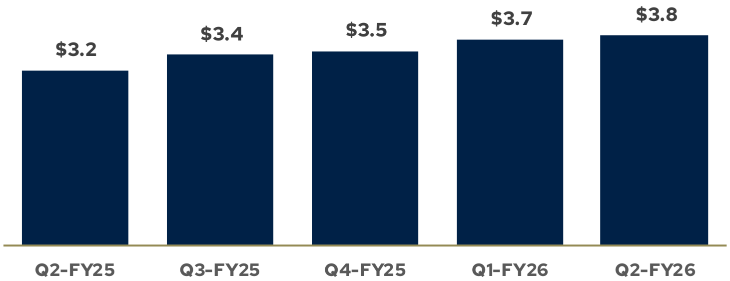
TowneBank

Wealth Management

Highlights [1]

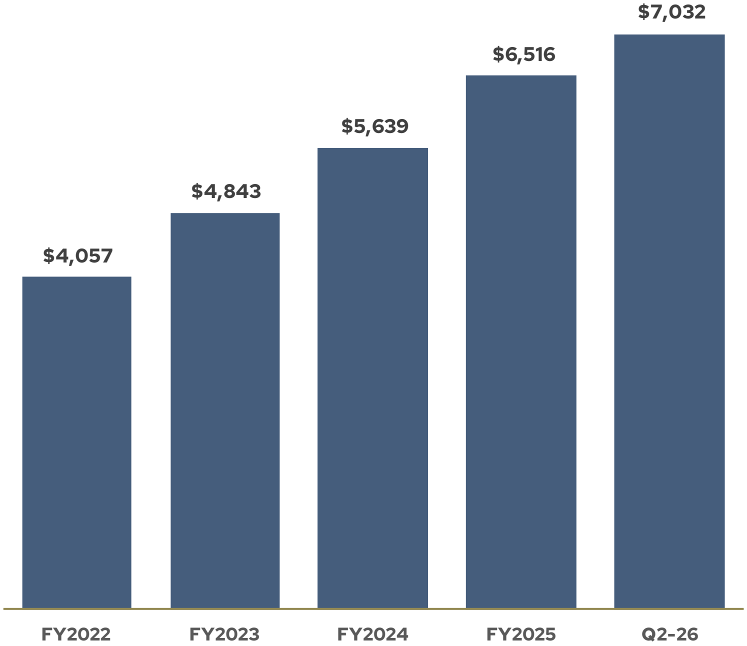
- Experienced team of advisors serves a variety of clients providing professional investment consulting and complete financial planning
- Investment fee and commission income net of $3.8 million in Q2-26 compared to $3.2 million in Q2-25
- Assets under management at the end of Q2-26 totaled $7.0 billion
- Gross production[1] of $9.6 million in Q2-26, up 24% compared to Q2-25

Investment Income Net [1] [Dollars in millions]



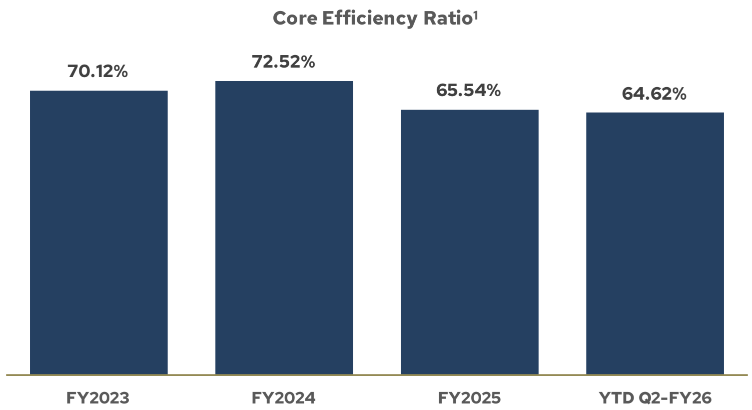
(1) Gross production is total revenue before Raymond James revenue share/expenses and advisor payout
(2) Does not include $515 million of assets held in 401k and 529 plans

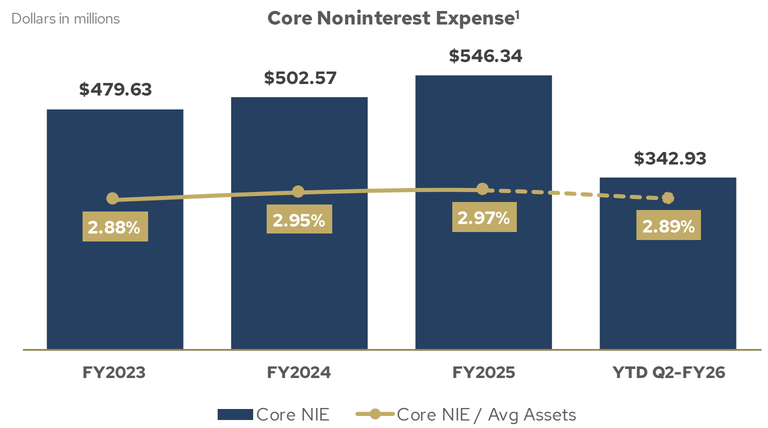
Assets Under Management [2] [Dollars in millions]



Noninterest Expense

Dollars in millions	QTD					YTD		
	Q2-FY26	Q1-FY26	Q/Q Change	Q2-FY25	Y/Y Change	Q2-FY26	Q2-FY25	Y/Y Change
Employee Compensation	$ 88.73	$ 93.18	(5%)	$ 78.36	13%	$ 181.91	$ 153.44	19%
Occupancy, Furniture and Equipment	17.14	17.90	(4%)	14.56	18%	35.04	28.52	23%
Software and Data Processing	10.97	13.33	(18%)	11.34	(3%)	24.30	21.47	13%
Advertising and Marketing	3.21	5.68	(43%)	3.23	(1%)	8.89	7.70	15%
Other Expenses	69.90	65.80	6%	43.17	62%	135.69	70.07	94%
Noninterest Expense	**$ 189.94**	**$ 195.89**	**(3%)**	**$ 150.66**	**26%**	**$ 385.83**	**$ 281.20**	**37%**
Acquisition Related Expenses	11.21	31.68	(65%)	18.74	nm	42.90	19.16	124%
Core Noninterest Expense	**$ 178.73**	**$ 164.20**	**9%**	**$ 131.93**	**35%**	**$ 342.93**	**$ 262.04**	**31%**



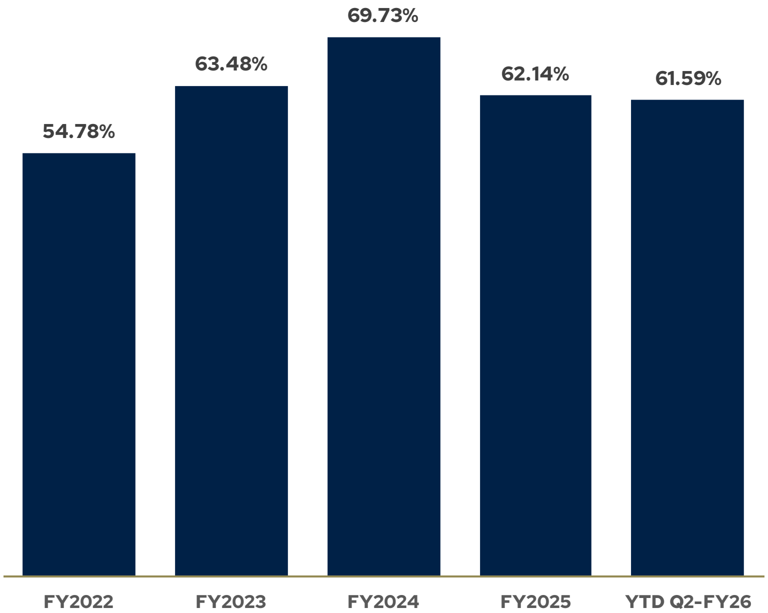


(1) Non-GAAP financial measure – see non-GAAP reconciliations

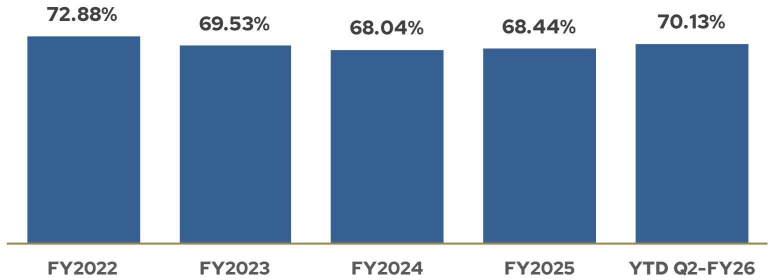
TOWNEBANK

Core Efficiency Ratio[1]

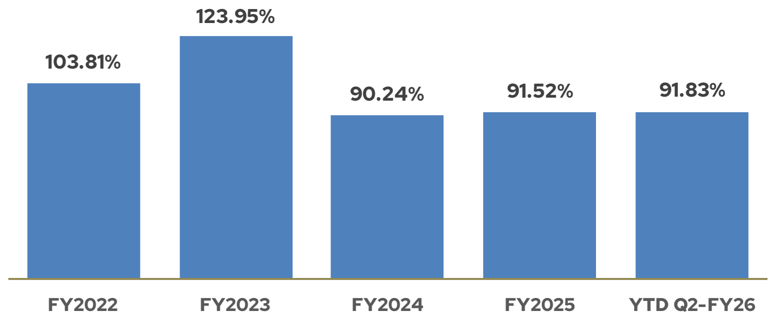
Banking



Insurance



Mortgage



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

Balance Sheet Summary

Dollars in millions	Q2-FY26	Q1-FY26	Q/Q Change	Q2-FY25	Y/Y Change
Cash and Cash Equivalents	$ 1,815	$ 1,562	16%	$ 1,112	63%
Securities	3,105	3,029	2%	2,782	12%
Loans Held for Sale	310	177	75%	239	30%
Loans	15,170	15,261	(1%)	12,360	23%
Allowance for Credit Losses	(200)	(199)	0%	(134)	49%
Net Loans	**14,970**	**15,062**	**(1%)**	**12,225**	**22%**
Premises and Equipment Net	445	439	1%	392	13%
Goodwill	809	804	1%	500	62%
Intangible Assets	97	103	(6%)	74	30%
Bank-owned Life Insurance	388	385	1%	295	31%
Assets Held For Sale	-	103	(100%)	-	-
Other Assets	679	694	(2%)	632	7%
Assets	**22,617**	**22,359**	**1%**	**18,251**	**24%**
Noninterest Bearing Deposits	5,843	5,597	4%	4,754	23%
Interest Bearing Deposits	12,871	12,883	(0%)	10,574	22%
Deposits	**18,713**	**18,480**	**1%**	**15,329**	**22%**
Borrowings	450	512	(12%)	294	53%
Liabilities Held for Sale	-	52	(100%)	-	-
Other Liabilities	452	415	9%	403	12%
Liabilities	**19,615**	**19,460**	**1%**	**16,026**	**22%**
Shareholders' Equity	2,994	2,892	4%	2,218	35%
Noncontrolling Interest	7	7	3%	8	(7%)
Equity	**3,002**	**2,899**	**4%**	**2,226**	**35%**
Liabilities and Equities	**$ 22,617**	**$ 22,359**	**1%**	**$ 18,251**	**24%**

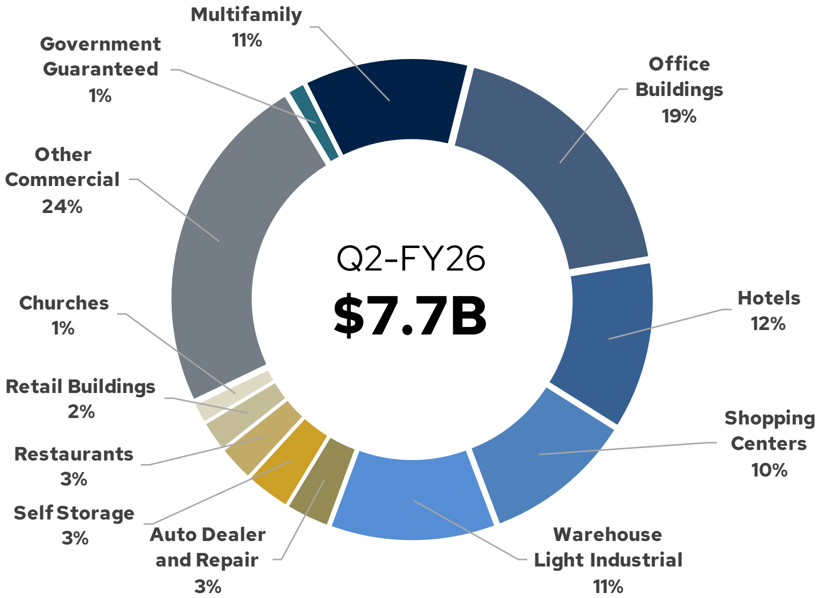
$22.6B
Total Assets

31%
Noninterest Bearing Deposits / Total Deposits

81%
Loans / Deposits

1.32%
ACL / Loans

Commercial Real Estate

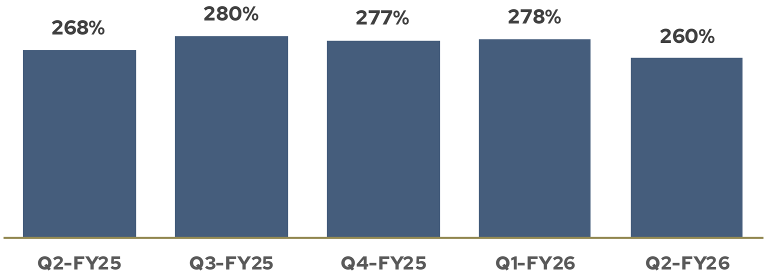


Dollars in millions	Q2-FY26	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	$ 2,496	33%	2%	37%
CRE-Non Owner Occupied	4,317	56%	1%	21%
Multifamily	865	11%	-3%	-2%
Commercial Real Estate	**$ 7,679**	**100%**	**1%**	**23%**

Owner and Non-Owner Occupied

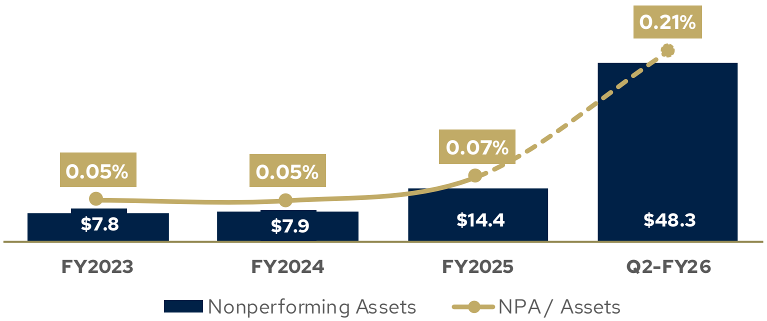
Dollars in millions	Owner	Non-owner	Total
Office Buildings	$ 533	$ 887	$ 1,419
Hotels	-	887	887
Shopping Centers	-	793	793
Warehouse Light Industrial	398	476	874
Auto Dealer and Repair	207	26	233
Self Storage	-	241	241
Restaurants	139	53	192
Retail Buildings	82	82	164
Churches	108	2	110
Government Guaranteed	99	-	99
Other Commercial	931	870	1,801
Total	**$ 2,496**	**$ 4,317**	**$ 6,813**

CRE / Total Risk Based Capital

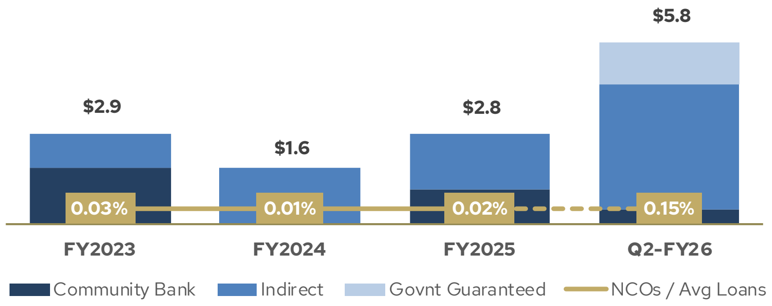


Asset Quality

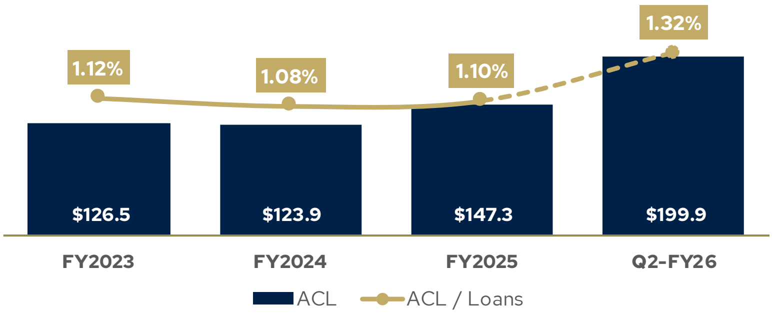
Nonperforming Assets[1] [Dollars in millions]



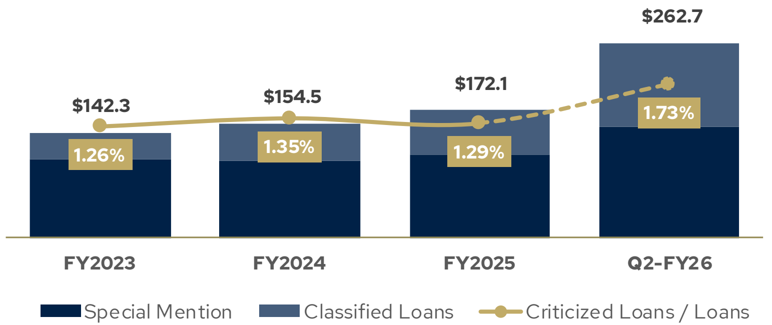
Net Charge-offs [Dollars in millions]



Allowance for Credit Losses [Dollars in millions]



Criticized Loans [Dollars in millions]

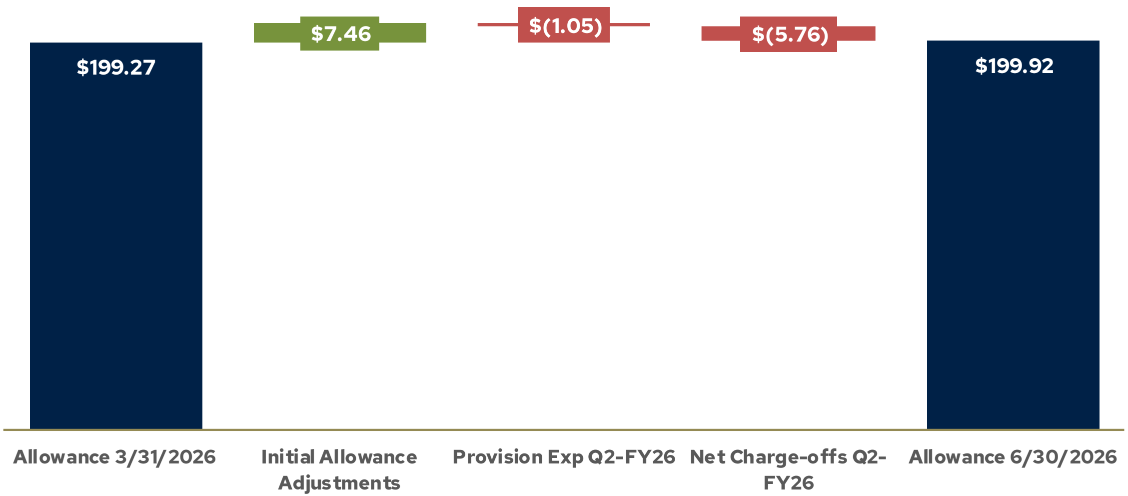


(1) Non-performing assets (Non-accrual loans/leases, repossessed assets, and real estate owned) as a percent of assets

TowneBank

Current Expected Credit Loss (CECL)

Allowance for Credit Losses[1] [Dollars in millions]



ACL / Loans

1.31% → 1.32%

(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

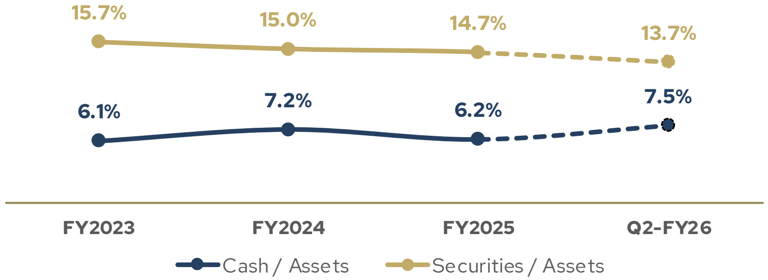
TowneBank

Liquidity

Liquidity Sources [Dollars in millions]

	Q2-FY26
Available Liquid Funds:	
Cash and cash equivalents	$ 1,815
Unencumbered investment securities	2,044
Availability of Borrowings:	
Amount available from FHLB with loan collateral	2,168
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	1,999
Total Liquidity Sources	**$ 8,177**

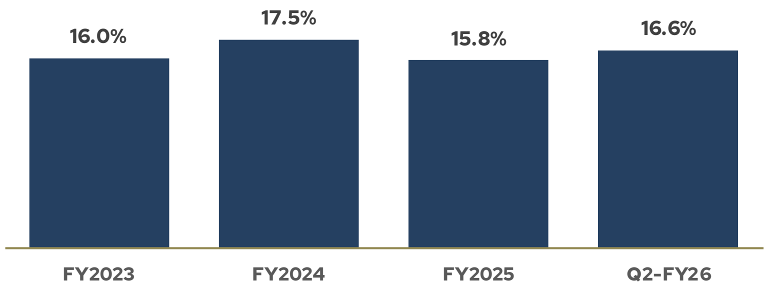
Cash and Securities



Uninsured Deposits [Dollars in millions]

	Q2-FY26
TowneBank Estimated Uninsured Deposits	$ 9,029
Less Collateralized Deposits	700
Adjusted Estimated Uninsured Deposits	**8,329**
TowneBank Total Deposits	18,713
Adjusted Estimated Uninsured Deposits / Total Deposits	45%
Total Liquidity Sources / Adjusted Estimated Uninsured Deposits	**98%**

Liquidity Buffer[1]

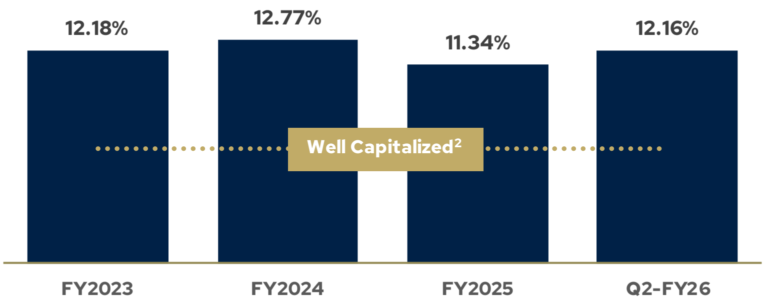


(1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

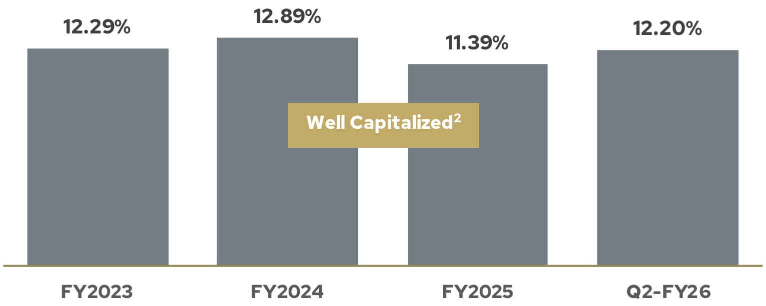
TowneBank

Capital

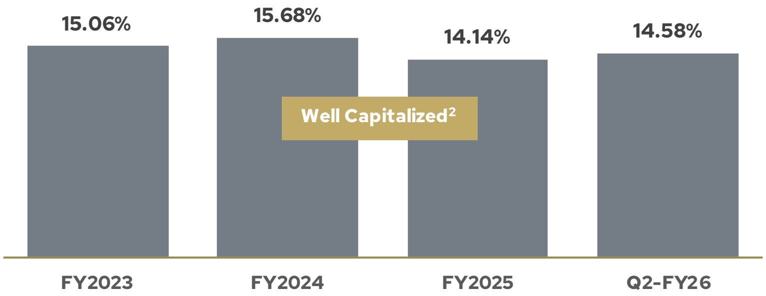
Common Equity Tier 1[1]



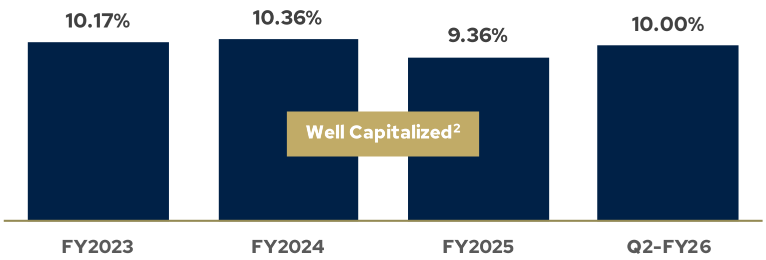
Tier 1 Risk-Based[1]



Total Risk-Based[1]



Tier 1 Leverage[1]

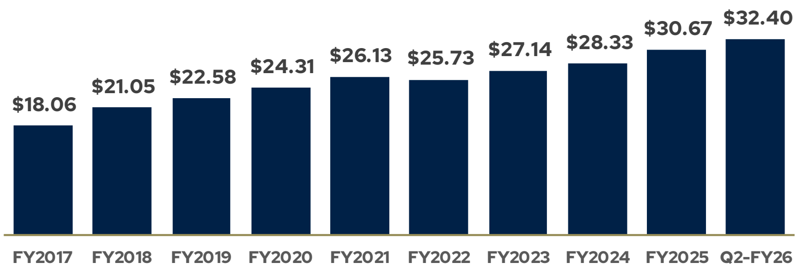


(1) Q2-26 capital ratios are preliminary
(2) FDIC "Well Capitalized" under prompt corrective action rules

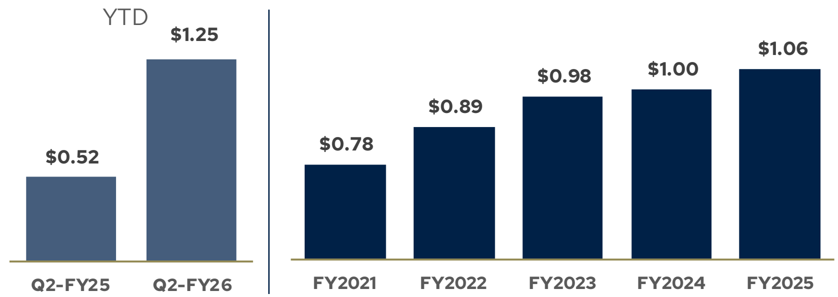
TOWNEBANK

Shareholder Value

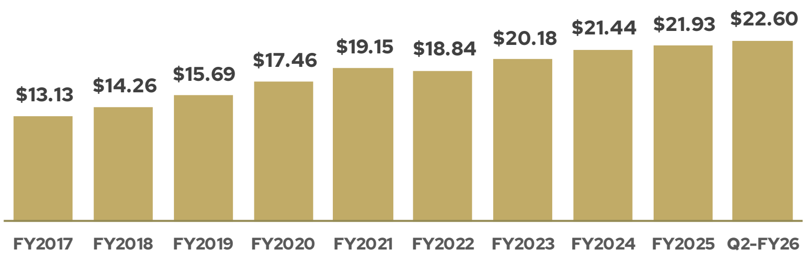
Book Value per Share



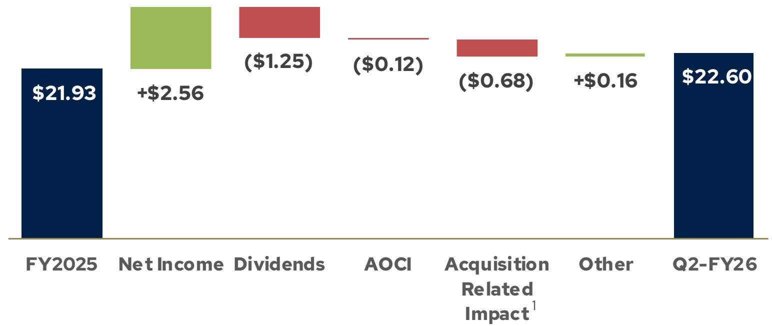
Dividends



Tangible Book Value per Share



Tangible Book Value Roll Forward



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

TowneBank

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 $610-625 million for FY2026[1][4][5]

Strategic

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

(1) Includes the impact of recently acquired Dogwood State Bank
(2) Base forecast assumes consistent rate environment in FY2026
(3)Tax equivalent
(4) Includes the impact from the sale of Resort Property Management Segment (noninterest income excludes one-time gain of $198.6 million resulting from the sale)
(5) Excludes one-time M&A expenses and special one-time TowneBank Foundation contribution of $25 million

Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions except per share data	QTD Q2-FY25	QTD Q1-FY26	QTD Q2-FY26	Year FY2023	Year FY2024	Year FY2025	YTD Q2-FY25	YTD Q2-FY26
Net Income Attributable to TowneBank	$ 40.89	$ 40.99	$ 193.19	$ 153.21	$ 161.36	$ 169.53	$ 84.60	$ 234.18
Adjustments								
Plus: Acquisition Related Expenses	18.74	31.68	11.21	9.59	1.34	55.23	19.16	42.90
Plus: Initial Provision for Credit Losses	6.24	-	-	4.01	-	18.23	6.24	-
Plus: FDIC Special Assessment	-	-	-	5.17	0.71	-	-	-
Less: Gain (Loss) on Equity Investment[1]	-	-	198.55	7.52	0.15	-	-	198.55
Plus: Income Tax & Other Adjustments	(2.47)	(5.95)	66.17	(4.02)	(0.02)	(11.44)	(2.50)	60.22
Core Net Income	$ 63.39	$ 66.73	$ 72.01	$ 160.43	$ 163.24	$ 231.55	$ 107.49	$ 138.74
Return on Avg Assets	0.91%	0.76%	3.45%	0.92%	0.95%	0.92%	0.97%	2.13%
Core Return on Avg Assets	1.41%	1.24%	1.28%	0.96%	0.96%	1.26%	1.23%	1.26%
Earnings Per Share-Diluted	$ 0.54	$ 0.45	$ 2.09	$ 2.05	$ 2.15	$ 2.21	$ 1.12	$ 2.56
Core Earnings Per Share-Diluted	$ 0.84	$ 0.74	$ 0.78	$ 2.15	$ 2.17	$ 3.02	$ 1.42	$ 1.52
Return on Avg Tangible Common Equity	10.99%	9.58%	37.76%	11.49%	11.11%	11.06%	11.25%	24.29%
Core Return on Avg Tangible Common Equity	16.61%	14.95%	14.63%	11.99%	11.23%	14.82%	14.10%	14.78%
Total Revenue	$ 210.09	$ 246.45	$ 444.27	$ 693.41	$ 693.29	$ 835.72	$ 393.19	$ 690.72
Less: Gain (Loss) on Securities Investments	(0.00)	0.13	-	-	0.07	0.01	(0.00)	0.13
Less: Gain (Loss) on Equity Investments	-	-	198.55	9.38	0.24	2.13	2.00	198.55
Total Revenue Adjusted	**210.09**	**246.32**	**245.72**	**684.04**	**692.97**	**833.59**	**391.19**	**492.04**
Noninterest Expense	$ 150.66	$ 195.89	$ 189.94	$ 489.22	$ 503.92	$ 601.56	$ 281.20	$ 385.83
Less: Acquisition Related Expenses	18.74	31.68	11.21	9.59	1.34	55.23	19.16	42.90
Less: Other One-time Expense Items	-	-	25.00	-	-	-	-	25.00
Noninterest Expense Adjusted	**131.93**	**164.20**	**153.73**	**479.63**	**502.57**	**546.34**	**262.04**	**317.93**
Efficiency Ratio	71.71%	79.52%	77.30%	71.52%	72.72%	72.17%	71.88%	78.41%
Core Efficiency Ratio	62.79%	66.66%	62.56%	70.12%	72.52%	65.54%	66.99%	64.62%
Noninterest Expense / Avg Assets	3.35%	3.63%	3.39%	2.94%	2.95%	3.27%	3.22%	3.51%
Core Noninterest Expense / Avg Assets	2.93%	3.04%	2.74%	2.88%	2.95%	2.97%	3.00%	2.89%

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

TowneBank

Non-GAAP Reconciliations

Core Efficiency Ratio – Banking

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q2-FY26
Total Revenue	$ 495.49	$ 499.53	$ 490.95	$ 621.09	$ 598.23
Less: Gain (Loss) on Securities Investments	-	-	0.07	0.01	0.13
Less: Gain (Loss) on Equity Investments	-	-	-	2.00	198.55
Total Revenue Adjusted	**495.49**	**499.53**	**490.88**	**619.08**	**399.56**
Noninterest Expense	272.39	326.17	343.17	438.12	313.98
Less: Acquisition Related Expenses	0.96	9.08	0.87	53.45	42.89
Less: Other One-time Expense Items	-	-	-	-	25.00
Noninterest Expense Adjusted	**271.44**	**317.09**	**342.29**	**384.67**	**246.09**
Efficiency Ratio	54.98%	65.30%	69.91%	70.77%	78.58%
Core Efficiency Ratio	54.78%	63.48%	69.73%	62.14%	61.59%

Core Efficiency Ratio – Insurance

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q2-FY26
Total Revenue	$ 74.34	$ 90.92	$ 100.42	$ 103.23	$ 52.17
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	0.54	0.24	0.13	-
Total Revenue Adjusted	**74.34**	**90.38**	**100.18**	**103.10**	**52.17**
Noninterest Expense	54.24	62.93	68.17	70.56	36.59
Less: Acquisition Related Expenses	0.06	0.09	0.00	-	-
Less: Other One-time Expense Items	-	-	-	-	-
Noninterest Expense Adjusted	**54.18**	**62.84**	**68.17**	**70.56**	**36.59**
Efficiency Ratio	72.96%	69.62%	68.04%	68.44%	70.13%
Core Efficiency Ratio	72.88%	69.53%	68.04%	68.44%	70.13%

Core Efficiency Ratio – Mortgage

Amounts in millions	Year				YTD
	FY2022	FY2023	FY2024	FY2025	Q2-FY26
Total Revenue	$ 74.14	$ 56.25	$ 53.37	$ 55.70	$ 28.70
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	8.83	-	-	-
Total Revenue Adjusted	**74.14**	**47.42**	**53.37**	**55.70**	**28.70**
Noninterest Expense	76.96	59.06	48.16	52.75	26.35
Less: Acquisition Related Expenses	-	0.29	-	1.78	-
Less: Other One-time Expense Items	-	-	-	-	-
Noninterest Expense Adjusted	**76.96**	**58.78**	**48.16**	**50.97**	**26.35**
Efficiency Ratio	103.81%	124.56%	90.24%	94.71%	91.83%
Core Efficiency Ratio	103.81%	123.95%	90.24%	91.52%	91.83%

TowneBank

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q2-FY25	Q3-FY25	Q4-FY25	Q1-FY26	Q2-FY26
Loans TE Adjustment	$ 0.75	$ 0.75	$ 0.73	$ 0.71	$ 0.73
Securities TE Adjustment	0.31	0.33	0.41	0.46	0.54
Tax-Equivalent Adjustment	**1.06**	**1.08**	**1.15**	**1.17**	**1.27**
Yield & Margin Impacts:					
Loan Yield	5.53%	5.63%	5.64%	5.65%	5.67%
Loan Yield (TE)	5.56%	5.65%	5.66%	5.67%	5.69%
Securities Investment Yield	3.59%	3.54%	3.63%	3.59%	3.66%
Securities Investment Yield (TE)	3.63%	3.58%	3.69%	3.65%	3.73%
Earning Asset Yield	5.11%	5.17%	5.16%	5.18%	5.18%
Earning Asset Yield (TE)	5.14%	5.19%	5.19%	5.20%	5.20%
Net Interest Margin (GAAP)	3.38%	3.48%	3.56%	3.58%	3.68%
Net Interest Margin (TE)	3.40%	3.50%	3.58%	3.60%	3.70%

Tangible Book Value per Share

Amounts in millions except per share data	FY2022	FY2023	FY2024	FY2025	Q2-FY26
Shareholders' Equity (Common)	$ 1,873.96	$ 2,032.67	$ 2,131.63	$ 2,422.07	$ 2,994.48
Goodwill and Intangible Assets	501.64	520.97	517.79	690.61	905.41
Tangible Common Equity	$ 1,372.32	$ 1,511.70	$ 1,613.84	$ 1,731.46	$ 2,089.07
Common Shares Outstanding	72.84	74.89	75.26	78.96	92.43
Tangible Book Value per Share	$ 18.84	$ 20.18	$ 21.44	$ 21.93	$ 22.60

TowneBank

Serving Others. Enriching Lives.®

Member FDIC