



Investor Presentation

2nd Quarter 2022



Cautionary Statements

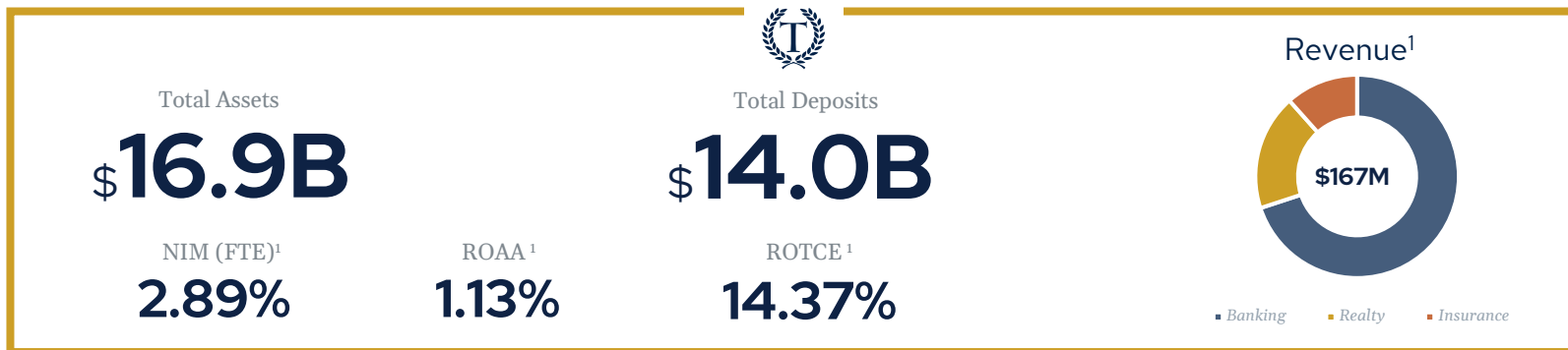
Forward Looking:

This presentation contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and its management regarding future events, many of which, by their nature, are inherently uncertain. Forward-looking statements may be identified by the use of such words as: “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or words of similar meaning, or future or conditional terms, such as “will,” “would,” “should,” “could,” “may,” “likely,” “probably,” or “possibly.” These statements may address issues that involve significant risks, uncertainties, estimates, and assumptions made by management. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include the impacts of the ongoing coronavirus (COVID-19) pandemic; 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; changes in the creditworthiness of customers and the possible impairment of the collectability of loans; 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; changes in the legislative or regulatory environment, including changes in accounting standards and tax laws, that may adversely affect our business; costs or difficulties related to the integration of the businesses we have acquired may be greater than expected; expected cost savings associated with pending or recently completed acquisitions may not be fully realized or realized within the expected time frame; cybersecurity threats or attacks, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; our competitors may have greater financial resources and develop products that enable them to compete more successfully; changes in business conditions; changes in the securities market; and changes in our local economy with regard to our market area. 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 presentation, see the “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, our Quarterly Report on Form 10-Q for the period ended June 30, 2022, 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 presentation 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



1. Results for the quarter ending June 30, 2022

2. TowneBank operates in the top two most attractive/favorable markets for business according to CNBC's America's Top States for Business 2021 survey.

3. © 2022, Forbes Media LLC. Used with permission.

TowneBank Overview

- Founded in 1999, TowneBank (NASDAQ: TOWN) is a Virginia chartered bank with over 40 offices in Hampton Roads and Central Virginia, and Northeastern and Central North Carolina
- Diversified revenue streams across three distinct segments:
 - ✓ **Banking**: Core commercial competency (70% of MRQ revenue)
 - ✓ **Realty**: Strong mortgage platform (18% of MRQ revenue)
 - ✓ **Insurance**: Wide array of insurance products (12% of MRQ revenue)
- Viewed as a “best-in-class” Virginia franchise operating in some of the best markets in the United States
- Experienced and well-regarded management team has the bank positioned for ongoing success
- Throughout the bank’s history, TOWN has consistently shown the ability to create value both organically and inorganically

The Towne Model



Superior
Shareholder
Value



Super Community
Bank Model
(No Holding Company)



Local
Decision
Making



Extraordinary
Member
Experiences



Culture
of Caring



Invested
Insider
Ownership
(8.5%)

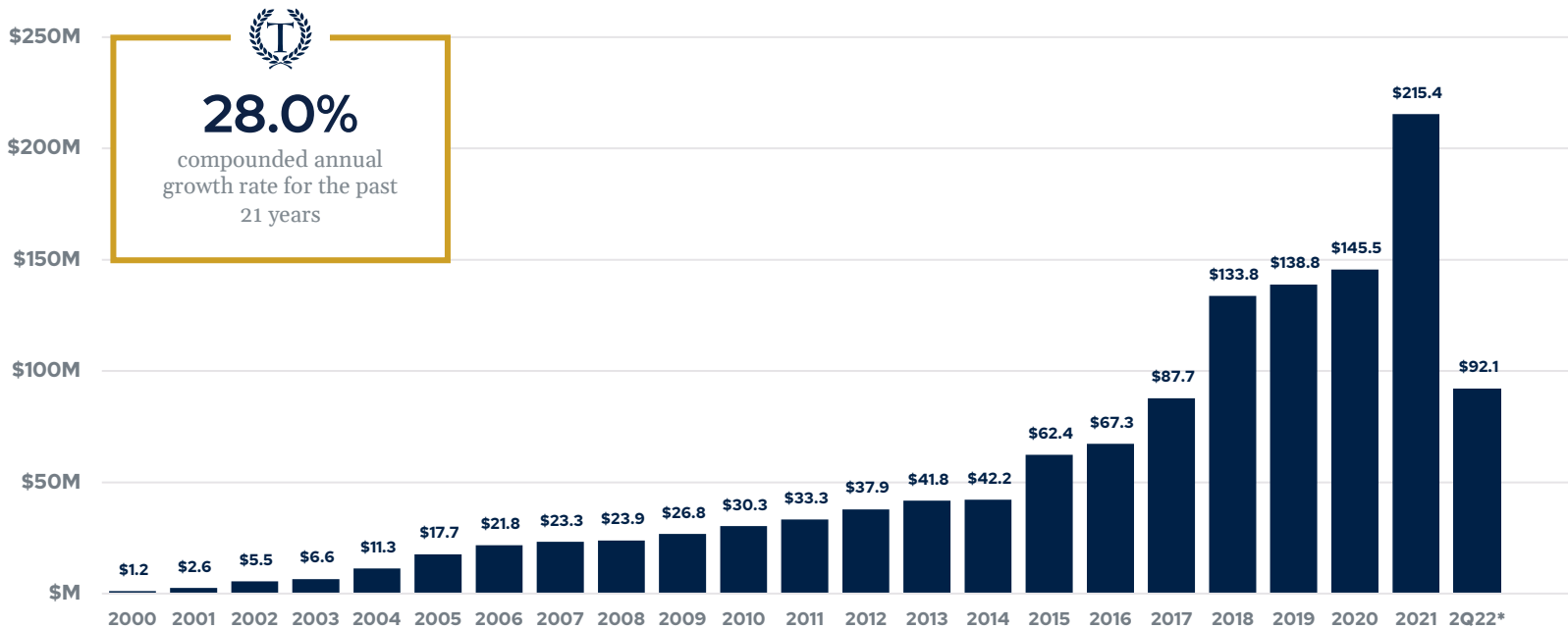


Commitment to
Community Service
& Engagement



Embracing Diverse
Talents, Perspectives
& Experiences

Consistent Earnings Growth

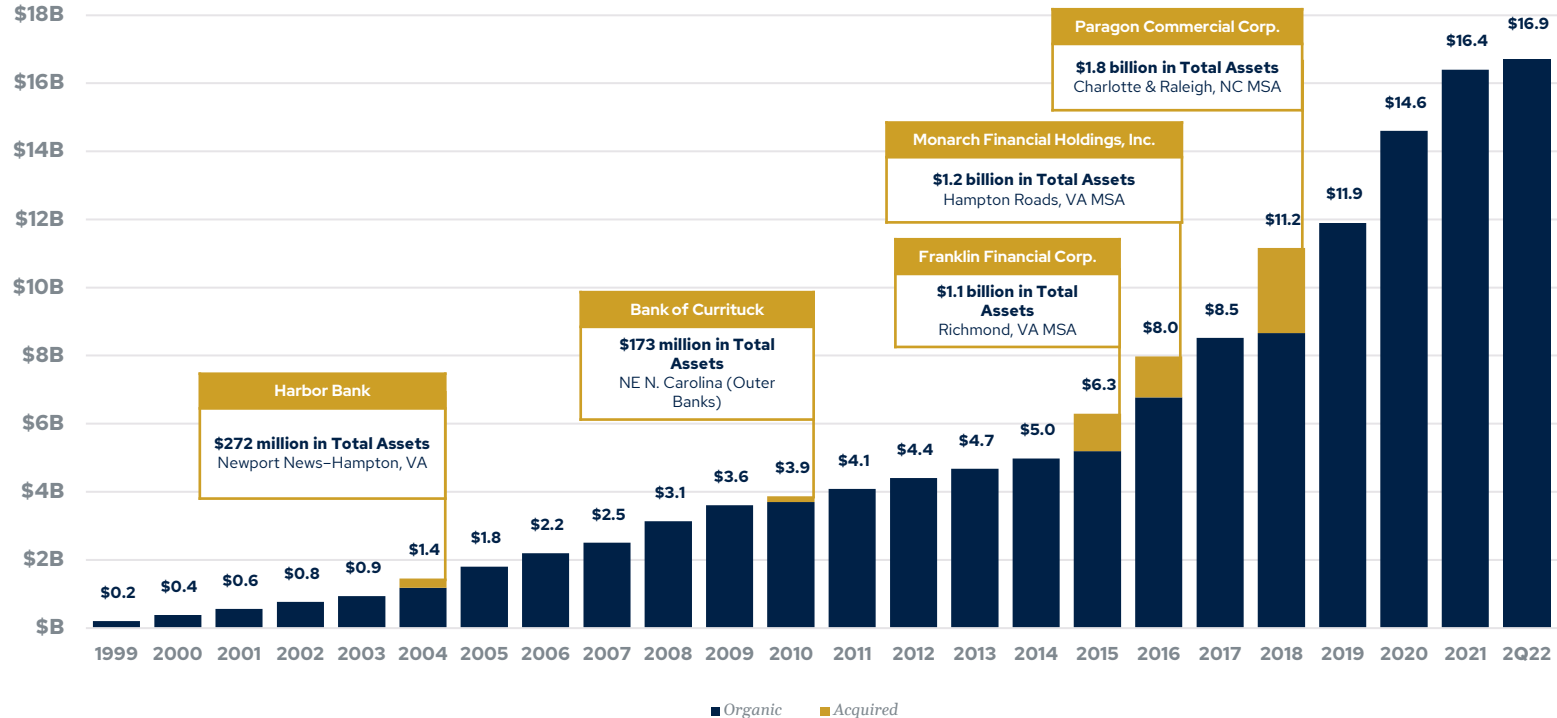


*YTD Results

Disciplined Acquirer and Experienced Integrator

TOTAL ASSETS **\$16.9 B**

Organic	\$12.4 B
Acquired	\$4.5 B



Awards & Recognition



5 Star Rating
One of the Strongest
Financial Institutions
in the Nation
2020



Platinum and Bronze
Presented to Top
Producing Loan Officers
TowneBank Mortgage
2020



TOP 10
Ranked #9 Among the
Best Banks in the Nation
2022



Top 100
Brokers of US Business
Towne Insurance
2020



Outstanding CRA Rating
Compliance with Community
Reinvestment Act (CRA)
regulations
2019



Greenwich Excellence Awards
Small Business Banking – Southern Region
Overall Satisfaction
Cash Management
2021

RAYMOND JAMES®

Top 4 in Assets
Under Management
Raymond James Financial
Institution Division
Towne Investment Group |
Towne Wealth Management
2020¹



A Top 20 Affiliate
Berkshire Elite Circle Award
Berkshire Hathaway |
Towne Realty
2020



Best Bank to Work For
Ranked Top 20 Nationally
as Best Bank to Work For
2018



Best of the Best
Coastal Virginia
Businesses excelling in
their industries
2018



Good Corporate
Neighbor Award
Outstanding workplace
volunteer programs
2017

1. Top Assets Under Management (AUM) Raymond James FID is an internal Raymond James honor. This ranking is based on prior AUM. Re-qualification is required annually. This ranking is not based in any way on the individual's abilities in regard to providing investment advice or management. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual client's experience. No fee is paid in exchange for this award/rating.

Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC, and are: NOT deposits of TowneBank, and are subject to risk and may lose value. Towne Wealth Management and TowneBank and its affiliates are not registered broker/dealers and are independent of Raymond James Financial Services, Inc. Investment advisory services are offered through Raymond James Financial Services Advisors, Inc.

Headquarters: 5806 Harbour View Boulevard, Suite 202, Suffolk, VA 23435 | 757-638-6850.

 TOWNE BANK
Ranking History
Forbes Best Banks
in America

2019: #46

2020: #45

2021: #16

2022: # 9

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Our Bank Reach

Average Branch Size

\$319M

Virginia

Chesapeake
Chesterfield
Glen Allen
Hampton
Mechanicsville
Newport News
Norfolk
Portsmouth
Richmond
Suffolk
Virginia Beach
Williamsburg
York County

North Carolina

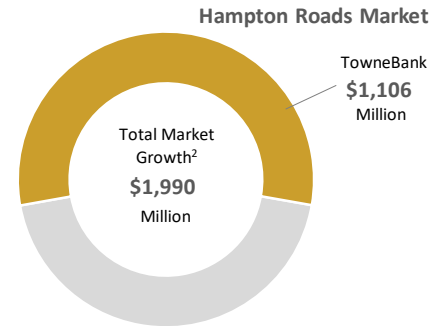
Camden
Cary
Charlotte
Duck
Grandy
Greenville
Greensboro
Moyock
Nags Head
Raleigh
Southern Shores



Dominant Deposit Market Share

Hampton Roads MSA Market Position ¹					
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$000)	Market Share (%)	Avg. Branch Size (\$000)
1	TowneBank	27	8,663,230	27.5	320,860
2	Truist	58	6,285,229	19.9	108,366
3	Wells Fargo	37	6,179,505	19.6	167,014
4	Bank of America	28	4,163,835	13.2	148,708
5	Atlantic Union Bank	16	1,187,371	3.8	74,211
6	Old Point National Bank	19	1,135,023	3.6	59,738
7	Southern Bank and Trust	11	746,687	2.4	67,881
8	Chesapeake Bank	8	678,300	2.2	84,788
9	PNC Bank	11	545,898	1.7	49,627
10	Farmers Bank	8	500,009	1.6	62,501
	All other institutions	59	1,433,694	4.5	24,300
Market Totals		282	31,518,781		

Hampton Roads MSA Market Share (%) ¹						
Institution	1999	2005	2010	2015	2020	2021
TowneBank	1.9	8.9	14.4	16.8	25.6	27.5
Truist	n/a	n/a	n/a	n/a	23.9	19.9
Wells Fargo	28.7	22.7	20.3	19.7	19.7	19.6
SunTrust	15.6	14.0	15.6	16.8	n/a	n/a
BB&T	22.1	14.5	12.2	13.0	n/a	n/a
Bank of America	15.6	15.2	10.2	11.9	12.5	13.2
Group Total	83.9	75.3	72.6	78.3	81.7	80.3

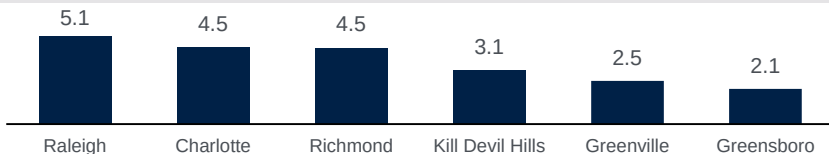


1. Data as of the 6/30/2021 FDIC Summary of Deposits for the Virginia Beach – Norfolk – Newport News, VA MSA

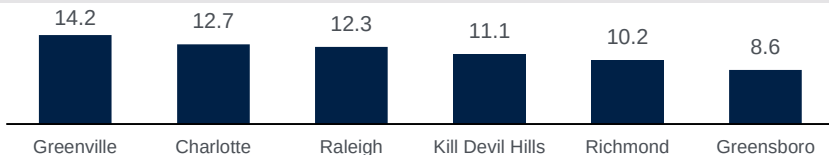
2. Growth for the period June 30, 2020-2021 - Source: FDIC Summary of Deposits

Southeast Growth Markets: Pathway to the Future

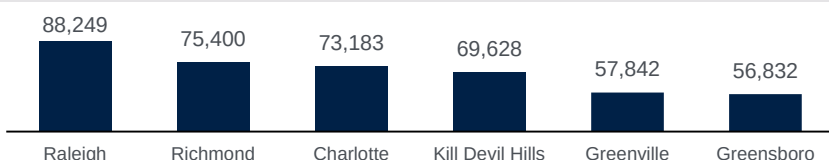
'22-'27 Projected Population Growth (%)



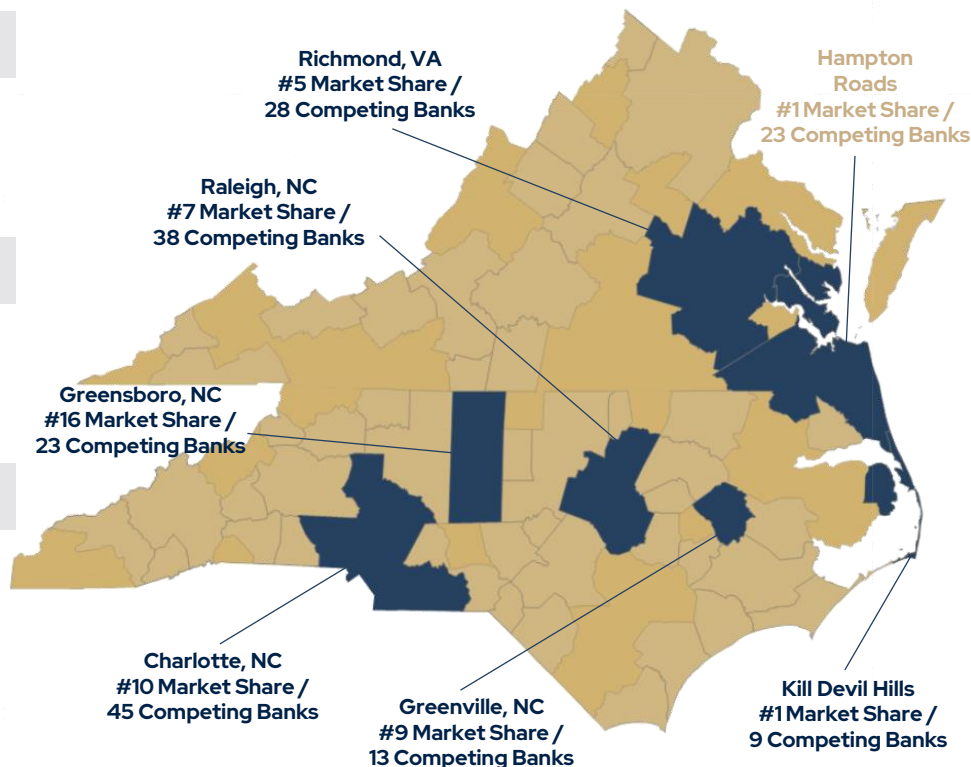
'22-'27 Projected Household Income Growth (%)



'22 Median Household Income (\$k)

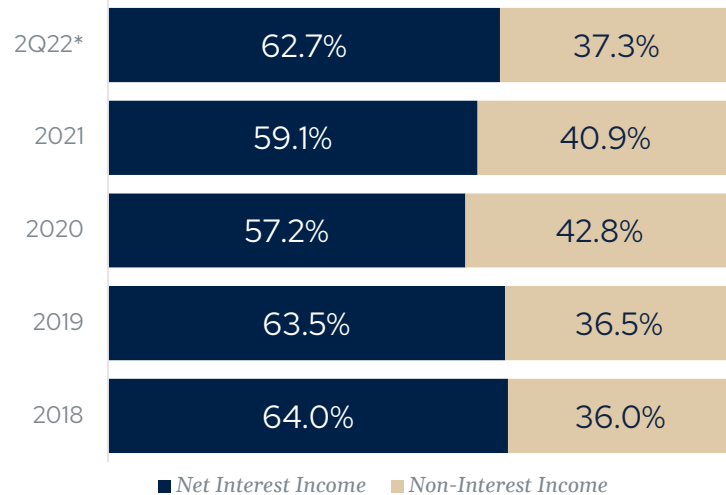


Note: MSA names abbreviated based on largest city in MSA, where applicable
 Deposit data as of June 30, 2021; 'Competing Banks' count excludes institutions with no deposits in stated market regardless of physical or other presence
 Source: S&P Global Market Intelligence

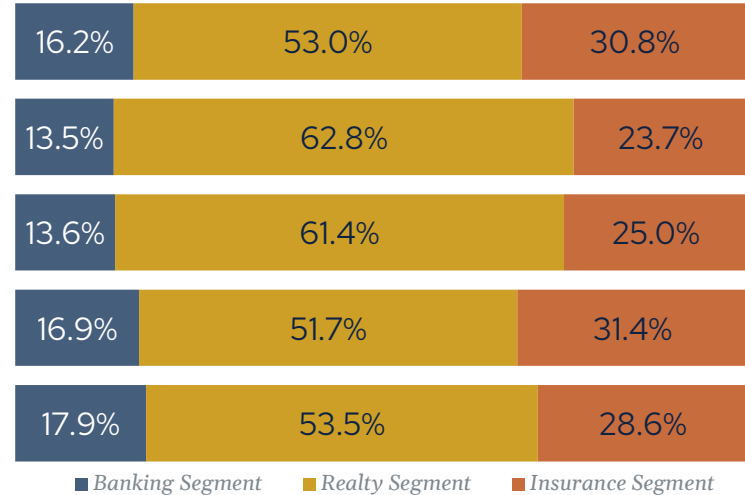


Diversified Business Model

Total Revenue



Noninterest Income¹



* YTD Results

1. Normalized noninterest income excludes gain (loss) on investment securities and the gain of \$17.63 million on the sale of Red Sky Travel Insurance (2020)

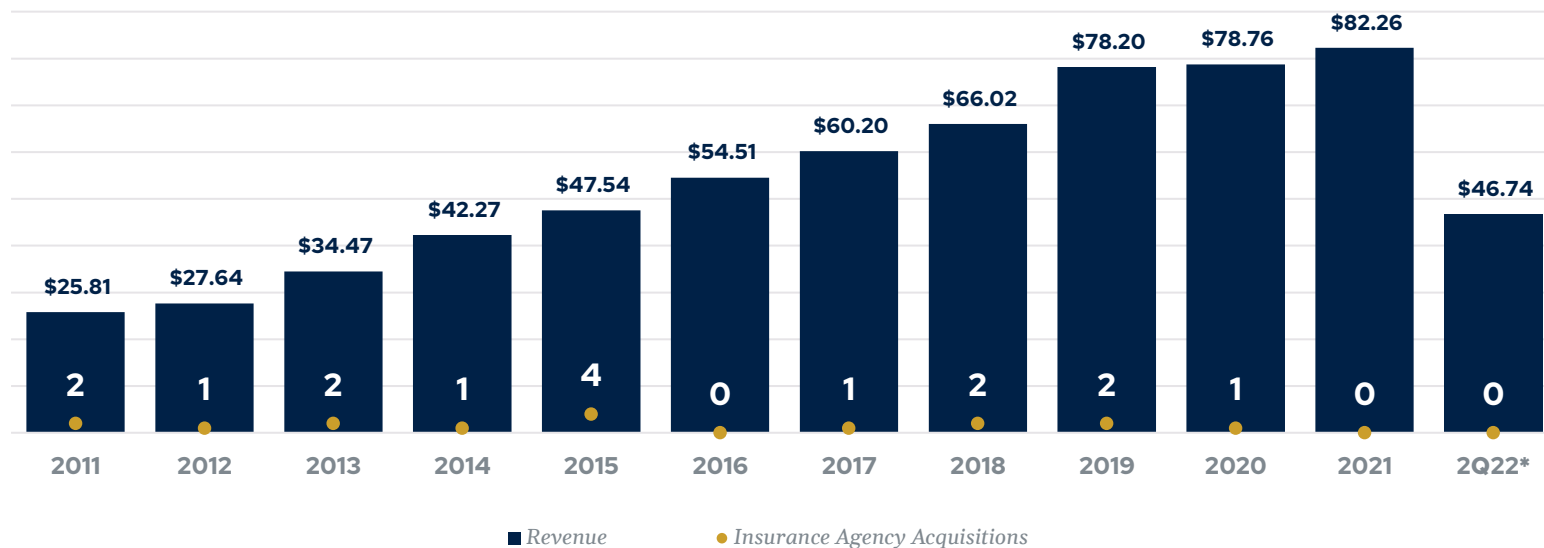
Insurance Revenue

Annual Revenue and Acquisitions DOLLARS IN MILLIONS



12.3%

compounded annual growth rate
for the past 10 years



*YTD Results



2nd Quarter 2022 Financial Results

Performance Highlights

Dollars in millions, except per share data

	QTD					YTD		
	Q2-FY22	Q1-FY22	Q/Q Change %	Q2-FY21	Y/Y Change %	Q2-FY22	Q2-FY21	Y/Y Change %
Net Interest Income	\$ 109.34	\$ 99.20	10.2%	\$ 101.14	8.1%	\$ 208.54	\$ 201.13	3.7%
Noninterest Income	57.64	66.21	(12.9%)	66.18	(12.9%)	123.85	148.70	(16.7%)
Total Revenue	166.98	165.41	0.9%	167.32	(0.2%)	332.39	349.83	(5.0%)
Noninterest Expense	108.73	109.38	(0.6%)	105.39	3.2%	218.10	202.72	7.6%
Net Income Attributable to TowneBank	46.55	45.59	2.1%	55.80	(16.6%)	92.13	124.80	(26.2%)
Earnings Per Share-Diluted	\$ 0.64	\$ 0.63	2.1%	\$ 0.77	(16.6%)	\$ 1.27	\$ 1.72	(26.2%)
Pre-tax Pre-Provision Net Revenue (PPNR)¹	57.75	55.37	4.3%	59.73	(3.3%)	113.12	141.28	(19.9%)
PPNR Operating EPS ¹	\$ 0.80	\$ 0.76	4.3%	\$ 0.82	(3.4%)	\$ 1.56	\$ 1.95	(20.0%)
Dividends Per Share	0.23	0.20	15.0%	0.20	15.0%	0.43	0.38	13.2%
Book Value per Share	25.48	25.61	(0.5%)	25.51	(0.1%)	25.48	25.51	(0.1%)
Tangible Book Value per Share ¹	18.58	18.67	(0.5%)	18.70	(0.7%)	18.58	18.70	(0.7%)
Assets	16,864	16,667	1.2%	15,804	6.7%	16,864	15,804	6.7%
Loans	10,426	9,909	5.2%	9,424	10.6%	10,426	9,424	10.6%
Deposits	13,996	13,772	1.6%	12,965	8.0%	13,996	12,965	8.0%
Net Interest Margin (GAAP)	2.88%	2.67%	7.6%	2.91%	(1.2%)	2.78%	2.97%	(6.5%)
Net Interest Margin (TE) ¹	2.89%	2.69%	7.3%	2.94%	(1.7%)	2.79%	3.00%	(7.0%)
Noninterest Income / Total Revenue	34.52%	40.03%	(13.8%)	39.55%	(12.7%)	37.26%	42.51%	(12.3%)
Return on Avg Assets	1.13%	1.13%	(0.3%)	1.48%	(23.6%)	1.13%	1.69%	(33.2%)
Return on Avg Tangible Common Equity ¹	14.37%	14.08%	2.1%	17.57%	(18.2%)	14.22%	19.96%	(28.7%)
Nonperforming Assets / Assets	0.04%	0.03%	11.2%	0.10%	(62.7%)	0.04%	0.10%	(62.7%)
Allowance for Credit Losses / Loans	1.00%	1.05%	(4.8%)	1.15%	(13.0%)	1.00%	1.15%	(13.0%)
Net Charge-offs / Average Loans	0.00%	0.01%	(159.4%)	-0.01%	(45.4%)	0.00%	0.01%	(91.6%)

1. Non-GAAP financial measures - see non-GAAP reconciliations



22

consecutive years of
increased earnings

\$46.55M

Net income in 2Q22
(\$0.64 per share)

\$166.98

Total revenue

1.00%

Total loan losses allowance

2.89%

Taxable equivalent net interest
margin for 2Q22

22.46%

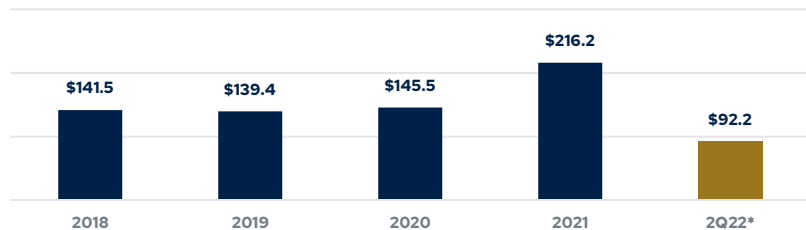
Annualized growth in loans
excluding the decline in SBA PPP
loans

Income Statement Summary

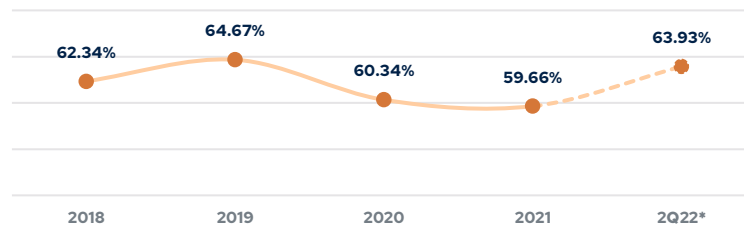
Dollars in millions	QTD					YTD		
	Q2-FY22	Q1-FY22	Q/Q Change %	Q2-FY21	Y/Y Change %	Q2-FY22	Q2-FY21	Y/Y Change %
Interest Income	\$ 120.14	\$ 108.36	10.9%	\$ 111.81	7.4%	\$ 228.49	\$ 224.11	2.0%
Interest Expense	10.80	9.15	18.0%	10.67	1.2%	19.95	22.97	(13.2%)
Net Interest Income	109.34	99.20	10.2%	101.14	8.1%	208.54	201.13	3.7%
Provision for Credit Losses	0.06	(1.45)	(103.8%)	(10.06)	(100.6%)	(1.39)	(14.08)	(90.1%)
Net Interest Income after Provision for Credit Losses	109.28	100.65	8.6%	111.20	(1.7%)	209.94	215.22	(2.5%)
Noninterest Income	57.64	66.21	(12.9%)	66.18	(12.9%)	123.85	148.70	(16.7%)
Noninterest Expense	108.73	109.38	(0.6%)	105.39	3.2%	218.10	202.72	7.6%
Income Before Taxes and Noncontrolling Interests	58.20	57.48	1.2%	71.98	(19.1%)	115.68	161.19	(28.2%)
Provision for Income Tax Expense	11.14	11.23	(0.8%)	13.98	(20.3%)	22.38	30.56	(26.8%)
Minority Interest in Unconsolidated Subs	0.51	0.66	(23.7%)	2.20	(77.0%)	1.17	5.83	(79.9%)
Net Income Attributable to TowneBank	\$ 46.55	\$ 45.59	2.1%	\$ 55.80	(16.6%)	\$ 92.13	\$ 124.80	(26.2%)

Financial Performance Trends

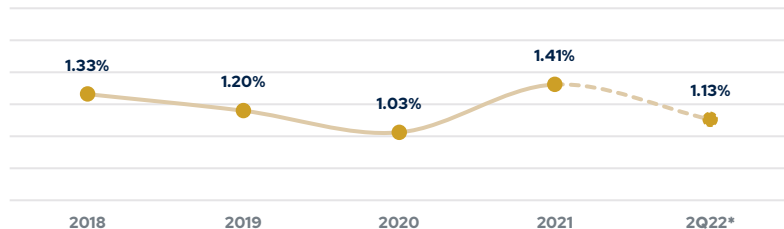
Core Net Income¹ DOLLARS IN MILLIONS



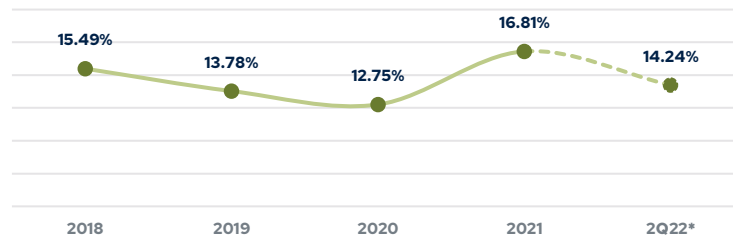
Core Efficiency Ratio¹



Core ROAA¹



Core ROATCE¹

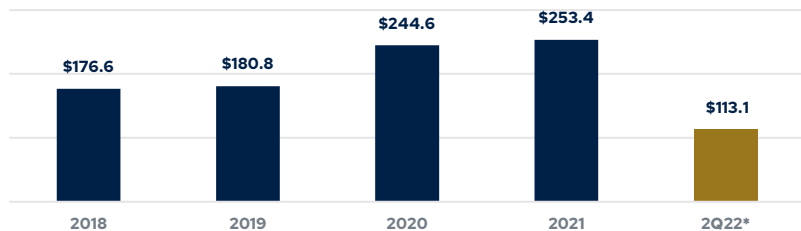


*YTD Results

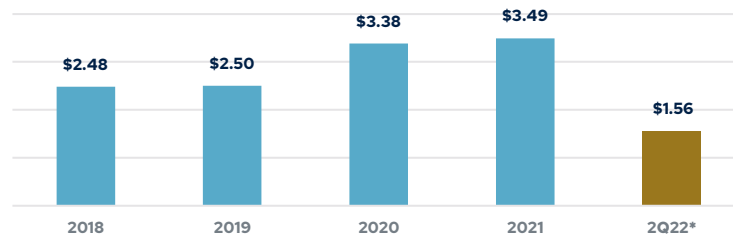
1. Non-GAAP financial measures - see non-GAAP reconciliations

Financial Performance Trends

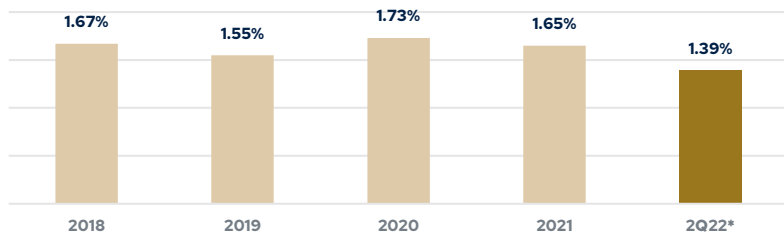
PPNR¹ DOLLARS IN MILLIONS



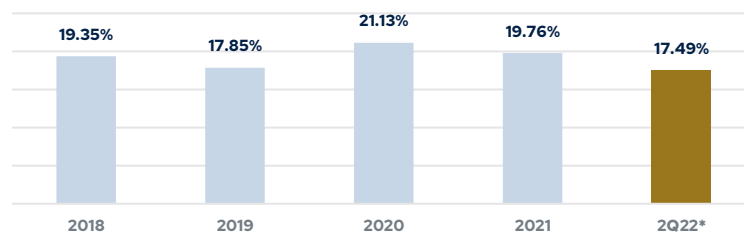
PPNR Earnings Per Share¹



PPNR ROAA¹



PPNR ROATCE¹

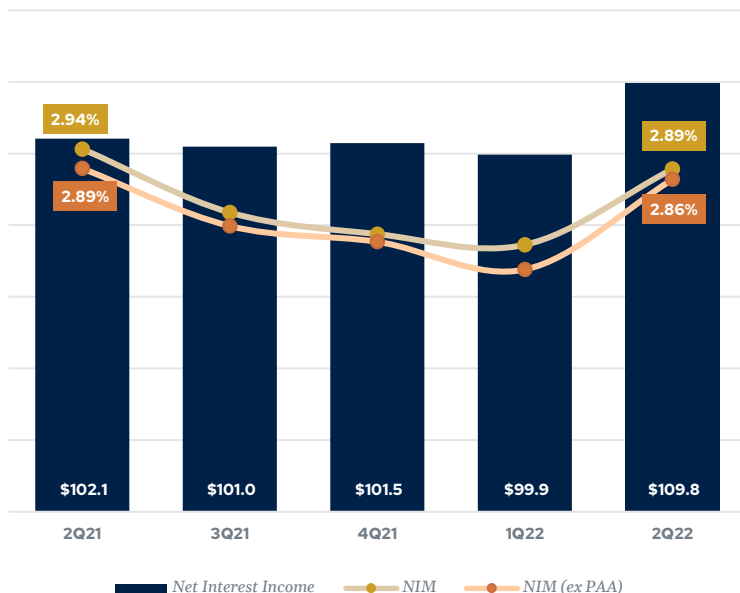


*YTD Results

1. Non-GAAP financial measures - see non-GAAP reconciliations

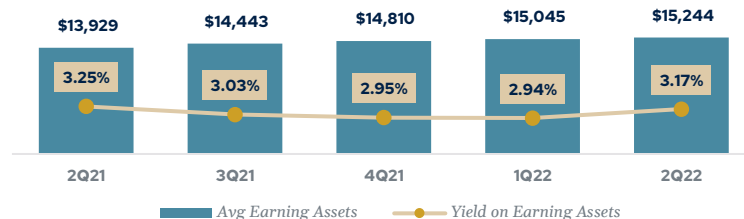
Net Interest Income

Net Interest Income & NIM (TE)¹ DOLLARS IN MILLIONS

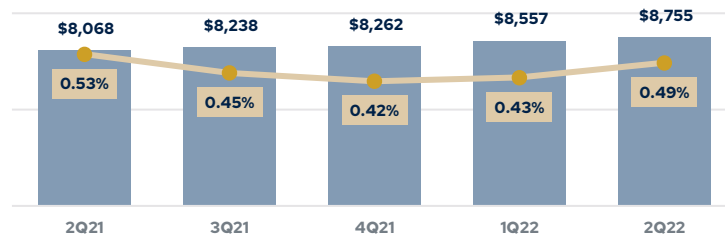


1. Non-GAAP financial measures - see non-GAAP reconciliations

Avg. Earning Assets & Yield (TE)¹ DOLLARS IN MILLIONS



Avg. Interest Bearing Liabilities & Cost DOLLARS IN MILLIONS

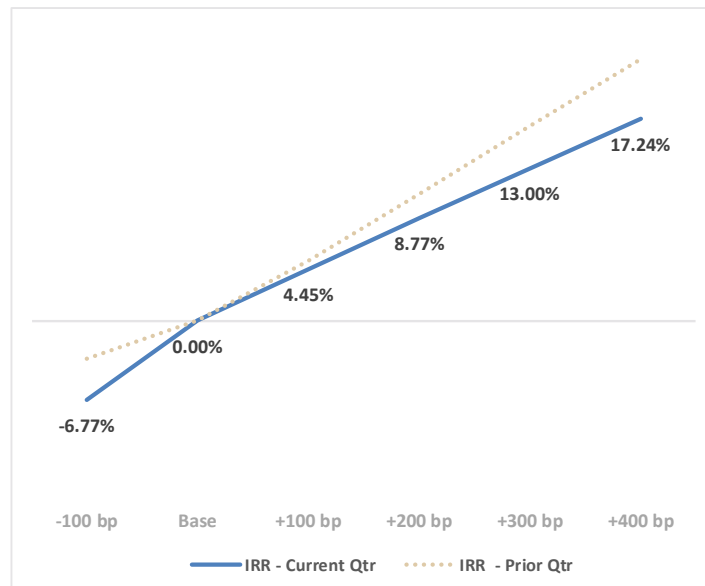


NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Net Interest Income and NIM Activity (TE)		
Dollars in millions	Amount	NIM (%)
Q1-FY22	\$99.86	2.69%
Loans HFI	7.40	0.03%
Recurring Accretion	(0.95)	-0.02%
PPP Asset	(0.59)	-0.02%
Loans HFS	(0.16)	0.01%
Investments & Cash	5.84	0.17%
Earning Assets Mix		0.06%
Deposits	(0.68)	-0.01%
Borrowings	0.00	0.00%
Sub Debt	(0.97)	0.01%
Interest Bearing Funding Mix		-0.03%
Other	(0.00)	0.00%
Q2-FY22	\$109.76	2.89%

Net Interest Income Sensitivity²

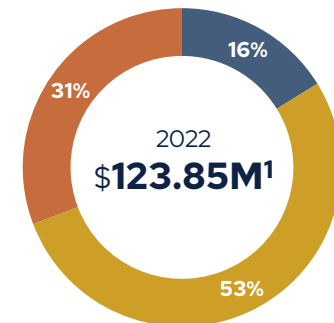


1. Non-GAAP financial measure - see non-GAAP reconciliations

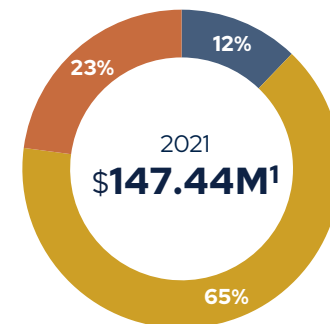
2. The interest sensitivity chart is a one-year result on net interest income of an instantaneous and permanent rate shock. The results include assumptions about deposit rate changes that may or may not occur.

Noninterest Income

Dollars in millions	QTD						YTD		
	Q2-FY22	Q1-FY22	Q/Q Change %	Q2-FY21	Y/Y Change %		Q2-FY22	Q2-FY21	Y/Y Change %
Residential Mortgage Banking Income Net	\$ 13.18	\$ 14.64	(10.0%)	\$ 25.52	(48.4%)		\$ 27.81	\$ 62.94	(55.8%)
Insurance Commissions and Other Title Fees and Income, Net	19.75	19.07	3.5%	18.33	7.7%		38.82	34.66	12.0%
Real Estate Brokerage and Property Mgmt Income, Net	12.86	19.70	(34.7%)	10.98	17.1%		32.57	28.92	12.6%
Service Charges on Deposit Accounts	2.45	2.57	(5.0%)	2.39	2.3%		5.02	4.58	9.6%
Credit Card Merchant Fees, Net	1.91	1.38	38.6%	1.67	14.3%		3.28	2.97	10.5%
Bank-owned Life Insurance	1.85	1.72	7.9%	1.54	20.2%		3.57	3.06	16.7%
Other Income	5.65	7.13	(20.8%)	5.49	2.9%		12.78	10.32	23.8%
Gain (Loss) on Investment Securities	-	-	-	0.25	(100.0%)		-	1.25	(100.0%)
Noninterest Income	\$ 57.64	\$ 66.21	(12.9%)	\$ 66.18	(12.9%)		\$ 123.85	\$ 148.70	(16.7%)



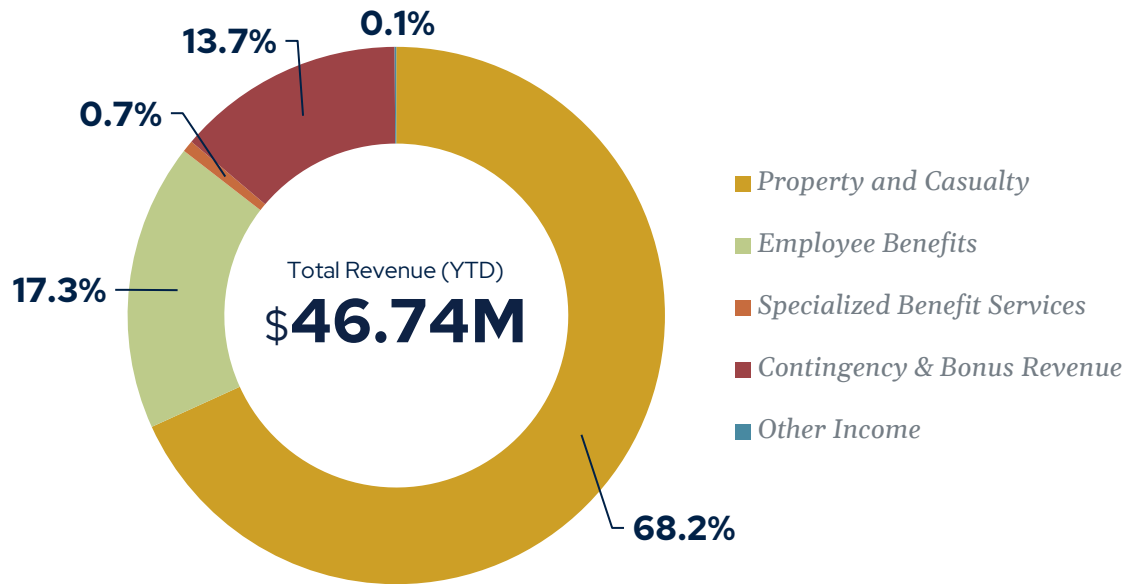
■ Banking Segment
■ Realty Segment
■ Insurance Segment



1. Excludes gain (loss) on investment securities

Insurance Revenue

Insurance Revenue Composition



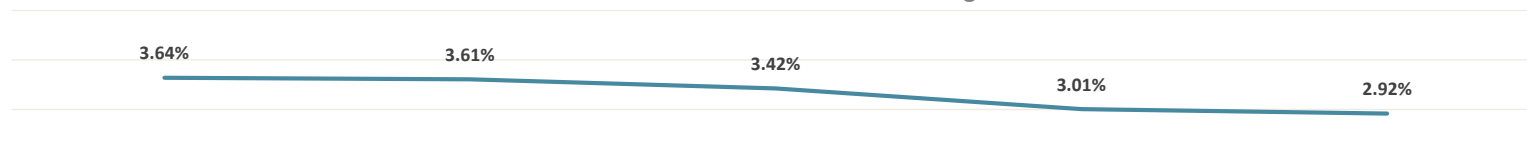
25

insurance acquisitions
since 2001

Continued efforts to
expand in growth
markets

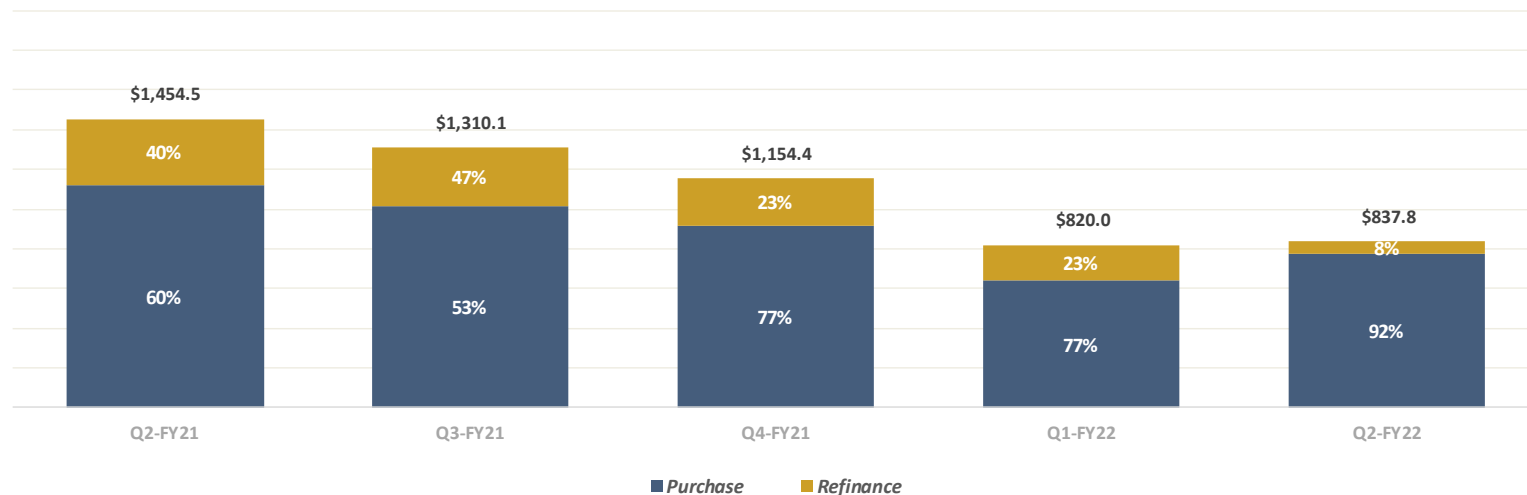
Mortgage Banking

Gain on Sales and Fees as a % of Loans Originated



Dollars in millions

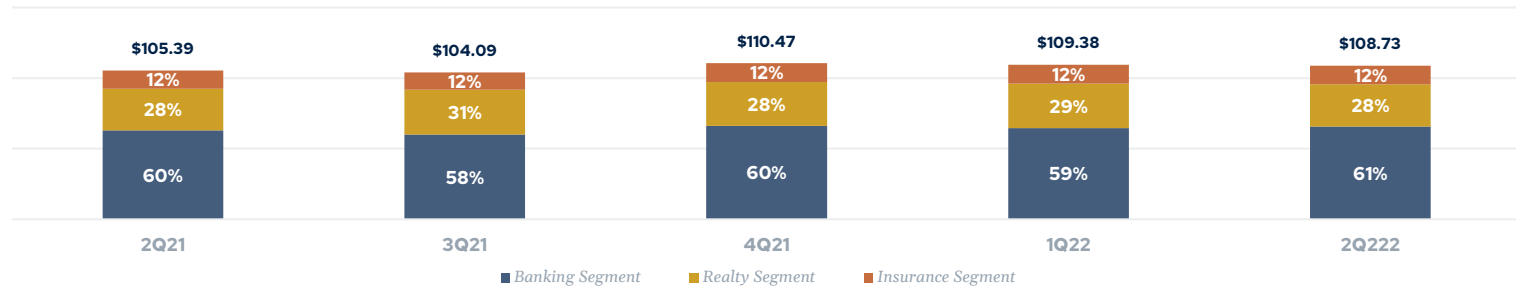
Origination Volume



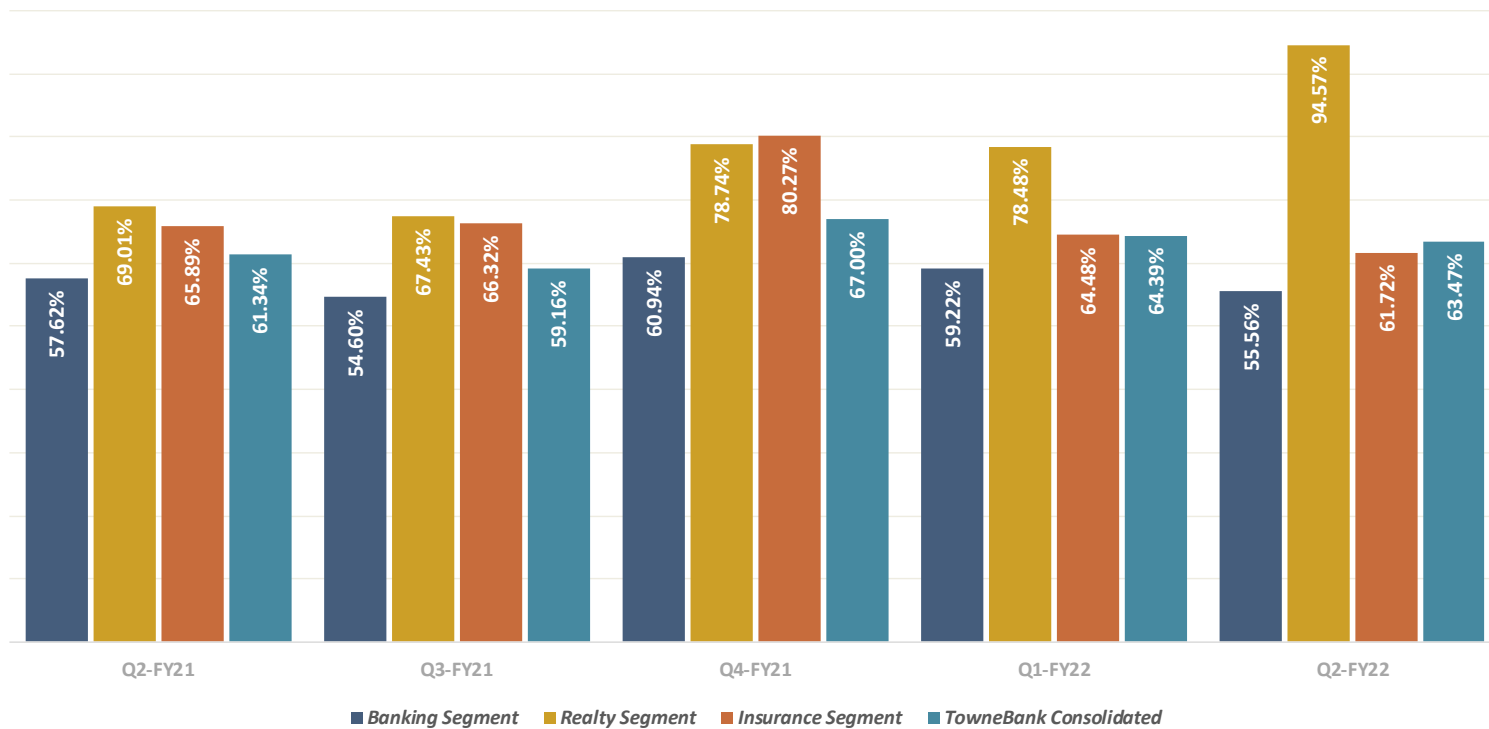
Noninterest Expense

Dollars in millions

	QTD					YTD		
	Q2-FY22	Q1-FY22	Q/Q Change %	Q2-FY21	Y/Y Change %	Q2-FY22	Q2-FY21	Y/Y Change %
Employee Compensation	\$ 64.89	\$ 63.96	1.5%	\$ 61.37	5.7%	\$ 128.85	\$ 119.80	7.6%
Occupancy Expense	8.34	8.33	0.2%	7.56	10.4%	16.67	15.63	6.6%
Furniture and Equipment	3.64	3.69	(1.3%)	3.62	0.6%	7.33	7.13	2.8%
Software Expense	4.76	4.49	6.0%	4.49	6.0%	9.25	8.69	6.5%
Data Processing	3.56	3.59	(1.1%)	3.41	4.2%	7.15	6.65	7.5%
Professional Fees	1.76	2.03	(13.1%)	2.26	(22.1%)	3.79	4.60	(17.6%)
Advertising and Marketing	4.09	4.13	(0.9%)	3.26	25.6%	8.22	6.23	32.0%
Amortization - Intangibles	2.68	2.82	(4.7%)	2.72	(1.3%)	5.50	5.44	1.1%
Other Expenses	14.99	16.34	(8.2%)	16.71	(10.2%)	31.34	28.55	9.8%
Noninterest Expense	\$ 108.73	\$ 109.38	(0.6%)	\$ 105.39	3.2%	\$ 218.10	\$ 202.72	7.6%



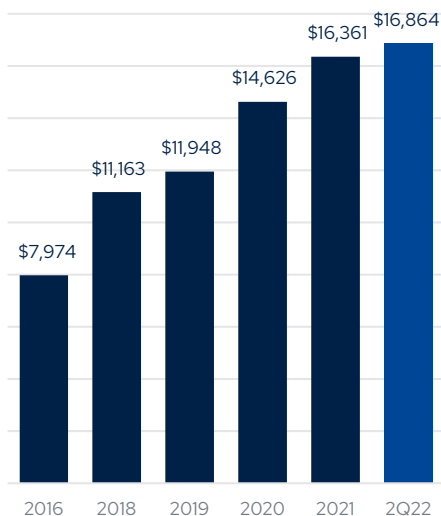
Core Efficiency Ratio¹



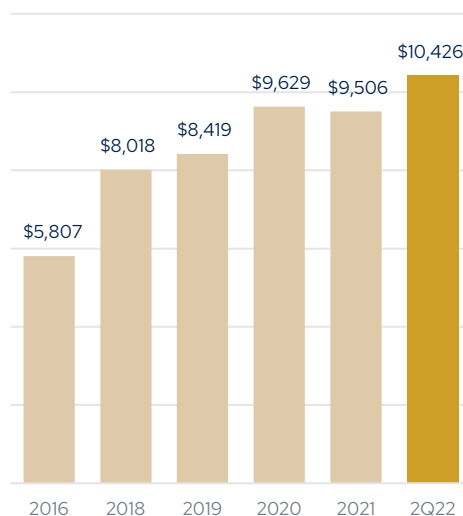
1. Non-GAAP financial measures - see non-GAAP reconciliations

Balance Sheet: Consistency & Stability

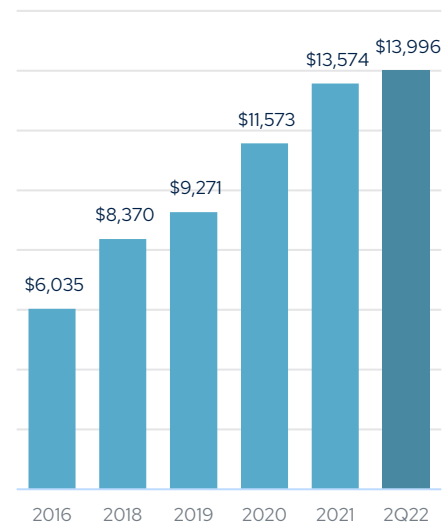
Total Assets DOLLARS IN MILLIONS



Total Loans DOLLARS IN MILLIONS



Total Deposits DOLLARS IN MILLIONS



Balance Sheet Summary

Dollars in millions	Jun-2022	Mar-2022	Q/Q Change	Jun-2021	Y/Y Change
Cash and Cash Equivalents	\$ 2,450	\$ 2,967	(17.4%)	\$ 3,120	(21.5%)
Securities	2,480	2,297	8.0%	1,493	66.1%
Loans Held for Sale	212	235	(9.8%)	554	(61.8%)
Loans	10,426	9,909	5.2%	9,424	10.6%
Allowance for Credit Losses	(104)	(104)	0.2%	(108)	(3.8%)
Net Loans	10,322	9,805	5.3%	9,315	10.8%
Premises and Equipment Net	290	278	4.3%	266	9.1%
Goodwill	457	457	-	452	1.1%
Intangible Assets	45	48	(5.6%)	42	6.2%
Bank-owned Life Insurance	254	253	0.5%	249	2.1%
Other Assets	355	327	8.5%	311	13.9%
Assets	16,864	16,667	1.2%	15,804	6.7%
Noninterest Bearing Deposits	5,723	5,532	3.5%	5,243	9.2%
Interest Bearing Deposits	8,273	8,239	0.4%	7,722	7.1%
Deposits	13,996	13,772	1.6%	12,965	8.0%
Borrowings	600	628	(4.4%)	590	1.7%
Other Liabilities	397	387	2.7%	379	4.8%
Liabilities	14,994	14,787	1.4%	13,934	7.6%
Shareholders' Equity	1,854	1,863	(0.5%)	1,854	(0.0%)
Noncontrolling Interest	17	17	(2.5%)	16	5.0%
Equity	1,871	1,880	(0.5%)	1,870	0.0%
Liabilities and Equities	\$ 16,864	\$ 16,667	1.2%	\$ 15,804	6.7%



\$16.9B

Total Assets

\$1.49B

16.75% y/y loan growth excluding SBA PPP

\$480M

9.16% y/y noninterest bearing deposit growth

40.89%

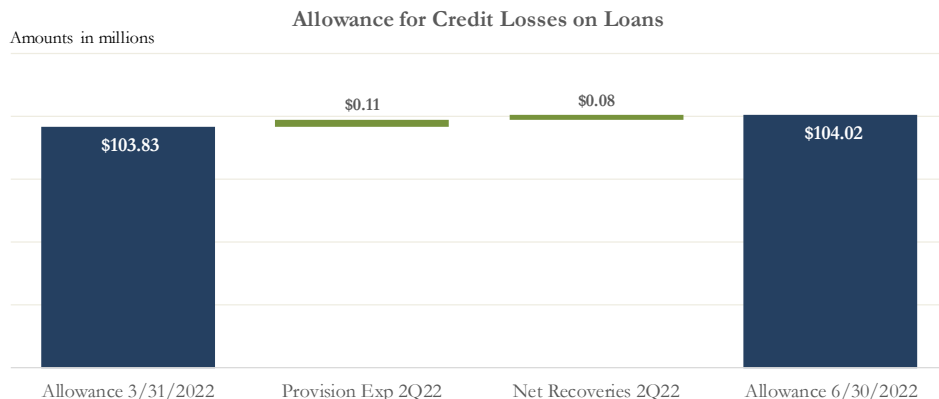
Noninterest bearing deposits % of total deposits

3.8 years

Avg duration of securities portfolio

Current Expected Credit Loss (CECL)

Allowance for Credit Losses DOLLARS IN MILLIONS



- Q2 2022 provision for on-balance sheet loan losses of \$0.11 million
- Expected loss estimates are subject to change based on continuing review of models and assumptions, portfolio performance, changes in forecasted macroeconomic conditions and loan mix which could result in material changes to the reserve in future periods.



MACROECONOMIC FORECAST

Weighted Moody's economic sectors

REASONABLE & SUPPORTABLE FORECAST PERIOD

2 Years

REVERSION PERIOD AND APPROACH

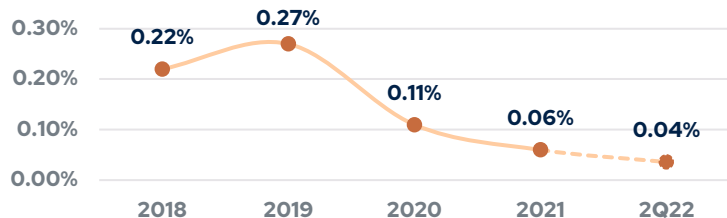
4 quarter reversion period with a blended transition approach

KEY MACROECONOMIC VARIABLES

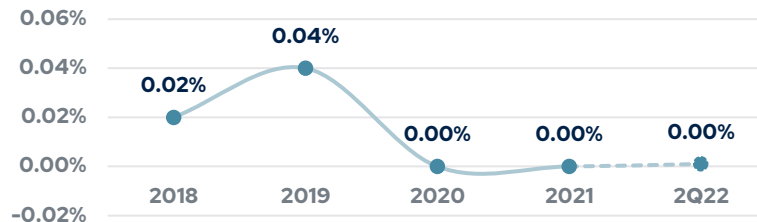
Price Indices
GDP
Interest Rates
Disposable Income

Asset Quality & Credit Focus

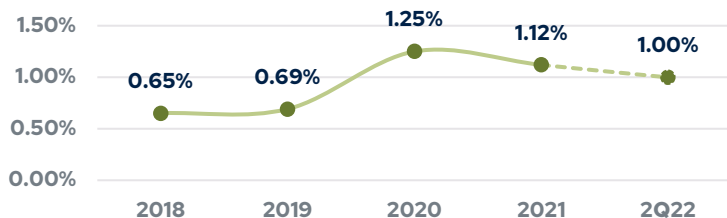
NPAs¹ / Assets



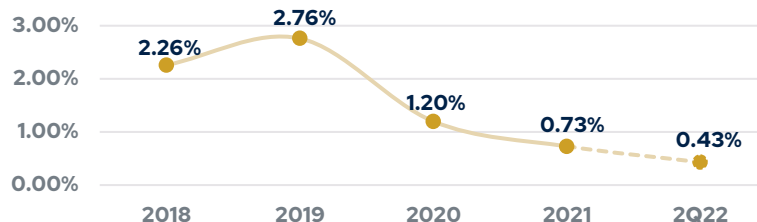
NCOs / Average Loans



Reserves / Loans



Texas Ratio²

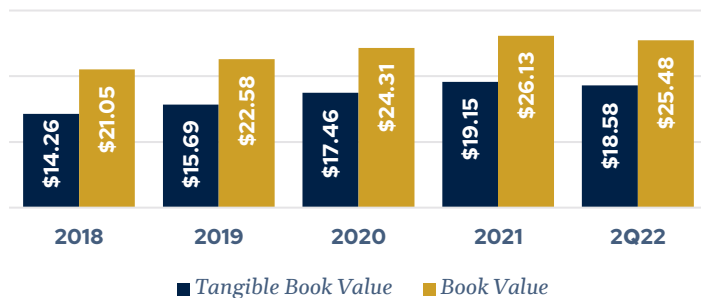
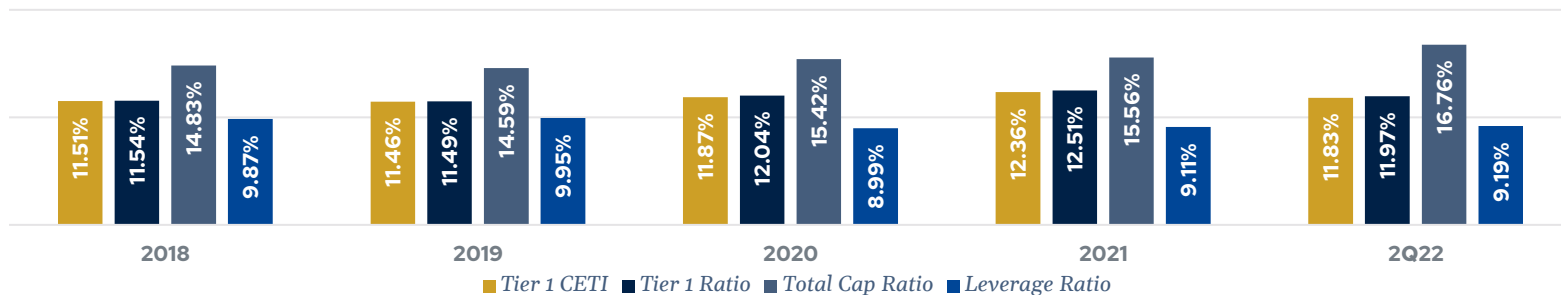


1. Non-performing assets (non-accrual loans and leases, repossessed assets, and real estate owned) as a percent of assets

2. Calculated as the sum of non-performing assets and loans 90+ days past due and accruing divided by the sum of tangible common equity and loan loss reserves.

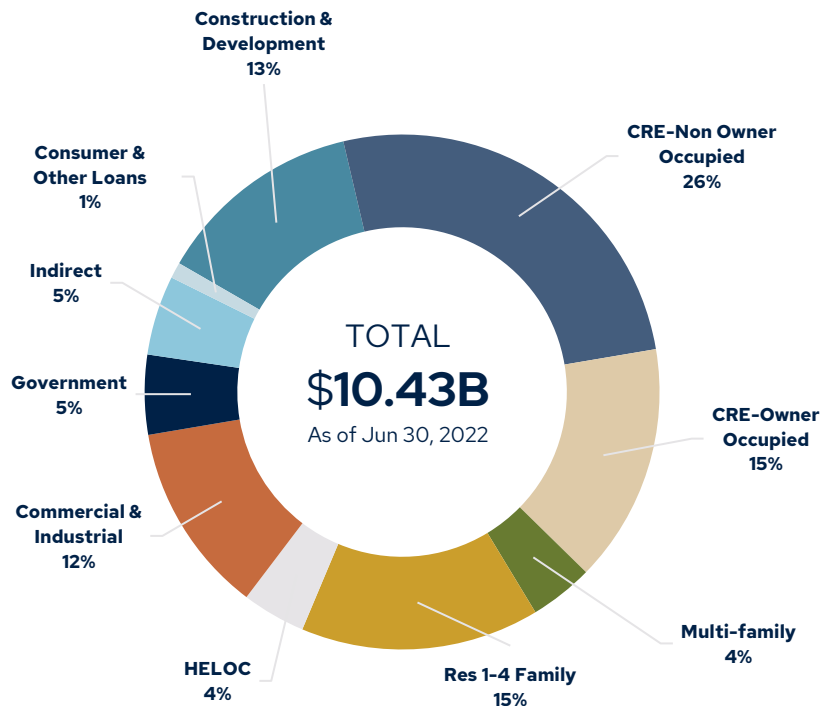
Capital

Risk Based Capital Ratios



Liquidity Sources (in millions)		Jun 30, 2022
Available Liquid Funds:		
Cash and cash equivalents		\$ 2,450
Unencumbered investment securities		1,783
Availability of Borrowings:		
Amount available from FHLB		960
Amount available from unsecured lines of credit with correspondent banks		135
Amount available from Federal Reserve discount window		380

Total Loan Portfolio



Portfolio Highlights

+22.46%

Annualized growth in loans
excluding SBA PPP

0.04%

NPAs/Assets

0.00%

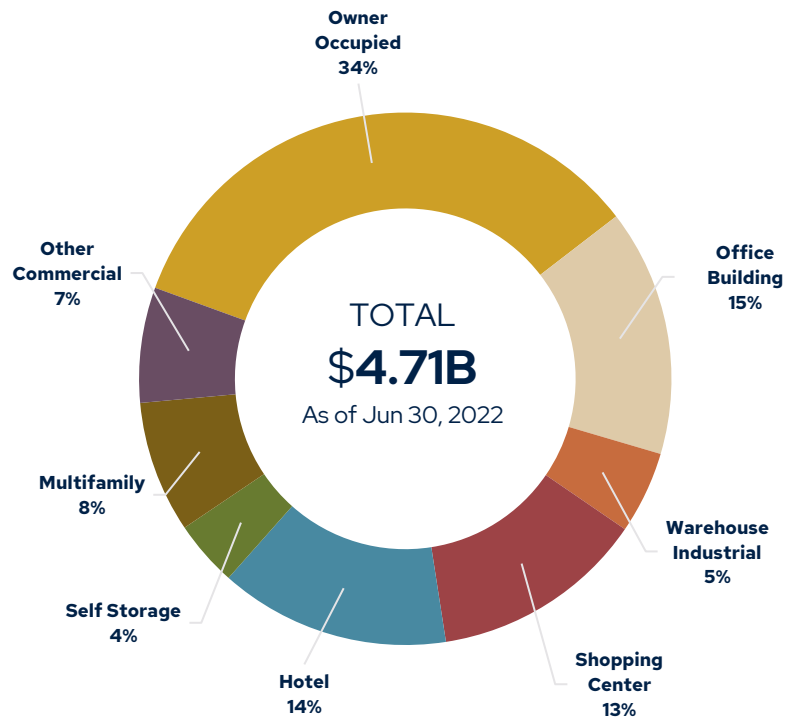
NCOs/Average Loans

18.94x

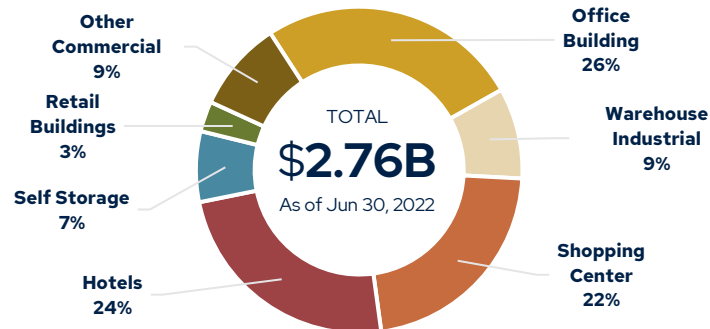
Allowance to NPLs

Variable Rate Portfolio (Dollars in millions)	Outstanding Balance	% of Total Balance
Floating - No Floor	\$ 730	26.3%
Floating - Floor	\$ 1,911	68.8%
0-25 bps to Float	\$ 45	1.6%
26-50 bps to Float	\$ 24	0.9%
51-75 bps to Float	\$ 9	0.3%
76-100 bps to Float	\$ -	-%
101+ bps to Float	\$ 37	1.3%
At Ceiling	\$22	0.8%
TOTAL	\$ 2,778	100.0%

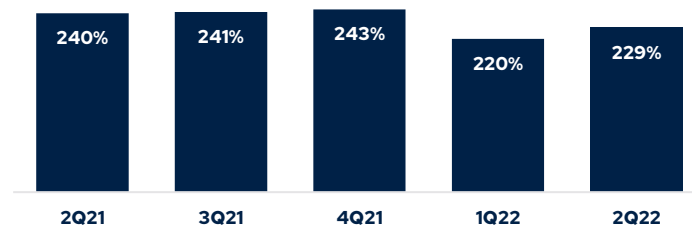
Commercial Real Estate Overview



Non-Owner Occupied Commercial Real Estate

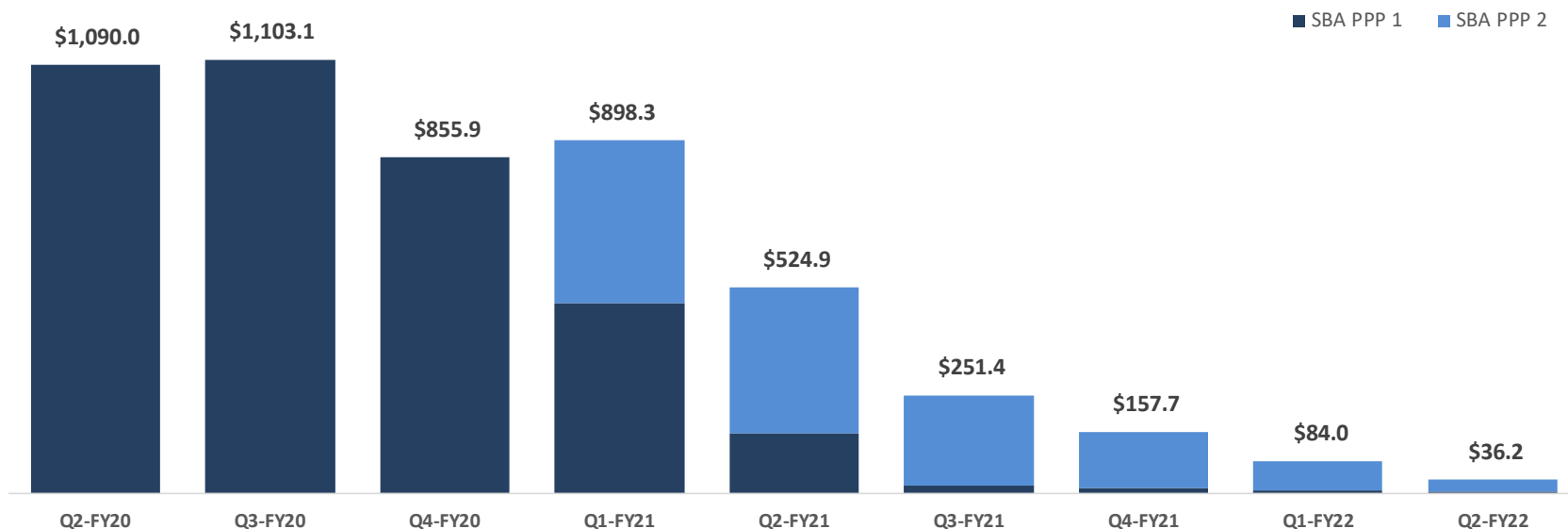


CRE / Total Risk Based Capital



SBA PPP Loans

SBA PPP Loan Balances DOLLARS IN MILLIONS



Outlook Summary

Loans and Asset Quality

- Expecting loan growth to revert to historical levels during second half of 2022 after the remarkable start to the year resulting in low double digit annualized growth for the year
- Continued focus on monitoring credit quality
- Incremental allowance for credit losses build in second half of 2022 aligned with growth rates

Profitability

- Core net interest margin to accelerate recent expansion throughout the second half of 2022 due to structural balance sheet changes and impacts from rising interest rates
- Noninterest expense average quarterly run rate projected at \$107- \$109 million for 2022

Strategic

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



Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions except per share data	YTD	Total Year			
	Q2-FY22	FY2021	FY2020	FY2019	FY2018
Net Income Attributable to TowneBank	\$ 92.13	\$ 215.38	\$ 145.53	\$ 138.78	\$ 133.79
Adjustments					
Acquisition Related Expenses	0.11	1.02	(0.07)	0.66	8.43
Income Tax & Other Adjustments	(0.02)	(0.20)	0.02	(0.08)	(0.72)
Core Net Income	\$ 92.23	\$ 216.20	\$ 145.48	\$ 139.36	\$ 141.50
Avg Assets	\$ 16,421.51	\$ 15,384.66	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75
Return on Avg Assets	1.13%	1.40%	1.03%	1.19%	1.26%
Core Return on Avg Assets	1.13%	1.41%	1.03%	1.20%	1.33%
Avg Common Shares Outstanding-Diluted (YTD)	72.56	72.56	72.35	72.19	71.29
Earnings Per Share-Diluted	\$ 1.27	\$ 2.97	\$ 2.01	\$ 1.92	\$ 1.88
Core Earnings Per Share-Diluted	\$ 1.27	\$ 2.98	\$ 2.01	\$ 1.93	\$ 1.98
Avg Tangible Common Equity	\$ 1,367.73	\$ 1,338.57	\$ 1,211.93	\$ 1,082.13	\$ 972.82
Intangible Amort Net of Tax	4.35	8.79	9.08	9.77	9.24
Return on Avg Tangible Common Equity	14.22%	16.75%	12.76%	13.73%	14.70%
Core Return on Avg Tangible Common Equity	14.24%	16.81%	12.75%	13.78%	15.49%

Non-GAAP Reconciliations

Pre-tax Pre-provision Net Revenue (PPNR)

Amounts in millions except per share data	YTD	Total Year			
	Q2-FY22	FY2021	FY2020	FY2019	FY2018
Net Income Attributable to TowneBank	\$ 92.13	\$ 215.38	\$ 145.53	\$ 138.78	\$ 133.79
Provision for Credit Losses	(1.39)	(16.77)	67.18	9.37	8.54
Provision for Income Tax Expense	22.38	54.80	31.90	32.60	34.23
Pre-tax Pre-Provision Net Revenue (PPNR)	\$ 113.12	\$ 253.41	\$ 244.61	\$ 180.75	\$ 176.56
Avg Assets	\$ 16,421.51	\$ 15,384.66	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75
PPNR Return on Avg Assets	1.39%	1.65%	1.73%	1.55%	1.67%
Avg Common Shares Outstanding-Diluted (YTD)	72.56	72.56	72.35	72.19	71.29
PPNR Earnings Per Share-Diluted	\$ 1.56	\$ 3.49	\$ 3.38	\$ 2.50	\$ 2.48
Avg Tangible Common Equity	\$ 1,367.73	\$ 1,338.57	\$ 1,211.93	\$ 1,082.13	\$ 972.82
Intangible Amort	5.50	11.13	11.50	12.37	11.71
PPNR Return on Avg Tangible Common Equity	17.49%	19.76%	21.13%	17.85%	19.35%

Non-GAAP Reconciliations

Core Efficiency Ratio – TowneBank Consolidated

Amounts in millions	YTD	Total Year			
	Q2-FY22	FY2021	FY2020	FY2019	FY2018
Total Revenue	\$ 332.39	\$ 680.33	\$ 664.33	\$ 563.94	\$ 532.67
Less: Gain (Loss) on Securities Investment	-	1.25	9.63	(0.84)	0.00
Less: Gain (Loss) on Equity Investment ¹	-	(0.03)	17.63	-	0.14
Adjusted Total Revenue	\$ 332.39	\$ 679.11	\$ 637.08	\$ 564.79	\$ 532.52
Noninterest Expense	218.10	417.27	395.83	378.30	352.12
Less: Intangible Amort	5.50	11.13	11.50	12.37	11.71
Less: Acquisition Related Expenses	0.11	1.02	(0.07)	0.66	8.43
Adjusted Noninterest Expense	\$ 212.49	\$ 405.12	\$ 384.40	\$ 365.27	\$ 331.99
Efficiency Ratio	63.96%	59.81%	60.33%	64.79%	63.93%
Core Efficiency Ratio	63.93%	59.66%	60.34%	64.67%	62.34%

1. FY2021 adjustment and FY2020 gain related to the sale of Red Sky Travel Insurance (2020)

Non-GAAP Reconciliations

Core Efficiency Ratio – Segments

Amounts in millions	Q2-FY22			Q1-FY22			Q4-FY21			Q3-FY21			Q2-FY21		
	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment
Total Revenue	\$ 116.81	\$ 30.81	\$ 19.36	\$ 107.43	\$ 39.21	\$ 18.77	\$ 107.11	\$ 38.25	\$ 15.06	\$ 108.19	\$ 45.05	\$ 16.84	\$ 107.85	\$ 41.68	\$ 17.80
Less: Gain (Loss) on Securities Investment	-	-	-	-	-	-	-	-	-	-	-	-	0.25	-	-
Less: Gain (Loss) on Sale of Red Sky Travel Ins	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Total Revenue	\$ 116.81	\$ 30.81	\$ 19.36	\$ 107.43	\$ 39.21	\$ 18.77	\$ 107.11	\$ 38.25	\$ 15.06	\$ 108.19	\$ 45.05	\$ 16.84	\$ 107.60	\$ 41.68	\$ 17.80
Noninterest Expense	65.69	29.95	13.09	64.48	31.62	13.28	66.09	31.10	13.28	59.93	31.80	12.35	62.91	29.58	12.91
Less: Intangible Amort	0.78	0.82	1.09	0.83	0.82	1.17	0.81	0.93	1.19	0.86	0.70	1.19	0.91	0.59	1.22
Less: Acquisition Related Expenses	0.01	-	0.05	0.03	0.03	-	-	0.05	-	-	0.72	-	-	0.23	(0.03)
Adjusted Noninterest Expense	\$ 64.90	\$ 29.14	\$ 11.95	\$ 63.62	\$ 30.77	\$ 12.11	\$ 65.27	\$ 30.12	\$ 12.09	\$ 59.07	\$ 30.38	\$ 11.17	\$ 62.00	\$ 28.76	\$ 11.73
Efficiency Ratio	55.57%	94.57%	61.96%	59.25%	78.56%	64.48%	60.94%	78.87%	80.27%	54.60%	69.03%	66.32%	57.62%	69.55%	65.70%
Core Efficiency Ratio	55.56%	94.57%	61.72%	59.22%	78.48%	64.48%	60.94%	78.74%	80.27%	54.60%	67.43%	66.32%	57.62%	69.01%	65.89%

Amounts in millions	TowneBank Consolidated				
	Q2-FY22	Q1-FY22	Q4-FY21	Q3-FY21	Q2-FY21
Total Revenue	\$ 166.98	\$ 165.41	\$ 160.42	\$ 170.08	\$ 167.32
Less: Gain (Loss) on Securities Investment	-	-	-	-	0.25
Less: Gain (Loss) on Sale of Red Sky Travel Ins	-	-	-	-	-
Adjusted Total Revenue	\$ 166.98	\$ 165.41	\$ 160.42	\$ 170.08	\$ 167.07
Noninterest Expense	108.73	109.38	110.47	104.09	105.39
Less: Intangible Amort	2.68	2.82	2.93	2.75	2.72
Less: Acquisition Related Expenses	0.05	0.06	0.05	0.72	0.19
Adjusted Noninterest Expense	\$ 105.99	\$ 106.50	\$ 107.48	\$ 100.62	\$ 102.48
Efficiency Ratio	63.51%	64.42%	67.03%	59.58%	61.46%
Core Efficiency Ratio	63.47%	64.39%	67.00%	59.16%	61.34%

Non-GAAP Reconciliations

Net Interest Margin & Earning Asset Yield – Tax Equivalent (TE) Basis

Amounts in millions	QTD					YTD	
	Q2-FY22	Q1-FY22	Q4-FY21	Q3-FY21	Q2-FY21	Q2-FY22	Q2-FY21
Net Interest Income	\$ 109.34	\$ 99.20	\$ 100.79	\$ 100.44	\$ 101.14	\$ 208.54	\$ 201.13
Tax-Equivalent Adjustment	0.42	0.66	0.67	0.52	0.92	1.08	1.51
Net Interest Income Tax-Equivalent	\$ 109.76	\$ 99.86	\$ 101.46	\$ 100.96	\$ 102.06	\$ 209.62	\$ 202.64
Net Interest Margin	2.88%	2.67%	2.70%	2.76%	2.91%	2.78%	2.97%
Net Interest Margin (TE)	2.89%	2.69%	2.72%	2.77%	2.94%	2.79%	3.00%
Interest Income	\$ 120.14	\$ 108.36	\$ 109.50	\$ 109.84	\$ 111.81	\$ 228.49	\$ 224.11
Tax-Equivalent Adjustment	0.42	0.66	0.67	0.52	0.92	1.08	1.51
Interest Income Tax-Equivalent	\$ 120.56	\$ 109.01	\$ 110.17	\$ 110.37	\$ 112.73	\$ 229.57	\$ 225.61
Earning Asset Yield (TE)	3.17%	2.94%	2.95%	3.03%	3.25%	3.06%	3.33%

Non-GAAP Reconciliations

Tangible Book Value

Amounts in millions except per share data	Jun-2022	Dec-2021	Dec-2020	Dec-2019	Dec-2018
Shareholders' Equity (Common)	\$ 1,853.72	\$ 1,899.31	\$ 1,766.85	\$ 1,640.75	\$ 1,525.53
Goodwill	457.16	457.19	452.33	446.82	433.66
Intangible Assets	44.88	50.38	45.53	54.40	58.75
Tangible Common Equity	\$ 1,351.68	\$ 1,391.75	\$ 1,268.99	\$ 1,139.54	\$ 1,033.12
Common Shares Outstanding	72.74	72.68	72.67	72.65	72.47
Tangible Book Value	\$ 18.58	\$ 19.15	\$ 17.46	\$ 15.69	\$ 14.26



TowneBank acquisition of Farmers Bankshares



FARMERS BANK
Since 1919



TOWNE BANK
Serving Others. Enriching Lives.

Cautionary Statements

Important Information and Where to Find It:

This presentation does not constitute an offer to sell or the solicitation of an offer to buy securities of TowneBank or a solicitation of any vote or approval. Farmers will deliver a definitive proxy statement/offering circular to its shareholders seeking approval of the Merger and related matters. In addition, TowneBank may file other relevant documents concerning the proposed Merger with the Federal Deposit Insurance Corporation ("FDIC"). Before making any voting or investment decision, investors and security holders are urged to read the proxy statement/offering circular and any other relevant documents to be filed with the FDIC in connection with the proposed transaction because they contain important information about TowneBank, Farmers, and the proposed Merger. Shareholders are also urged to carefully review TowneBank's public filings with the FDIC, including, but not limited to, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements. Free copies of TowneBank's public filings (when available) may be obtained through the website maintained by the FDIC at <https://efr.fdic.gov/fcxweb/efr/index.html>. These documents may also be obtained, without charge, from TowneBank at <https://investor.townebank.com/investor-relations/default.aspx> under the tab "Documents" or by directing a request to Investor Relations – TowneBank, 6001 Harbour View Blvd., Suffolk, Virginia 23435. In addition, free copies of the definitive proxy statement/offering circular, when available, may be obtained by directing a request by telephone or mail to Farmers Bankshares, Inc., 50 East Windsor Boulevard, Windsor, Virginia 23487, Attention: Investor Relations (telephone: (757) 242-6111) or by accessing Farmers' website at <https://www.farmersbankva.com/invest>. The information on TowneBank's website and Farmers' website is not, and shall not be deemed to be, a part of this report or incorporated into other filings TowneBank makes with the FDIC.

TowneBank, Farmers, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Farmers in connection with the proposed Merger. Information about the directors and executive officers of Farmers and TowneBank and other persons who may be deemed participants in the solicitation, including their interests in the Merger, will be included in the proxy statement/offering circular when it becomes available. Additional information about the directors and executive officers of TowneBank can be found in TowneBank's proxy statement in connection with its annual meeting of shareholders, filed with the FDIC on April 18, 2022. Additional information about the directors and executive officers of Farmers can be found in Farmer's proxy statement in connection with its annual meeting of shareholders, as sent previously to Farmers' shareholders on or about April 7, 2022.

Cautionary Note Regarding Forward-Looking Statements

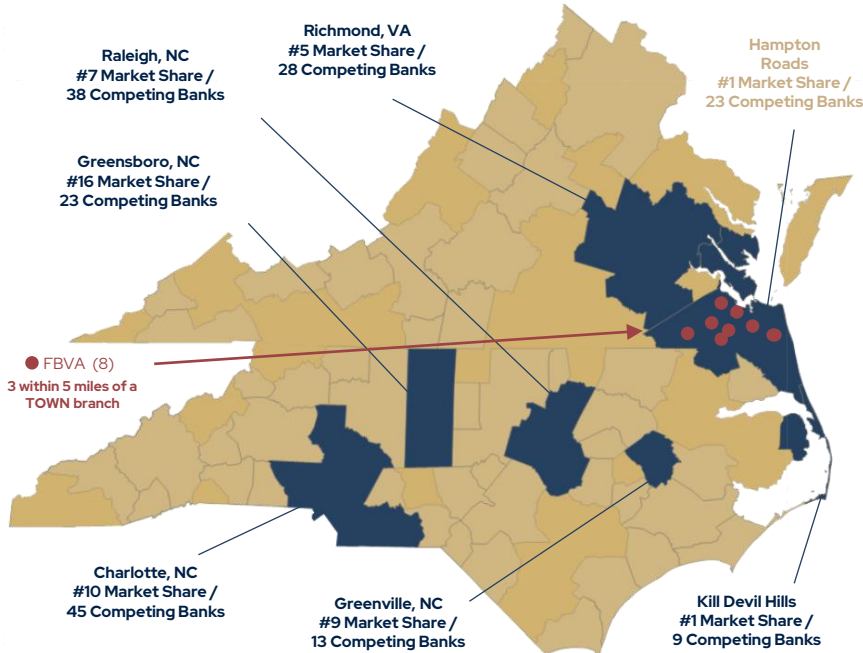
This presentation contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and Farmers and their respective management teams regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of TowneBank and Farmers. 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, including statements about (i) the benefits of the Merger, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the Merger and (ii) TowneBank's and Farmers' plans, objectives, expectations and intentions and other statements contained in the presentation that are not historical facts. In addition, these forward-looking statements are subject to various risks, uncertainties and assumptions with respect to future business strategies and decisions that are subject to change and difficult to predict with regard to timing, extent, likelihood and degree of occurrence. As a result, actual results may differ materially from the anticipated results discussed in these forward-looking statements because of possible uncertainties.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the business of Farmers and Farmers Bank may not be successfully integrated into TowneBank, or such integration may take longer, be more difficult, time-consuming or costly to accomplish than expected; (2) the expected growth opportunities or cost savings from the Merger may not be fully realized or may take longer to realize than expected; (3) deposit attrition, operating costs, customer losses and business disruption following the Merger, including adverse effects on relationships with employees and customers, may be greater than expected; (4) the regulatory approvals required for the Merger may not be obtained on the proposed terms or on the anticipated schedule; (5) the shareholders of Farmers may fail to approve the Merger; (6) economic, legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which TowneBank and Farmers are engaged; (7) the impacts of the ongoing impact of the COVID-19 pandemic and the associated efforts to limit its spread; (8) competitive pressures in the banking industry that may increase significantly; (9) 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; (10) changes in the credit worthiness of customers and the possible impairment of the collectability of loans; (11) 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; (12) cybersecurity threats or attacks, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; (13) competitors may have greater financial resources and develop products that enable them to compete more successfully; (14) changes in business conditions; (15) changes in the securities market; and (16) changes in the local economies with regard to TowneBank's and Farmers' respective market areas.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in TowneBank's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the FDIC and available on the Securities Exchange Act Filing website maintained by the FDIC at <https://efr.fdic.gov/fcxweb/efr/index.html>.

Enhancing Our Virginia Franchise

Pro Forma Virginia Beach-Norfolk-Newport News MSA



(1) Excludes net gain on disposition of AFS Securities of \$63,000 and legal/advisory on-time expense of \$316,000; ROATCE and Core Efficiency Ratio calculation excludes amortization of intangibles of \$89,000
Source S&P Capital IQ Pro; Farmers Bankshares, Inc.; Company documents - 2Q22 Earnings Release

Farmers Bankshares Overview

- Established in November 1919 and headquartered in Windsor, Virginia
- All eight branches located in the Virginia Beach-Norfolk-Newport News MSA
- Stable economy resulting from investment in the deepest water harbor on the U.S. Coast
- Department of Defense spending accounts for nearly half of all regional economic activity
- Liquid balance sheet with 52.1% loan to deposit ratio
- Significant opportunity to deploy liquidity
- Low cost, core deposit base
- Strong regulatory capital and reserve coverage
- Diversified revenue stream with insurance brokerage accounting for 24% of revenue
- Pristine credit quality; limited historical charge offs

Financial Highlights Q2'2022

Assets	\$609M
Loans	\$277M
Deposits	\$521M
Cost of Deposits	0.27%
NPA's/Assets	0.21%
Core ROAA ⁽¹⁾	0.90%
Core ROATCE ⁽¹⁾	17.0%
NIM (FTE)	2.98%
Core Efficiency Ratio ⁽¹⁾	73.0%

Transaction Highlights

Strategic Rationale

- **Complementary community bank** with over 100 years of success operating in markets well-known to TOWN
- **Branch overlap** with 3 branches within 5 miles of a TOWN branch
- Opportunity for **revenue synergies** and **unlocked value** (not modeled but expected) with insurance brokerage, Manry Rawls, LLC
- Liquid balance sheet that can be repositioned into **higher earning assets**
- **Strong core deposit base**
 - Over 35% non-interest bearing deposits
 - 27bps MRQ total cost of deposits
 - Low historical deposit beta well positioned for rising rates

Financial Impact

	<u>GAAP</u>	<u>Excl. AOCI + Interest Rate Marks⁽¹⁾</u>
Fully phased EPS Accr.	4.2%	2.2%
TBVPS Accr. / Dil.	(2.7%)	0.6%
TBV Earnback	~3.0 years	Accretive
IRR	+25%	+25%
Impact to ROAA	+5 bps	+2 bps
Impact to ROATCE	+150 bps	+100bps

Execution

- Employment agreements in place for key personnel
- In-market transaction with very conservative cost savings and purchase accounting assumptions
- Transaction represents ~4% of combined asset size
- Proven and experienced acquirer
- Well-capitalized post acquisition to support further growth

(1) Assumes removal of AOCI impact and accounting FMV rate marks (AOCI amortization, securities and interest related loan mark) to illustrate financial impact excluding timing-related accounting adjustments

Key Transaction Assumptions

Consideration and Deal Value

- **Consideration Mix:** 100% stock
- **Exchange Ratio:** 0.6050x of TOWN common stock for each share of FBVA
- **Transaction Value** ⁽¹⁾: \$56.0 million (\$17.82/share)
- **Price / TBVPS:** 196%; **Price / TBVPS (excl. AOCI):** 99%
- **Price to Forward Earnings w/Cost Saves** ⁽²⁾: 6.1x

Cost Savings

- **Cost Savings:** ~35% of NIE base; excluding insurance brokerage subsidiary expenses
- **Phase in period:** 75% realized in 2023 and 100% thereafter

Key Transaction Assumptions

- **One-time merger and integration cost:** \$9.6 million pre-tax
- **Loan Mark:** 3.75% gross w/ CECL Day 1 Allowance and Interest Rate Mark
 - 1.50% Credit Mark | 50% Non-PCD Loans / 50% PCD Loans
 - 1.50% Interest Rate Mark
- **Securities mark down:** additional \$27.6 million amortized over 7.7 years (straight-line method) vs. June 30, 2022 values
- **Fixed Assets Mark Up:** \$1.7 million amortized over 15.0 years (straight-line method)
- **Core Deposit Intangible:** 2.00% of core deposits amortized over 10-year period using sum of the years digits method
- **Closing:** Expected to close 1Q 2023

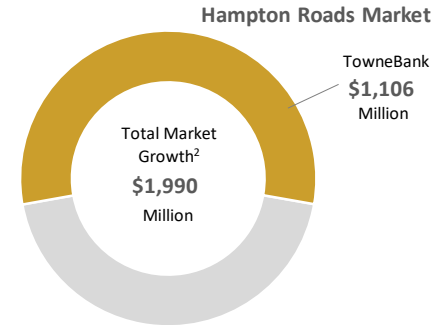
(1) Based on TOWN 20-day average price of \$29.46 ending 8/17/2022 // Source: FactSet

(2) Fully phased

#1 Market Share in Hampton Roads

Hampton Roads MSA Market Position ¹					
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$000)	Market Share (%)	Avg. Branch Size (\$000)
	Pro Forma	30	9,163,239	29.1	305,441
1	TowneBank	25	8,663,230	27.5	346,529
2	Truist	58	6,285,229	19.9	108,366
3	Wells Fargo	37	6,179,505	19.6	167,014
4	Bank of America	28	4,163,835	13.2	148,708
5	Atlantic Union Bank	16	1,187,371	3.8	74,211
6	Old Point National Bank	19	1,135,023	3.6	59,738
7	Southern Bank and Trust	11	746,687	2.4	67,881
8	Chesapeake Bank	8	678,300	2.2	84,788
9	PNC Bank	11	545,898	1.7	49,627
10	Farmers Bank	8	500,009	1.6	62,501
	All other institutions	59	1,433,694	4.5	24,300
Market Totals		280	31,518,781		

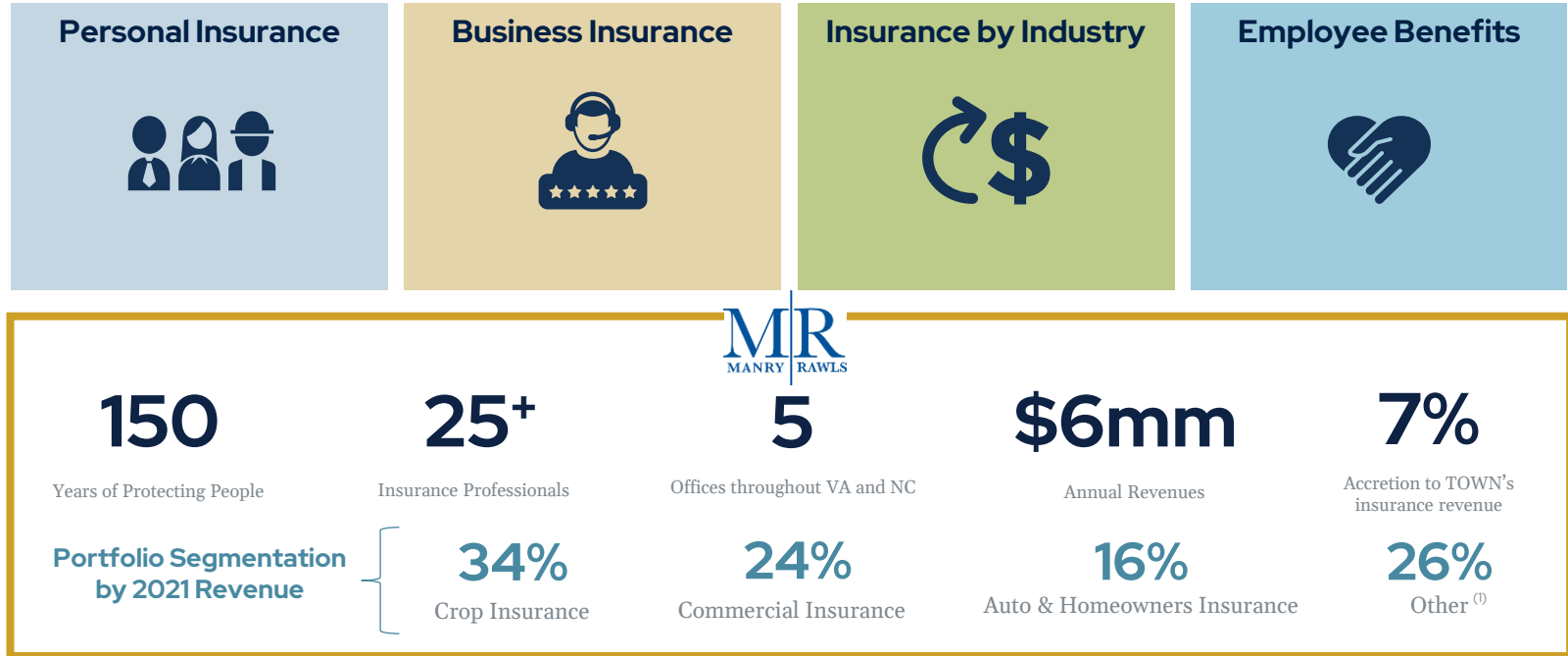
Hampton Roads MSA Market Share (%) ¹						
Institution	1999	2005	2010	2015	2020	2021
TowneBank	1.9	8.9	14.4	16.8	25.6	27.5
Truist	n/a	n/a	n/a	n/a	23.9	19.9
Wells Fargo	28.7	22.7	20.3	19.7	19.7	19.6
SunTrust	15.6	14.0	15.6	16.8	n/a	n/a
BB&T	22.1	14.5	12.2	13.0	n/a	n/a
Bank of America	15.6	15.2	10.2	11.9	12.5	13.2
Group Total	83.9	75.3	72.6	78.3	81.7	80.3



1. Data as of the 6/30/2021 FDIC Summary of Deposits for the Virginia Beach – Norfolk – Newport News, VA MSA. Excludes TOWN limited service locations and closure of any branches within 5 miles

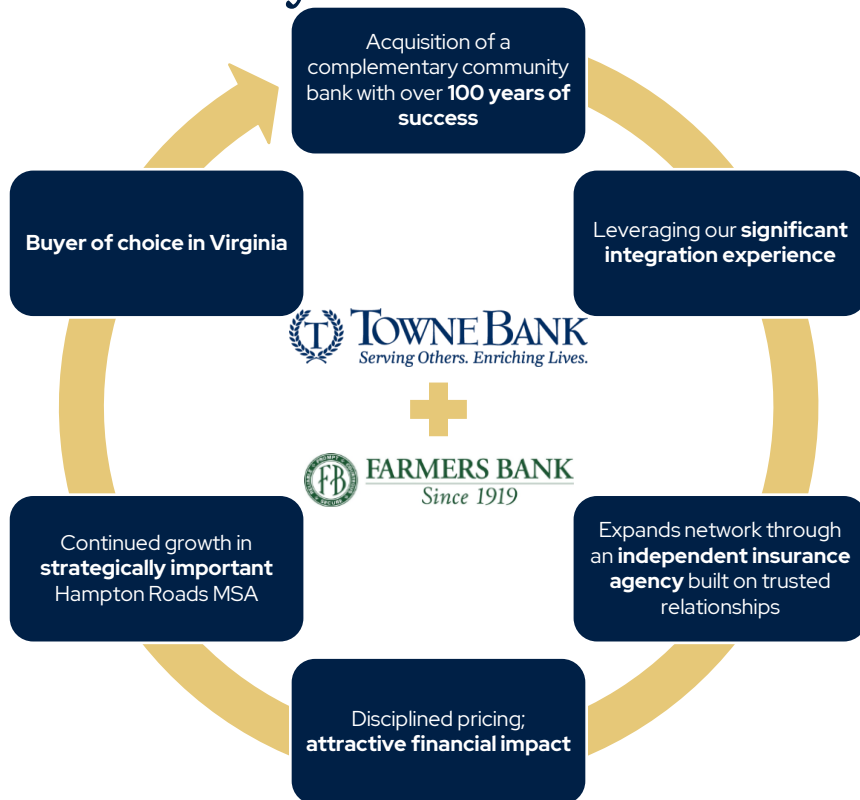
2. Growth for the period June 30, 2020-2021 - Source: FDIC Summary of Deposits

Manry Rawls, LLC – Insurance Brokerage Overview



(1) Includes P&C, life, contingency risk, rain & hail and general group commissions
Source: Farmers Bankshares, Inc.; Manry Rawls, LLC

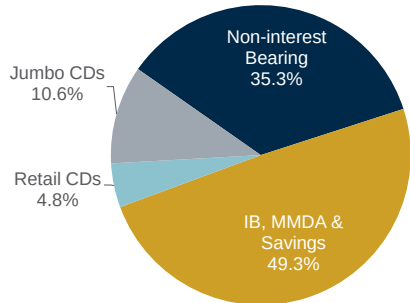
Transaction Summary



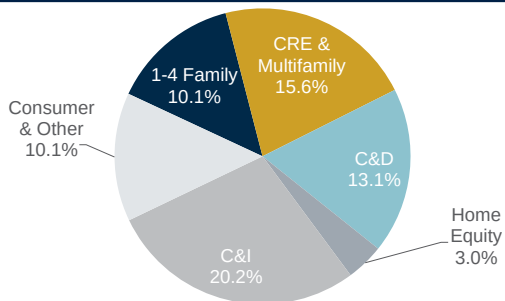
Appendix

Farmer's Positioning is Complementary to TOWN's Operations

Low-Cost, Core Deposit Funding



Commercial Lending with Strong Asset Quality

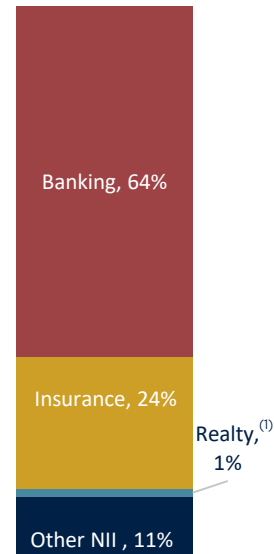


Diversified Revenue Streams with a Consistent Source of Fee Income

TOWN LTM 6/30/22



FBVA LTM 6/30/22



(1) Includes fee income associated with a minority investment in a mortgage banking operation

Comprehensive Due Diligence

- Coordinated comprehensive due diligence review with executives from TOWN & FBVA, along with advisors & lawyers
- Modest loan portfolio size with detailed credit review completed by internal team
- Long standing relationship among key principals with significant market knowledge and an emphasis on cultural fit between the two companies

Scope of Loan Review Process

Comprehensive Loan Review Analysis

>50% of total loan portfolio reviewed

- Cross-section analysis of the loan portfolio's performance; review of loan terms and structure; and borrower's continued ability to service their debt
- Additional focus on underwriting standards and credit culture
- All Special Mention, Substandard and Non-Accrual loans
- All loans with balances of \$1.0 million and above
- Random sampling of select loan classes

Diligence Focus Areas

Asset Quality

Commercial Lending

Consumer Lending

Insurance

Financial and Accounting

Compliance

Operations

Information Technology

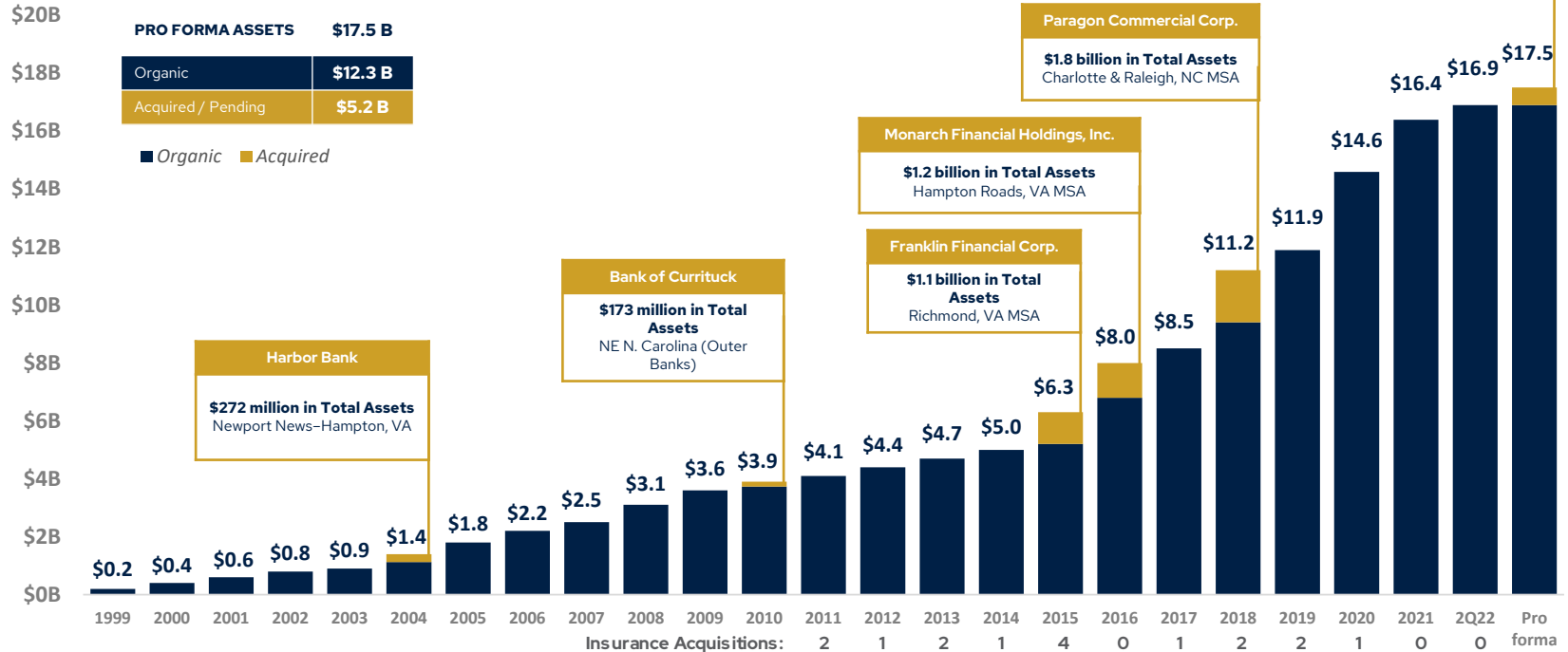
Systems

Legal

Treasury

Human Resources

Disciplined Acquirer and Experienced Integrator





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