



Investor Presentation

3rd Quarter 2025



Forward Looking Statements

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, that may adversely affect our business; our ability to successfully integrate the businesses from recently completed and pending acquisitions, including our recent merger with Old Point Financial Corporation and our pending merger with Dogwood State Bank ("Dogwood"), to the extent that it may take longer or be more difficult, time-consuming, or costly to accomplish than expected; our ability to close the transaction with Dogwood when expected or at all because required approvals and other conditions to closing are not received or satisfied on the proposed terms or on the anticipated schedule; deposit attrition, operating costs, customer losses, and business disruption associated with recently completed or pending 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 or pending 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 related matters; cybersecurity threats or attacks, whether directed at us or at vendors or other third parties with which we interact, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; 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, 2024 and related disclosures in other filings that have been, or will be, filed by TowneBank with the Federal Deposit Insurance Corporation.

Non-GAAP Financial Measures

This press release contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such non-GAAP financial measures include the following: fully tax-equivalent net interest margin, core operating earnings, core net income, tangible book value per common share, total risk-based capital ratio, tier one leverage ratio, tier one capital ratio, and the tangible common equity to tangible assets ratio. Management uses these non-GAAP financial measures to assess the performance of TowneBank's core business and the strength of its capital position. Management believes that these non-GAAP financial measures provide meaningful additional information about TowneBank to assist investors in evaluating operating results, financial strength, and capitalization. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant charges for credit costs and other factors. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this presentation are referenced in a footnote or in the appendix to this presentation.

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Additional Information

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TowneBank at a Glance

Consistent Focus on Earnings and Growth

Earnings Growth

22.7%

CAGR FY00 – FY24

#1 Deposit Market Share
in Hampton Roads¹

Ranked on
Forbes
Best Banks List²
7 Years in a Row

Total Assets

\$19.7B

Total Loans

\$13.4B

Total Deposits

\$16.5B

Core ROAA
1.35%

Core ROTCE
15.99%

NIM (FTE)
3.50%

NIB Deposits /
Total Deposits
31%

10 Year Total Shareholder
Return³
143%

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

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

(3) Total Return as of 09/30/2025; Source: S&P Global, data collected 10/10/2025

Note: Financial results for the quarter ending September 30, 2025



Introduction

About TowneBank

Commitment

We value all employees and members by embracing their diverse talents, perspectives, and experiences, and by fostering inclusion that inspires innovation, encourages respect, and promotes success.

Mission

We will be a relationship and friendship driven local bank focused on basic human values that will serve to create a warm sense of belonging and financial well-being among our family members.

Strategy

We will offer a competitive array of business and personal financial services, delivered with only the highest ethical standards. Our commitment to exquisite service for our members will lead to our ability to create a reasonable rate of return for our shareholders, a bright future for our dedicated bankers, and a leadership role for our bank in promoting the social, cultural, and economic well-being of our community.

Community Commitment

We will strive to be a source of community pride by being a leader in community support activities through involvement of Towne family members, and the funding and fundraising activities of the TowneBank Foundation.



Unique Value Proposition

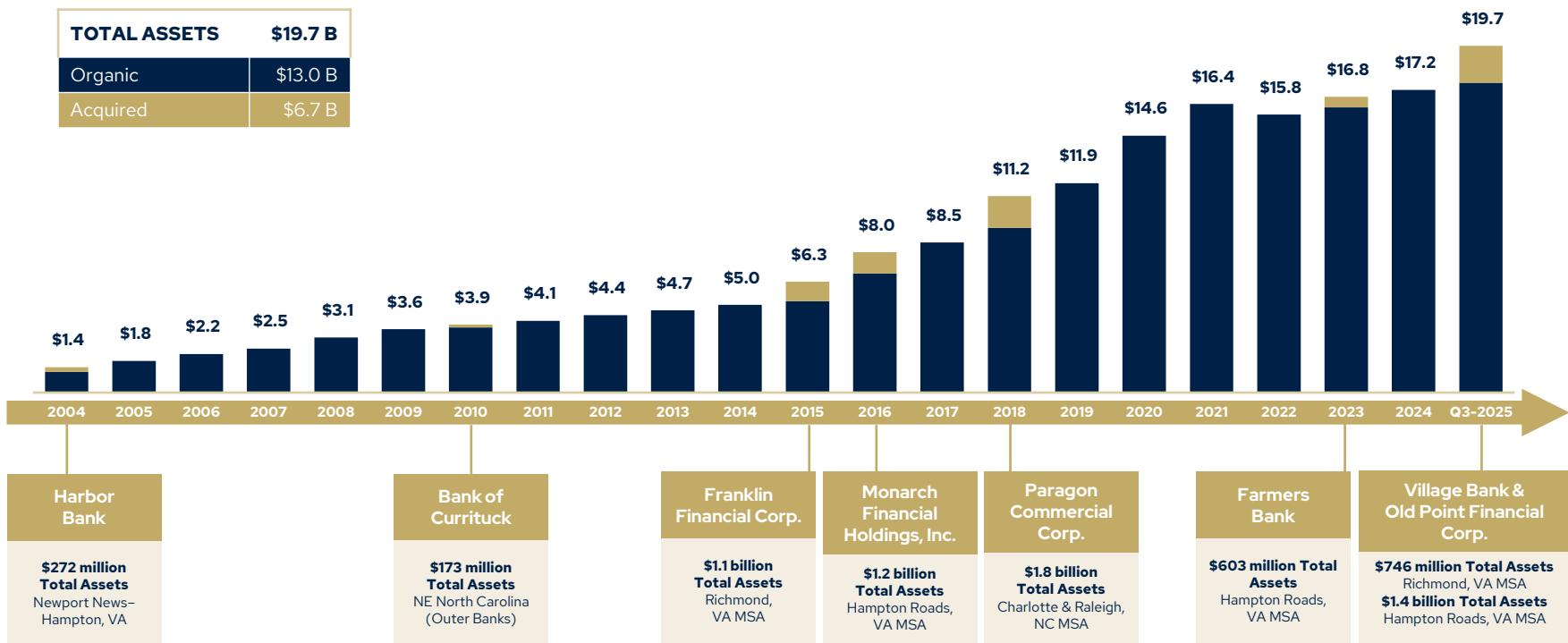
- BANKING
- WEALTH MANAGEMENT
- INSURANCE
- MORTGAGE
- PROPERTY MANAGEMENT



¹(1) Source: S&P Global, Ownership Summary data as of 10/13/2025

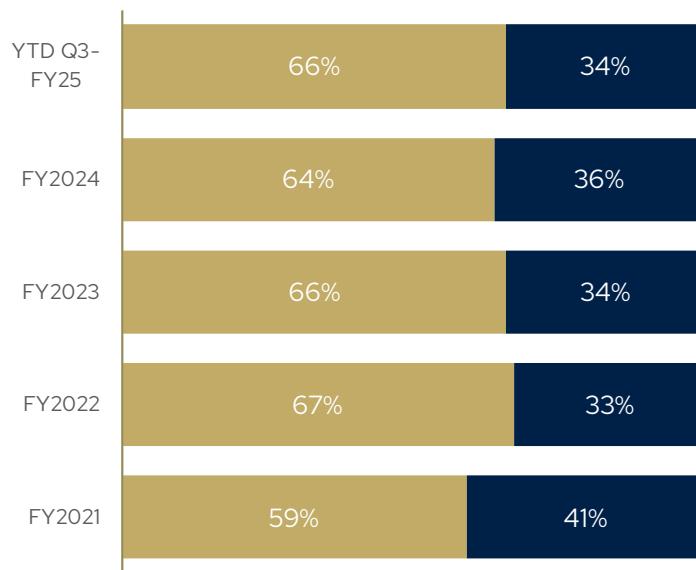
Disciplined Acquirer and Experienced Integrator

Total Assets [Dollars in billions]

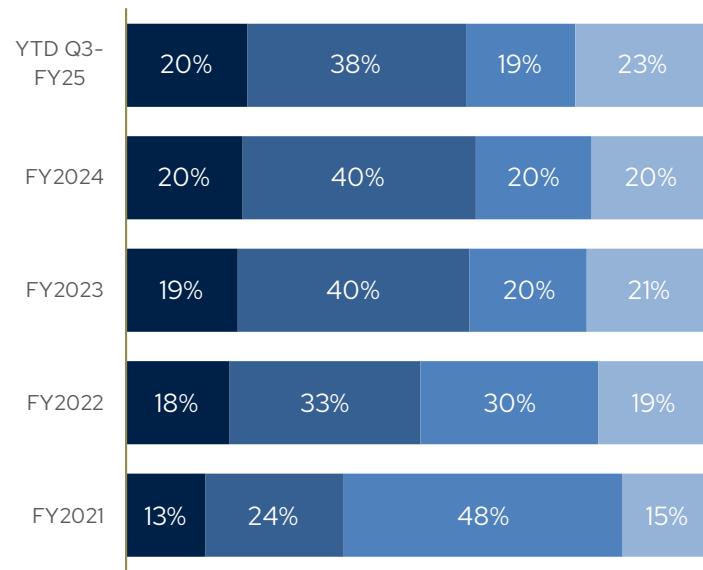


Diversified Business Model

Total Revenue



Noninterest Income¹



■ Net Interest Income ■ Noninterest Income

■ Banking ■ Insurance ■ Mortgage ■ Resort Property Mgmt

(1) Normalized noninterest income excludes gain (loss) on investment securities, gain on sale of Beneflex (2023 & 2024), gain on sale of BHHS Towne Realty (2023)

Insurance Revenue

TowneBank Rank: Bank-owned Insurance Commission and Fees¹

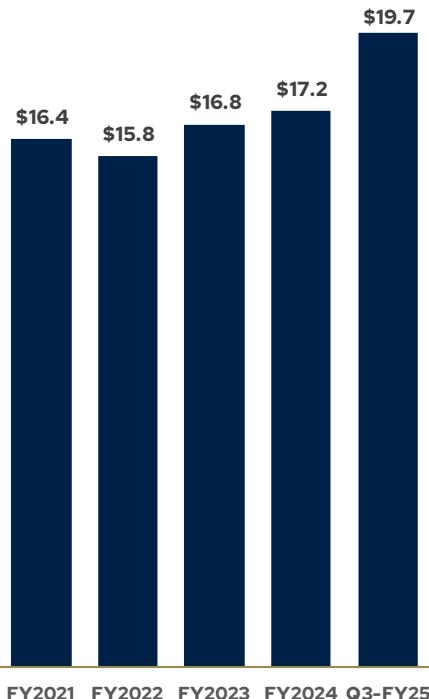
2010 Ranking	Today
Truist Bank	TowneBank
Bank of America, National Association	First-Citizens Bank & Trust Company
JPMorgan Chase Bank, National Association	Frost Bank
Wells Fargo Bank, National Association	Salem Five Cents Savings Bank
Cadence Bank	First United Bank and Trust Company
Eastern Bank	Univest Bank and Trust Co.
TD Bank, National Association	Citizens Bank, National Association
PNC Bank, National Association	The Adirondack Trust Company
Associated Bank, National Association	JPMorgan Chase Bank, N.A.
Manufacturers and Traders Trust Company	Fifth Third Bank, National Association
Frost Bank	Provident Bank
Trademark National Bank	Benchmark Bank
Fifth Third Bank, National Association	Washington Federal Bank
Barclays Bank Delaware	Peoples Bank
TowneBank	MountainOne Bank
U.S. Bank National Association	Pinnacle Bank
First Horizon Bank	Arvest Bank
HSBC Bank USA, National Association	First State Community Bank
First National Bank of Omaha	Valley National Bank
Valley National Bank	PNC Bank, National Association



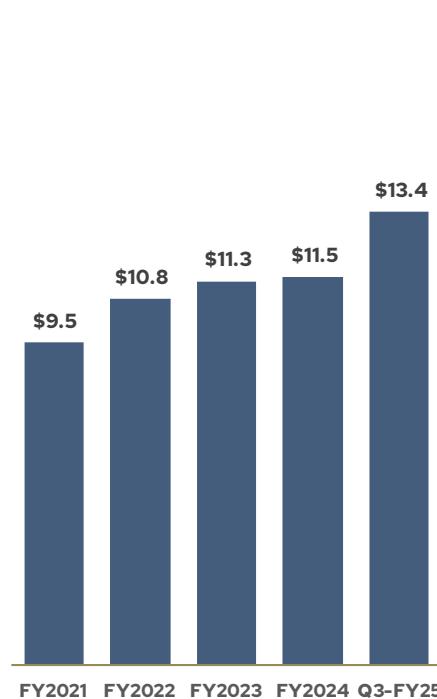
(1) Bank-owned insurance commissions and fees excluding non-insurance agency generated revenue for commercial and savings banks; Source: S&P Global, data retrieved 8/11/2025

Balance Sheet: Consistency & Stability

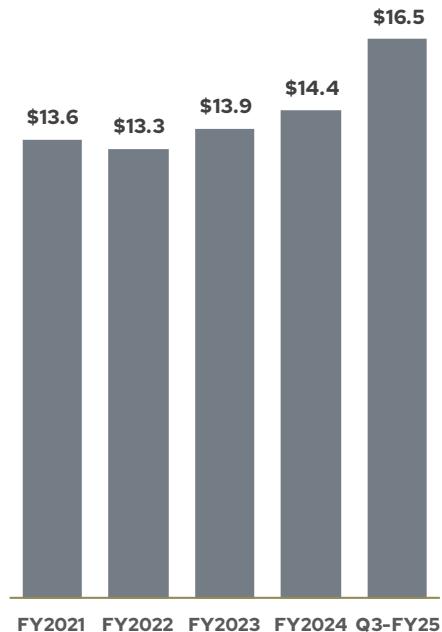
Total Assets [Dollars in billions]



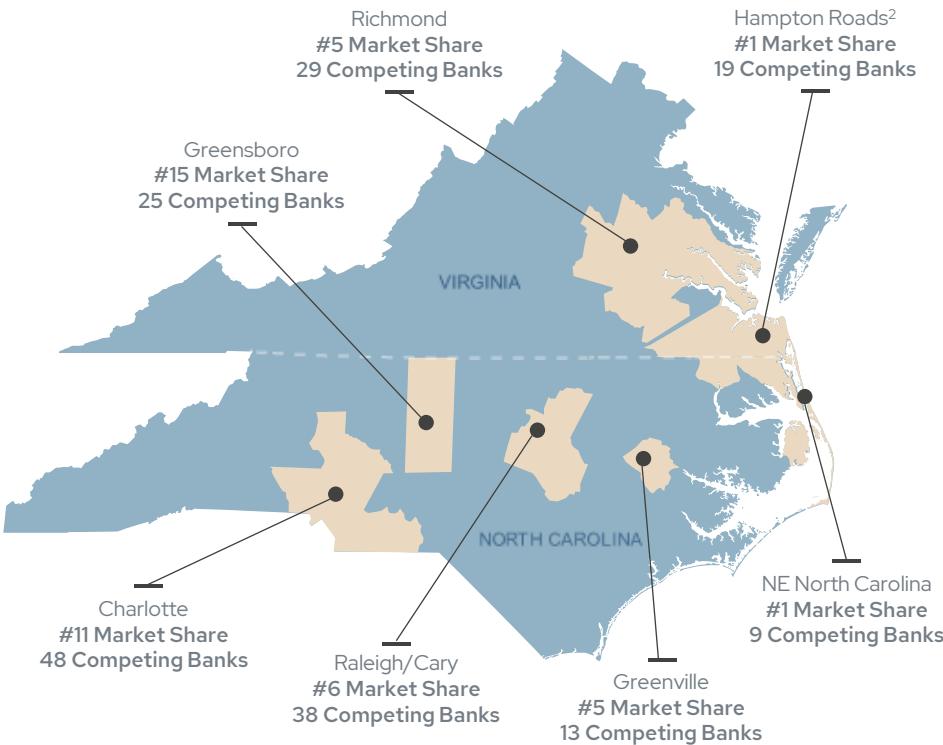
Total Loans [Dollars in billions]



Total Deposits [Dollars in billions]



Our Bank Reach¹



Hampton Roads Market Share 1999 - 2025

Bank	June 30, 1999	June 30, 2025
Wells Fargo	29.58%	15.99%
Truist ³	29.92%	17.09%
Bank of America	15.54%	13.61%
TowneBank & Old Point	0.75%+3.33%	35.76%

(1) Deposit data from FDIC Market Share Report as of June 30, 2025; Competing Banks' count excludes institutions with no deposits in stated market regardless of physical or other presence.

(2) Hampton Roads market competing banks count includes TowneBank and Old Point as one bank.

(3) SunTrust / BB&T merger - 12/6/2019

Awards & Recognition



5 Star Rating
One of the Strongest
Financial Institutions
in the Nation
2025



Platinum and Bronze
Presented to Top
Producing Loan Officers
TowneBank Mortgage
2024



**Ranked Among the
Best Banks in the Nation
2025**



**Top 100
Brokers of US Business**
Towne Insurance¹
2025



Outstanding CRA Rating
Compliance with Community
Reinvestment Act (CRA)
regulations, six consecutive
Outstanding Ratings since 2007



**Greenwich Excellence
Small Business Banking**
Among 500+ financial institutions,
only 39 are rated as excellent by their
business clients
2024



**Top 4 in Assets Under
Management**
Raymond James Financial
Institution Division
Towne Wealth Management²
2025



A Top 20 Affiliate
Berkshire Elite Circle Award
Berkshire Hathaway |
RW Towne Realty
2025



Best Bank to Work For
Ranked Nationally
as Best Bank to Work For
2023



Best of the Best
Coastal Virginia
Businesses excelling in
their industries
2024



**CIVIC 50
Hampton Roads**
Among the most
community-minded
businesses.
2024

¹ Insurance products offered through Towne Insurance, a subsidiary of TowneBank, are Not bank deposits or obligations, Not FDIC-Insured, and are Not guaranteed by TowneBank.

² 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 anyway 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.

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3rd Quarter 2025 Financial Results

Performance Highlights

	Q3-FY25	Q2-FY25	Q/Q Change	Q3-FY24	Y/Y Change
Total Revenue	\$215.66 million	\$207.44 million	4.0%	\$174.52 million	23.6%
Provision for Credit Losses	\$15.28 million	\$6.41 million	138.3%	-\$1.10 million	1488.7%
Net Income Attributable to TowneBank	\$38.98 million	\$38.84 million	0.4%	\$42.95 million	(9.2%)
Earnings Per Share-Diluted	\$0.51	\$0.51	-	\$0.57	(10.5%)
Return on Avg Assets	0.83%	0.86%	-3 bps	1.00%	-17 bps
Return on Avg Tangible Common Equity ¹	10.15%	10.44%	-29 bps	11.54%	-139 bps
Net Interest Margin (TE) ¹	3.50%	3.40%	+10 bps	2.93%	+57 bps
Assets	\$19.68 billion	\$18.26 billion	7.8%	\$17.19 billion	14.5%
Loans	\$13.38 billion	\$12.36 billion	8.2%	\$11.41 billion	17.2%
Deposits	\$16.53 billion	\$15.33 billion	7.8%	\$14.36 billion	15.1%
Loans / Deposits	80.93%	80.63%	+30 bps	79.46%	+147 bps
Noninterest Bearing Deposits / Deposits	31.09%	31.02%	+7 bps	29.71%	+138 bps
Nonperforming Assets / Assets	0.05%	0.05%	0 bps	0.04%	+1 bps
Book Value per Share	\$30.38	\$29.58	2.7%	\$28.59	6.2%
Tangible Book Value per Share ¹	\$21.59	\$21.98	(1.8%)	\$21.65	(0.3%)
Tangible Common Equity to Tangible Assets	8.97%	9.37%	-40 bps	9.75%	-78 bps
Total Risk Based Capital Ratio ²	13.99%	14.49%	-50 bps	15.54%	-155 bps

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

(2) Current reporting period regulatory capital ratios are preliminary

Income Statement Summary

Dollars in millions, except per share data	QTD					YTD		
	Q3-FY25	Q2-FY25	Q/Q Change	Q3-FY24	Y/Y Change	Q3-FY25	Q3-FY24	Y/Y Change
Interest Income	\$ 218.34	\$ 207.63	5.2%	\$ 196.62	11.0%	\$ 615.59	\$ 578.48	6.4%
Interest Expense	71.39	70.42	1.4%	84.34	(15.4%)	210.95	253.93	(16.9%)
Net Interest Income	146.95	137.21	7.1%	112.28	30.9%	404.64	324.55	24.7%
Provision for Credit Losses	15.28	6.41	138.3%	(1.10)	1488.7%	24.11	(2.15)	1219.1%
Net Interest Income after Provision for Credit Losses	131.68	130.80	0.7%	113.38	16.1%	380.54	326.70	16.5%
Noninterest Income	68.71	70.23	(2.2%)	62.24	10.4%	210.51	192.04	9.6%
Noninterest Expense	153.74	150.66	2.0%	126.90	21.1%	434.94	376.48	15.5%
Minority Interest in Unconsolidated Subs	0.32	0.43	(26.7%)	0.18	79.0%	1.04	0.80	30.5%
Income Before Taxes	46.33	49.94	(7.2%)	48.54	(4.5%)	155.06	141.47	9.6%
Provision for Income Tax Expense	7.36	11.10	(33.7%)	5.59	31.6%	26.66	20.98	27.1%
Net Income Attributable to TowneBank	\$ 38.98	\$ 38.84	0.4%	\$ 42.95	(9.2%)	\$ 128.41	\$ 120.49	6.6%
Earnings Per Share-Diluted	\$ 0.51	\$ 0.51	-	\$ 0.57	(10.5%)	\$ 1.69	\$ 1.61	5.4%

Core Net Income¹

One-time Adjustments After Taxes	\$ 24.47	\$ 22.50	8.8%	\$ 0.44	5420.6%	\$ 47.37	\$ 1.74	2629.7%
Core Net Income	63.45	61.34	3.4%	43.39	46.2%	175.77	122.23	43.8%
Core Earnings Per Share-Diluted	\$ 0.83	\$ 0.81	2.5%	\$ 0.58	43.1%	\$ 2.32	\$ 1.63	42.2%

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

Financial Performance Trends

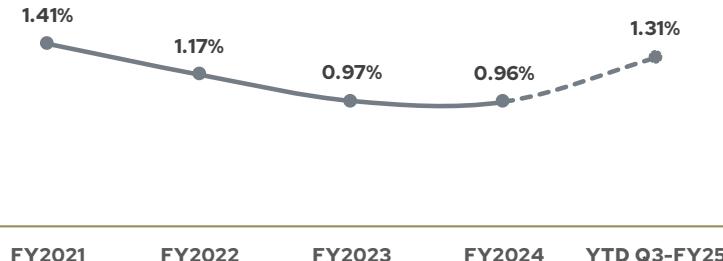
Core Net Income¹ [Dollars in millions]



Core EPS¹



Core ROAA¹



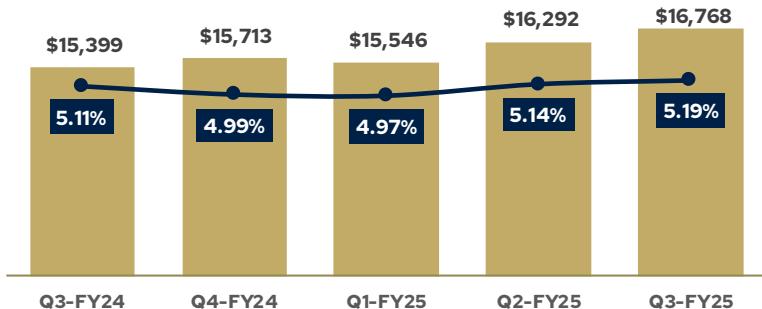
Core ROATCE¹



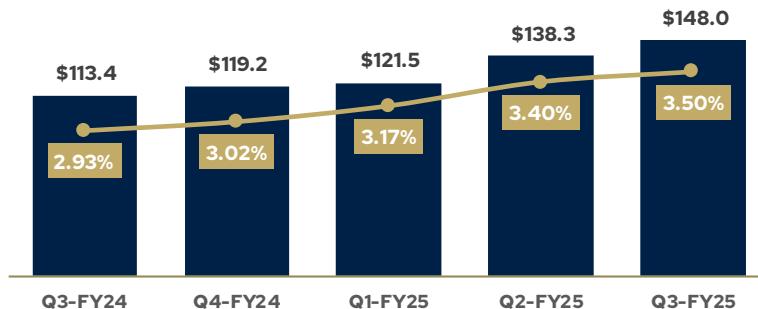
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Net Interest Income

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



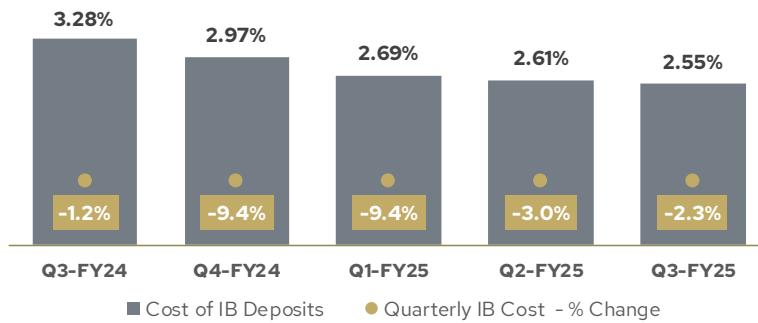
Net Interest Income & NIM (TE)¹ [Dollars in millions]



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



Interest Bearing Deposit Costs



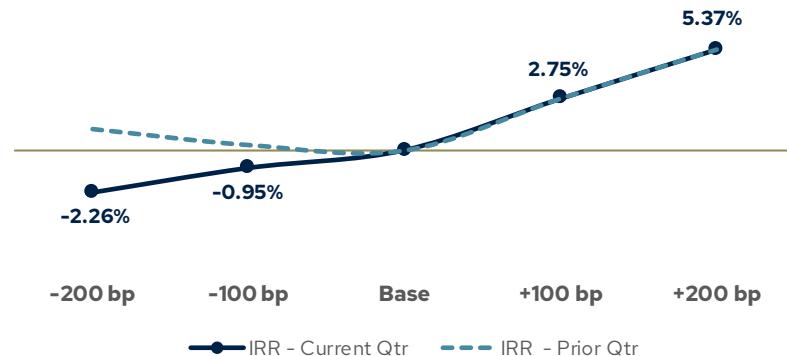
(1) Non-GAAP financial measures – see non-GAAP reconciliations

NIM & Net Interest Income Sensitivity

Net Interest Income & NIM (TE)¹

Dollars in millions	Amount	NIM (%)
Q2-FY25	\$ 138.3	3.40%
Loans HFI	9.3	0.06%
Recurring Accretion	0.6	0.01%
Loans HFS	0.6	0.00%
Investments & Cash	0.3	-0.01%
Earning Assets Mix		-0.01%
Deposits	(1.0)	0.04%
Borrowings	(0.1)	-0.01%
Sub Debt	0.1	0.00%
Interest Bearing Funding Mix		0.01%
Other	(0.0)	0.01%
Q3-FY25	\$ 148.0	3.50%

Net Interest Income Sensitivity²



Comments

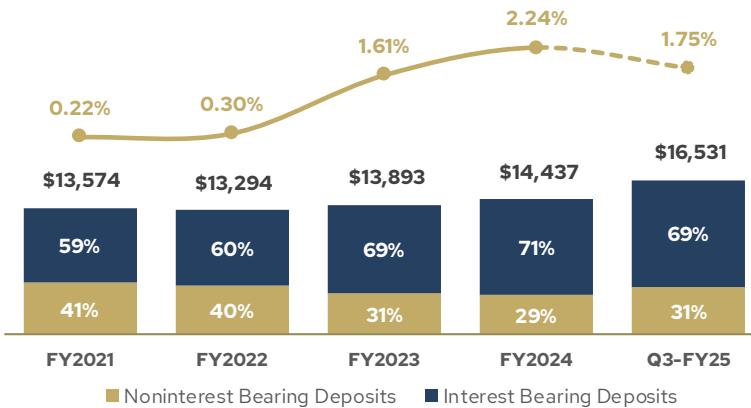
- Loan repricing offsetting much of a slow-paced Fed decline (rate forecast models one cut in Q4-FY25)
- Deposit costs will have greater benefit from further rate cuts
- NII growth from NIM expansion and current year closed acquisitions

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

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

Deposits

Deposit Balances and Cost [Dollars in millions]



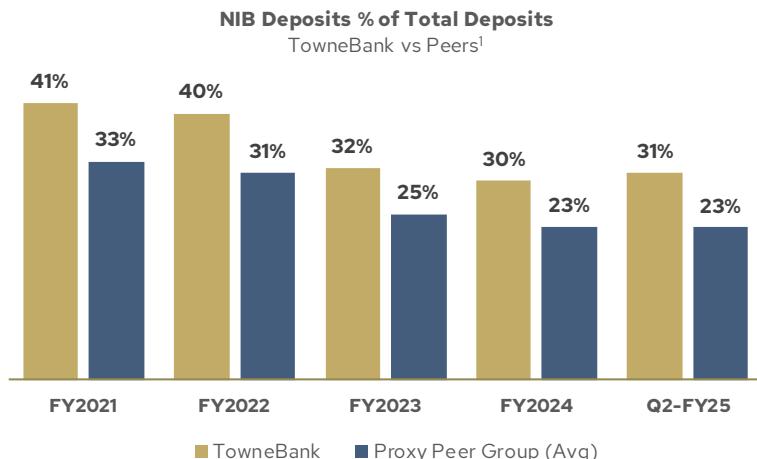
Deposits (Avg)	Q3-FY25	% Total	Cost	Q/Q %	Y/Y %
(Dollars in millions)					
Interest Bearing Demand	1,806	12%	0.37%	1.5%	15.8%
Money Market	5,986	38%	2.74%	3.0%	11.7%
Savings	332	2%	0.82%	-1.6%	5.4%
Time Deposits	2,626	17%	3.84%	2.6%	-3.6%
Interest Bearing Deposits	10,751	69%	2.55%	2.5%	8.0%
Noninterest Bearing Deposits	4,898	31%	na	4.5%	13.8%
Total Deposits	\$ 15,649	100%	1.75%	3.1%	9.7%

(1) Source: S&P Global, data as of 8/15/2025. Peers as disclosed in the most recent TOWN proxy statement

(2) Includes the impact from recently closed Old Point Financial acquisition

Portfolio Highlights

- Five consecutive quarterly decreases in deposit costs since Q2-24 (77bps cumulative decrease in IB deposit costs)
- NIB deposits in legacy Hampton Roads region equal to 35% of total regional deposits ⁽²⁾
- Excluding acquired deposits, total deposits increased \$374 million, or 3.5% on an annualized basis compared to prior year-end



Loans

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



Loans	Q3-FY25	% Total	Q/Q %	Y/Y %
(Dollars in millions)				
Construction and Development	\$ 1,239	9%	15.5%	10.8%
Commercial Real Estate	6,639	50%	6.1%	18.9%
Residential 1-4 Family	2,746	21%	10.8%	19.4%
Commercial and Industrial	1,452	11%	6.0%	15.6%
Government	505	4%	-1.2%	-3.3%
Indirect	698	5%	20.5%	27.6%
Consumer & Other	101	0%	13.7%	21.0%
Total Loans	\$ 13,379	100%	8.2%	17.2%

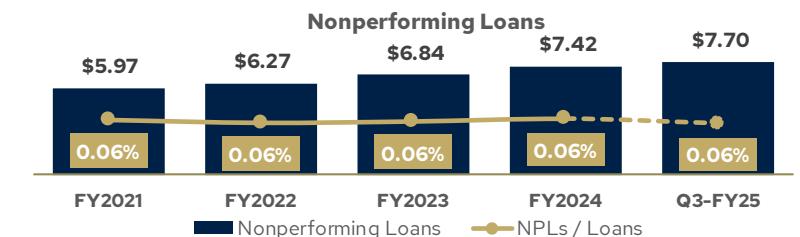
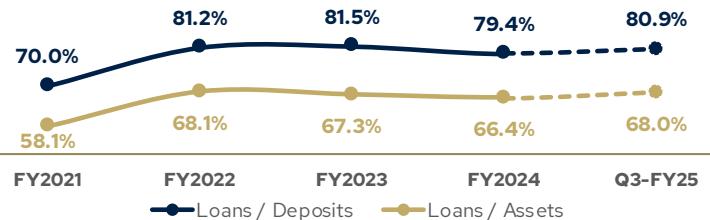
(1) Non-GAAP financial measure – see non-GAAP reconciliations

(2) Includes the impact from recently closed Old Point Financial acquisition

Portfolio Highlights

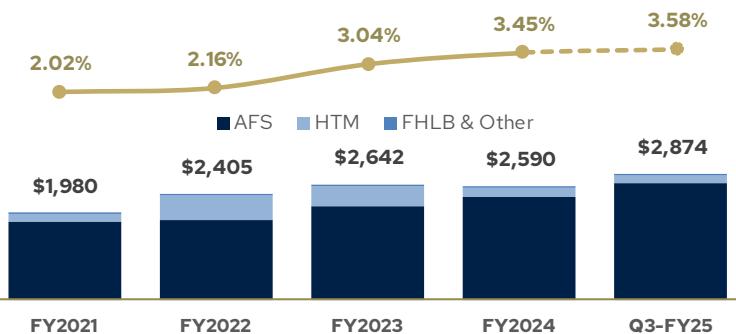
- Variable portfolio of \$4.6 billion at the end of Q3-25 with 36% of portfolio tied to prime rate⁽²⁾
- Fixed rate scheduled maturities and amortization of ~\$1.3 billion over the next twelve months
- Excluding acquired loans, total loans increased \$396 million, or 4.6% on an annualized basis compared to prior year-end

Loans % of Deposits and Assets



Investments

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



AFS and HTM Securities ²	AFS	HTM	Total
(Dollars in millions)			
US Treasuries	\$ 82	\$ 96	\$ 178
US Agencies	388	68	456
Municipals	500	5	505
Trust Preferred & Oth Corp	149	2	151
MBS Issued by GSE/GNMA	1,639	5	1,644
Securities - Amortized Cost	2,758	177	2,935
Valuation Adjustment	(88)	-	(88)
Credit Loss Reserve	(1)	(0)	(1)
Total	\$ 2,669	\$ 177	\$ 2,845

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

(2) AFS and HTM portfolio, excludes FHLB and other equity securities

Portfolio Highlights

- \$966 million of expected cash flow from securities portfolio in the next two years
- Portfolio duration of 3.23 years at the end of Q3-25
- Portfolio: 94%/6% - AFS/HTM and 81%/19% - Fixed/Floating

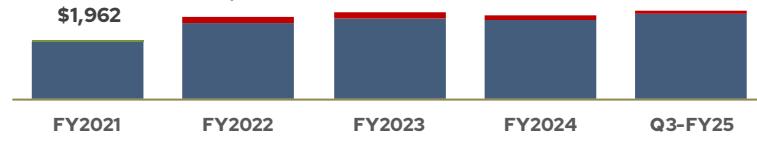
Expected Cashflows from Investments

\$584 (As of September 30, 2025)



Securities FV and Unrealized Gain (Loss)

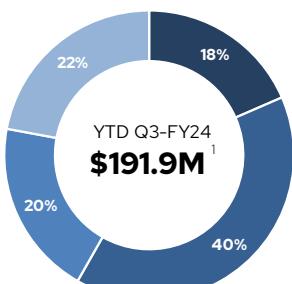
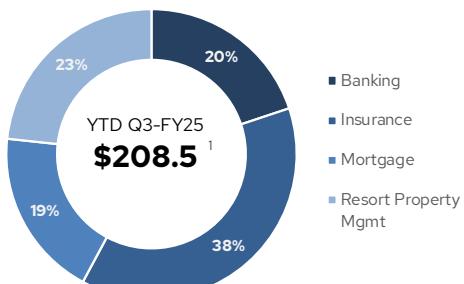
	0.98%	-8.54%	-6.39%	-6.02%	-3.12%
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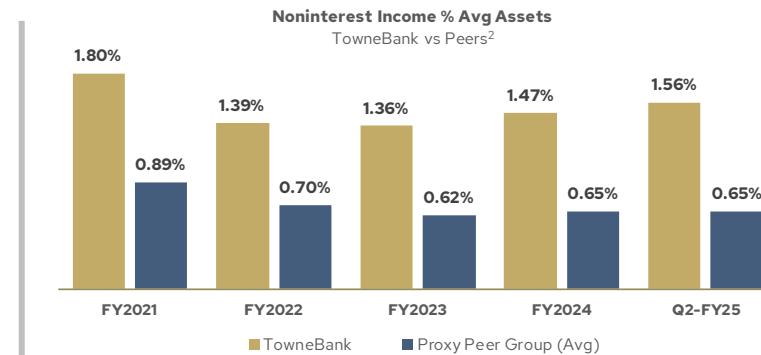
■ Cost ■ Unrealized Gain ■ Unrealized Loss

Noninterest Income

Dollars in millions	QTD					YTD		
	Q3-FY25	Q2-FY25	Q/Q Change	Q3-FY24	Y/Y Change	Q3-FY25	Q3-FY24	Y/Y Change
Residential Mortgage Banking Income Net	\$ 13.12	\$ 13.56	(3.2%)	\$ 11.79	11.4%	\$ 37.05	\$ 35.68	3.8%
Insurance Commissions Income, Net	25.79	25.68	0.4%	25.73	0.3%	77.89	75.30	3.4%
Property Mgmt Income, Net	13.53	15.56	(13.0%)	11.22	20.6%	48.58	42.31	14.8%
Service Charges on Deposit Accounts	4.06	3.64	11.4%	3.12	30.1%	11.03	9.55	15.5%
Credit Card Merchant Fees, Net	1.91	1.79	6.4%	1.83	4.3%	5.40	5.04	7.1%
Investment Income Net	3.93	3.16	24.6%	2.84	38.7%	10.17	7.76	31.0%
Bank-owned Life Insurance	2.16	1.99	8.3%	1.89	14.4%	6.02	6.97	(13.6%)
Other Income	4.22	4.85	(13.0%)	3.81	10.6%	12.38	9.35	32.5%
Gain (Loss) on Equity Investment	-	-	-	0.02	(100.0%)	2.00	0.02	9707.8%
Gain (Loss) on Investment Securities	(0.01)	(0.00)	7032.4%	-	-	(0.01)	0.07	(109.7%)
Noninterest Income	\$ 68.71	\$ 70.23	(2.2%)	\$ 62.24	10.4%	\$ 210.51	\$ 192.04	9.6%



(1) Core noninterest income excluding gain (loss) on equity investments and investment securities
(2) Source: S&P Global, data as of 8/15/2025. Peers as disclosed in the most recent TOWN proxy statement

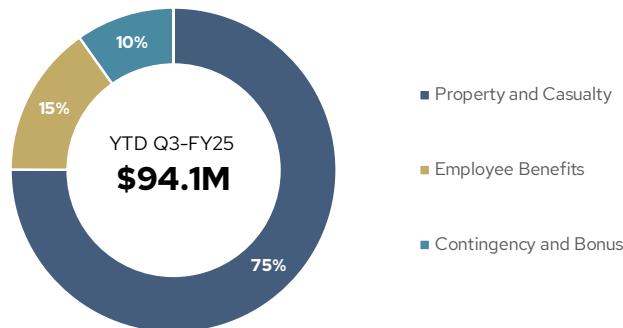


Towne Insurance

Highlights

- Largest bank-owned insurance company in the country¹
- Insurance revenue of \$31.5 million in Q3-25 compared to \$30.4 million in Q3-24
- CAGR of 11.7% from 2018 to 2024
- 27 Acquisitions since 2001

Insurance Revenue Composition



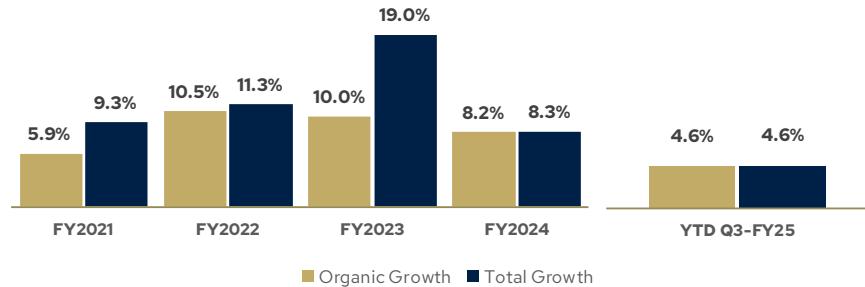
(1) Bank-owned insurance commissions and fees for commercial and savings banks; Source: S&P Global, data retrieved 8/11/2025

(2) Income does not include travel insurance income or gains from the sale of Beneflex (FY2023 & FY2024)

Revenues² [Dollars in millions]



Revenue Growth Trend

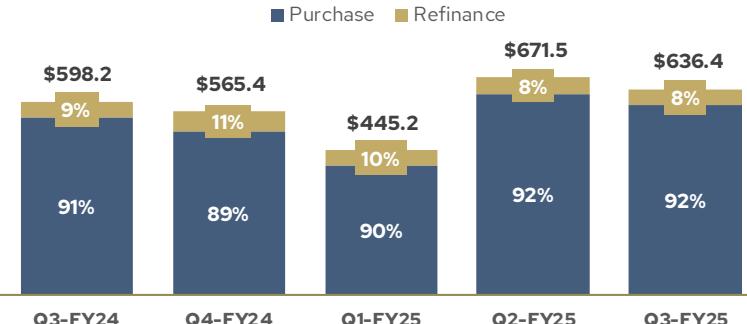


TowneBank Mortgage

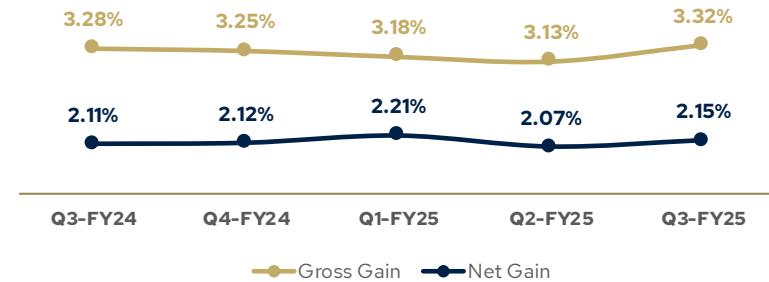
Highlights

- Mortgage banking income of \$13.7 million in Q3-25 compared to \$12.2 million in Q3-24
- Gain on sales & fees as a % of loans originated was 3.32% in Q3-25, up 4bps vs Q3-24
- Uncertainty associated with government efficiency initiatives continues to weigh on our Northern Virginia and Maryland markets

Mortgage Production [Dollars in millions]



Gain on Sales & Fees as a % of Loans Originated



Mortgage Banking Income Net [Dollars in millions]

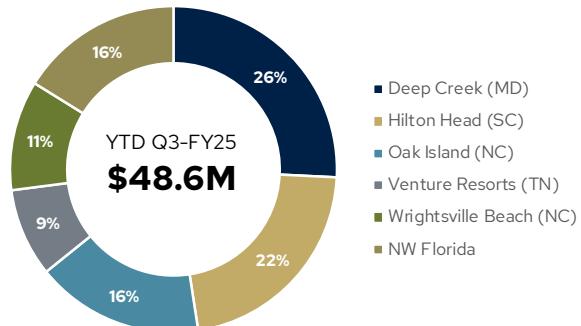


Towne Vacations

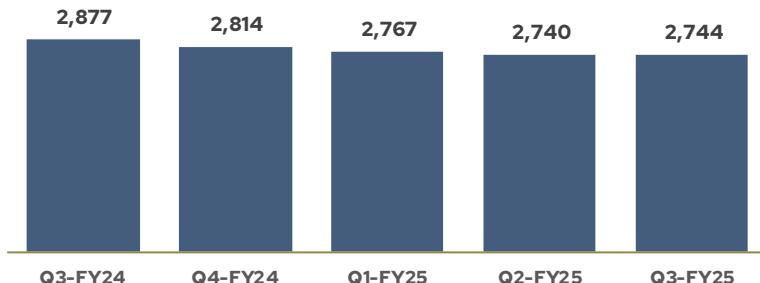
Highlights

- Property management income net of \$13.5 million in Q3-25 compared to \$11.2 million in Q3-24
- Property management locations in North Carolina, South Carolina, Maryland, Tennessee and Florida
- NW Florida full year-to-date impact in 2025 (acquired March 1, 2024)
- Vacation rental industry continues to be impacted by macro economic uncertainties

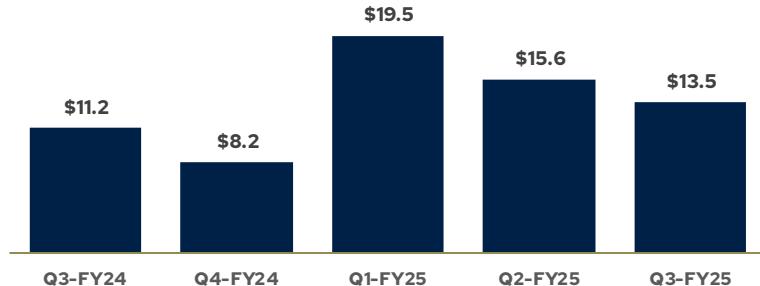
Property Management Income Net



Home Count [Quarterly Average]



Property Management Income Net [Dollars in millions]



Wealth Management

Highlights¹

- Experienced team of advisors serves a variety of clients providing professional investment consulting or complete financial planning
- Investment fee and commission income net of \$3.4 million in Q3-25 compared to \$2.8 million in Q3-24
- Assets under management at the end of Q3-25 totaled \$6.3 billion
- Gross production² of \$8.2 million in Q3-25

Investment Income Net¹ [Dollars in millions]

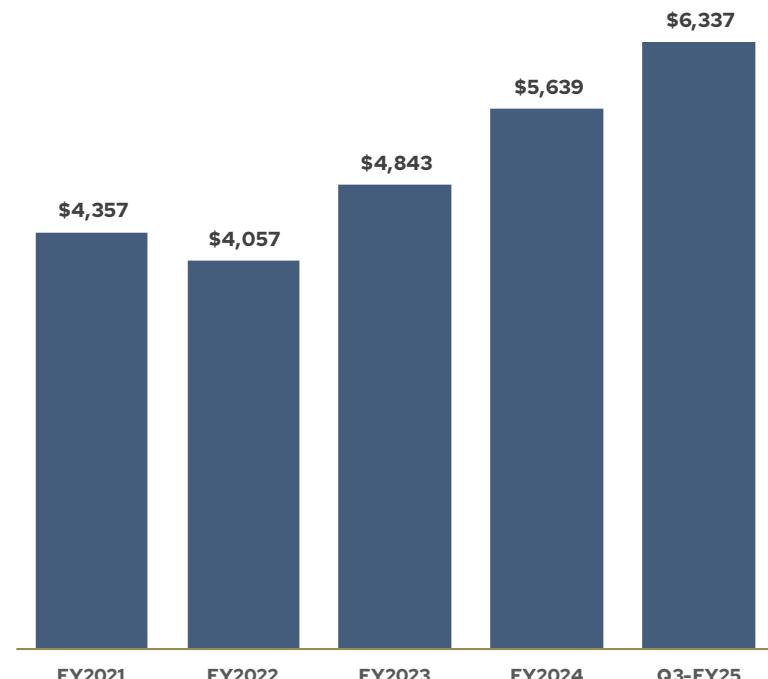


(1) Excludes activity and income from recently acquired Old Point Trust

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

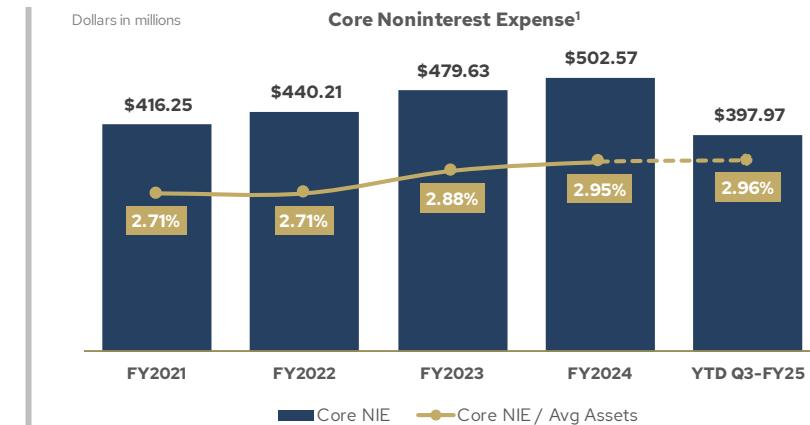
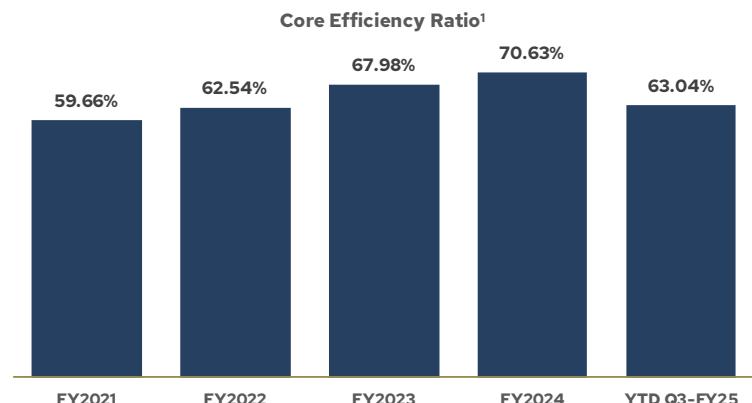
(3) Excludes assets held in 401k and 529 plans

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



Noninterest Expense

Dollars in millions	QTD					YTD		
	Q3-FY25	Q2-FY25	Q/Q Change	Q3-FY24	Y/Y Change	Q3-FY25	Q3-FY24	Y/Y Change
Employee Compensation	\$ 78.96	\$ 78.36	0.8%	\$ 72.12	9.5%	\$ 232.40	\$ 214.85	8.2%
Occupancy, Furniture and Equipment	15.03	14.56	3.2%	14.01	7.3%	43.55	42.26	3.0%
Software and Data Processing	12.15	11.34	7.1%	11.49	5.7%	33.62	33.17	1.4%
Advertising and Marketing	3.76	3.23	16.4%	4.16	(9.7%)	11.46	12.27	(6.6%)
Other Expenses	43.84	43.17	1.5%	25.12	74.5%	113.91	73.93	54.1%
Noninterest Expense	\$ 153.74	\$ 150.66	2.0%	\$ 126.90	21.1%	\$ 434.94	\$ 376.48	15.5%
Acquisition Related Expenses	17.81	18.74	nm	0.46	nm	36.97	1.07	nm
Core Noninterest Expense	\$ 135.92	\$ 131.93	3.0%	\$ 126.44	7.5%	\$ 397.97	\$ 375.40	6.0%



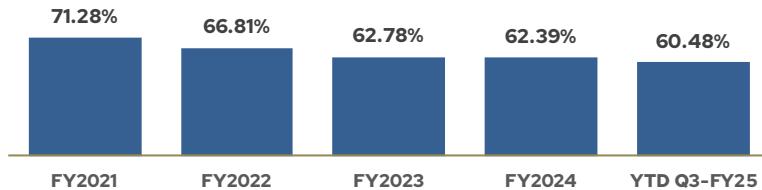
(1) Non-GAAP financial measure – see non-GAAP reconciliations

Core Efficiency Ratio¹

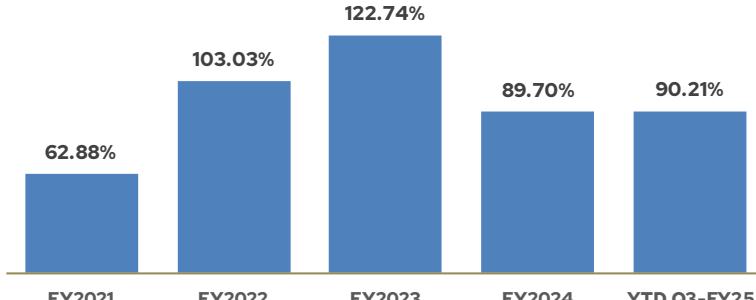
Banking



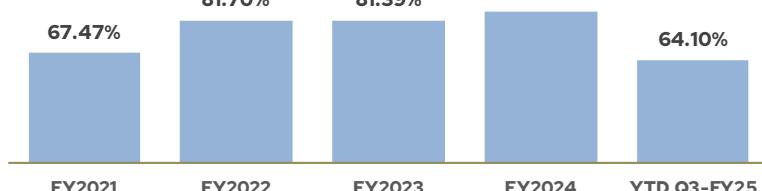
Insurance



Mortgage



Resort Property Management



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

Balance Sheet Summary

Dollars in millions	Q3-FY25	Q2-FY25	Q/Q Change	Q3-FY24	Y/Y Change
Cash and Cash Equivalents	\$ 1,250	\$ 1,112	12.4%	\$ 1,296	(3.6%)
Securities	2,874	2,782	3.3%	2,600	10.5%
Loans Held for Sale	213	239	(11.0%)	264	(19.6%)
Loans	13,379	12,360	8.2%	11,413	17.2%
Allowance for Credit Losses	(149)	(134)	11.2%	(123)	21.1%
Net Loans	13,230	12,225	8.2%	11,289	17.2%
Premises and Equipment Net	422	392	7.7%	366	15.4%
Goodwill	592	500	18.4%	458	29.3%
Intangible Assets	102	74	37.3%	63	61.0%
Bank-owned Life Insurance	335	295	13.2%	279	19.8%
Other Assets	666	646	3.1%	572	16.4%
Assets	19,683	18,265	7.8%	17,188	14.5%
Noninterest Bearing Deposits	5,139	4,754	8.1%	4,268	20.4%
Interest Bearing Deposits	11,391	10,574	7.7%	10,096	12.8%
Deposits	16,531	15,329	7.8%	14,363	15.1%
Borrowings	362	294	23.2%	291	24.6%
Other Liabilities	384	403	(4.6%)	371	3.5%
Liabilities	17,277	16,026	7.8%	15,025	15.0%
Shareholders' Equity	2,398	2,231	7.4%	2,146	11.7%
Noncontrolling Interest	8	8	(1.2%)	16	(54.3%)
Equity	2,405	2,239	7.4%	2,163	11.2%
Liabilities and Equities	\$ 19,683	\$ 18,265	7.8%	\$ 17,188	14.5%



\$19.7B

Total Assets

81%

Loans / Deposits

1.11%

ACL / Loans

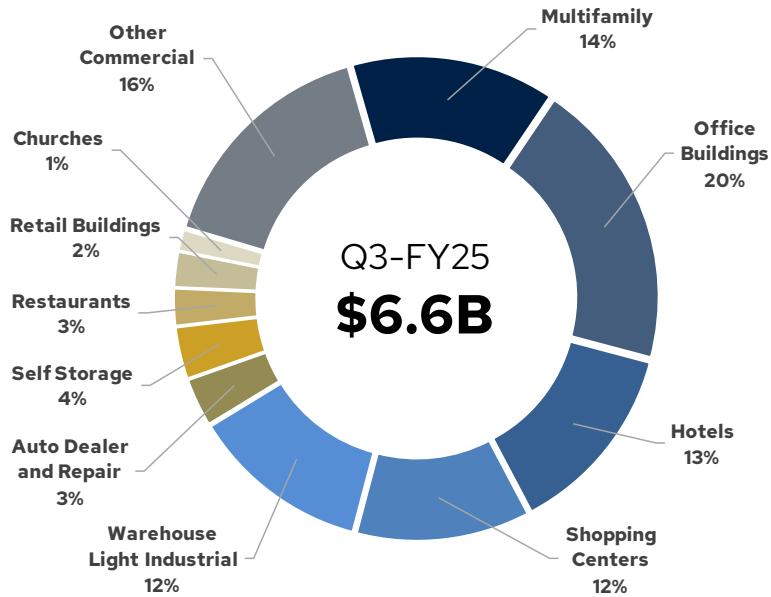
0.05%

Nonperforming Assets /
Total Assets

31%

Noninterest Bearing
Deposits / Total Deposits

Commercial Real Estate



Dollars in millions	Q3-FY25	% Total	Q/Q %	Y/Y %
CRE-Owner Occupied	\$ 1,910	29%	5.2%	15.4%
CRE-Non Owner Occupied	3,809	57%	7.1%	19.8%
Multifamily	920	14%	3.7%	22.6%
Commercial Real Estate	\$ 6,639	100%	6.1%	18.9%

Owner and Non-Owner Occupied

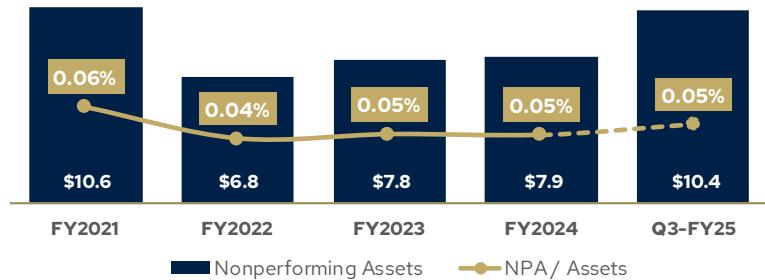
Dollars in millions	Owner	Non-owner	Total
Office Buildings	\$ 514	\$ 792	\$ 1,306
Hotels	-	873	873
Shopping Centers	-	786	786
Warehouse Light Industrial	377	432	809
Auto Dealer and Repair	191	28	219
Self Storage	-	237	237
Restaurants	117	52	170
Retail Buildings	78	83	161
Churches	94	3	97
Other Commercial	538	523	1,061
Total	\$ 1,910	\$ 3,809	\$ 5,719

CRE / Total Risk Based Capital

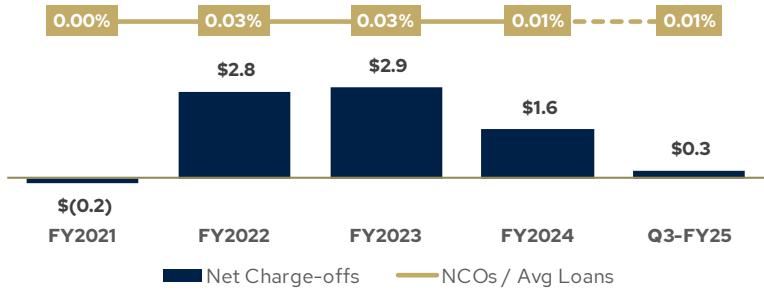


Asset Quality

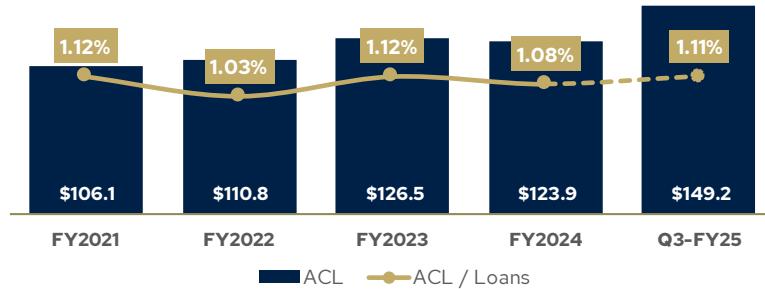
Nonperforming Assets¹ [Dollars in millions]



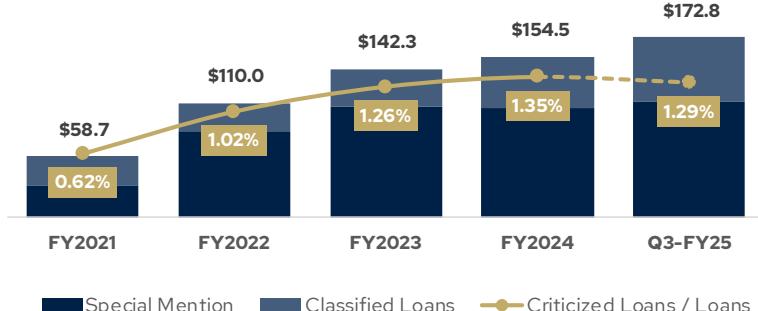
Net Charge-offs [Dollars in millions]



Allowance for Credit Losses [Dollars in millions]



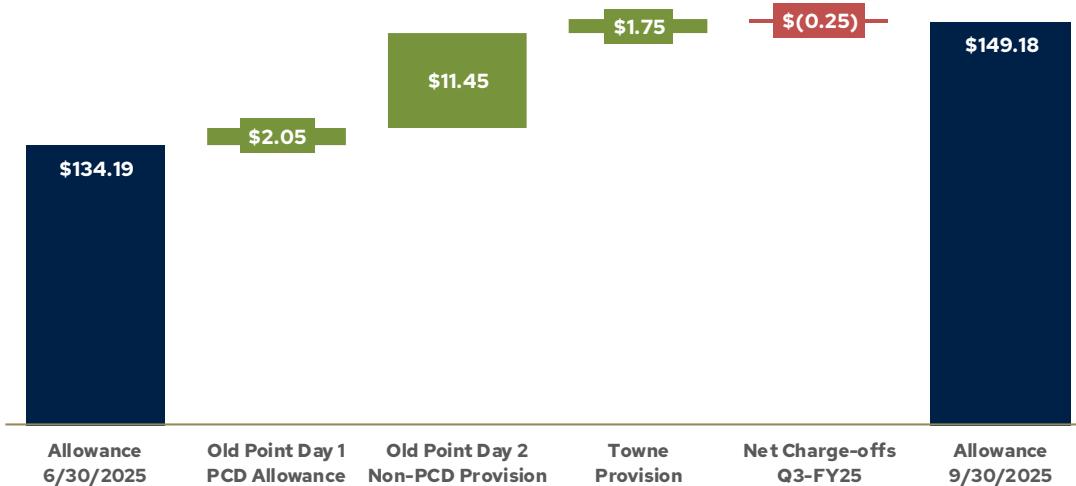
Criticized Loans [Dollars in millions]



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

Current Expected Credit Loss (CECL)

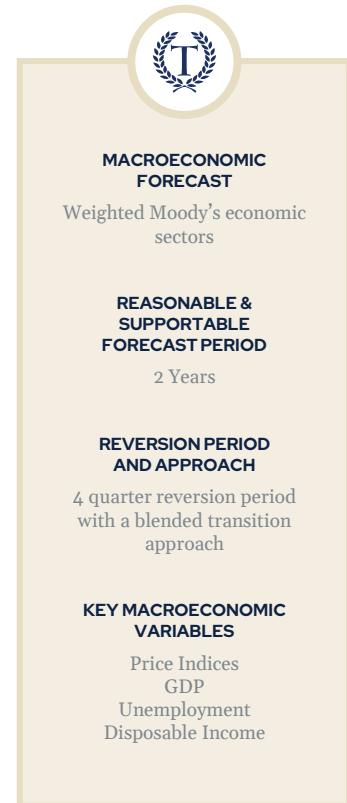
Allowance for Credit Losses¹ [Dollars in millions]



ACL / Loans



(1) On balance sheet amounts



Liquidity

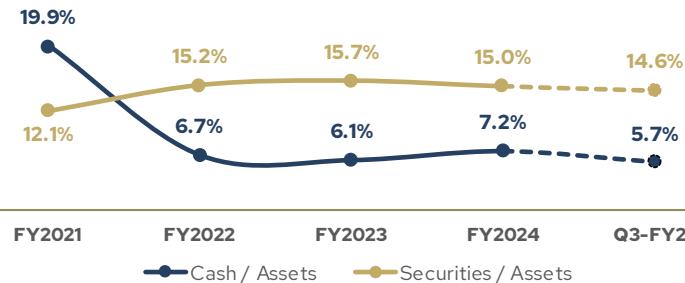
Liquidity Sources [Dollars in millions]

	Q3-FY25
Available Liquid Funds:	
Cash and cash equivalents	\$ 1,146
Unencumbered investment securities	1,931
Availability of Borrowings:	
Amount available from FHLB with loan collateral	1,677
Amount available from unsecured lines of credit with correspondent banks	150
Amount available from Federal Reserve discount window	2,090
Total Liquidity Sources	\$ 6,994

Uninsured Deposits [Dollars in millions]

	Q3-FY25
TowneBank Estimated Uninsured Deposits	\$ 7,695
Less Collateralized Deposits	685
Adjusted Uninsured Deposits	7,010
TowneBank Total Deposits	16,531
Adjusted Uninsured Deposits / Total Deposits	42%
Total Liquidity Sources / Adjusted Uninsured Deposits	100%

Cash and Securities



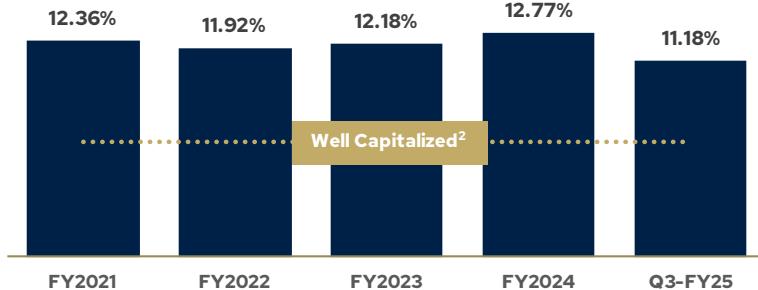
Liquidity Buffer¹



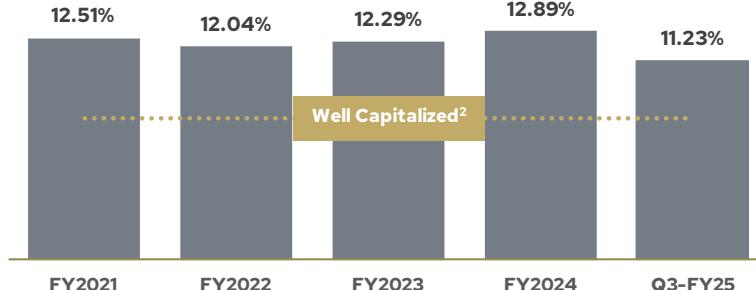
¹ (1) Primary liquidity / total assets; primary liquidity is sum of cash & cash equivalents (excl. deferred comp and escrow at other banks) plus unencumbered investment securities

Capital

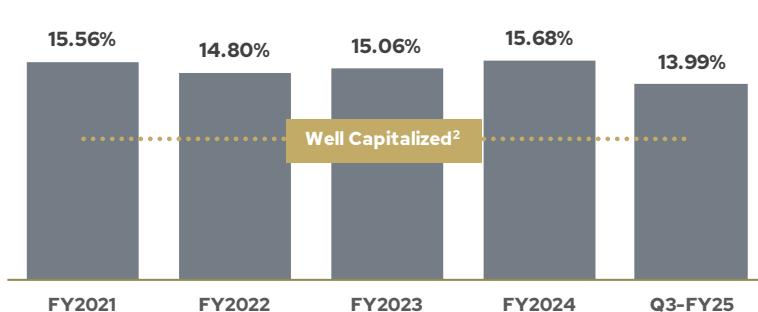
Common Equity Tier 1¹



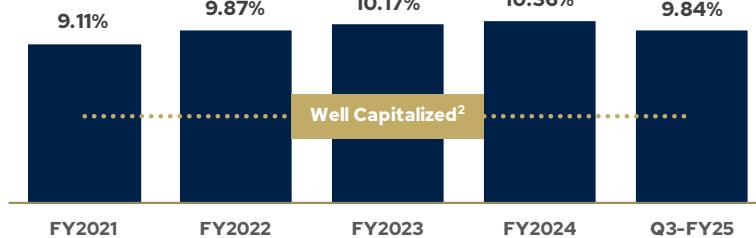
Tier 1 Risk-Based¹



Total Risk-Based¹



Tier 1 Leverage¹

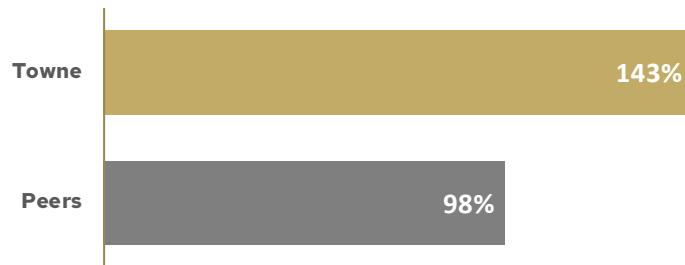


(1) Current reporting period regulatory capital ratios are preliminary

(2) FDIC "Well Capitalized" under prompt corrective action rules

Shareholder Value

10Yr Total Shareholder Return - TowneBank vs Peers¹



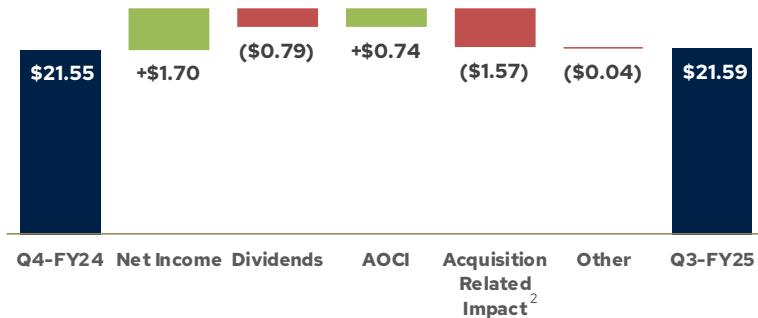
Dividends



Book Value and Tangible Book Value per Share



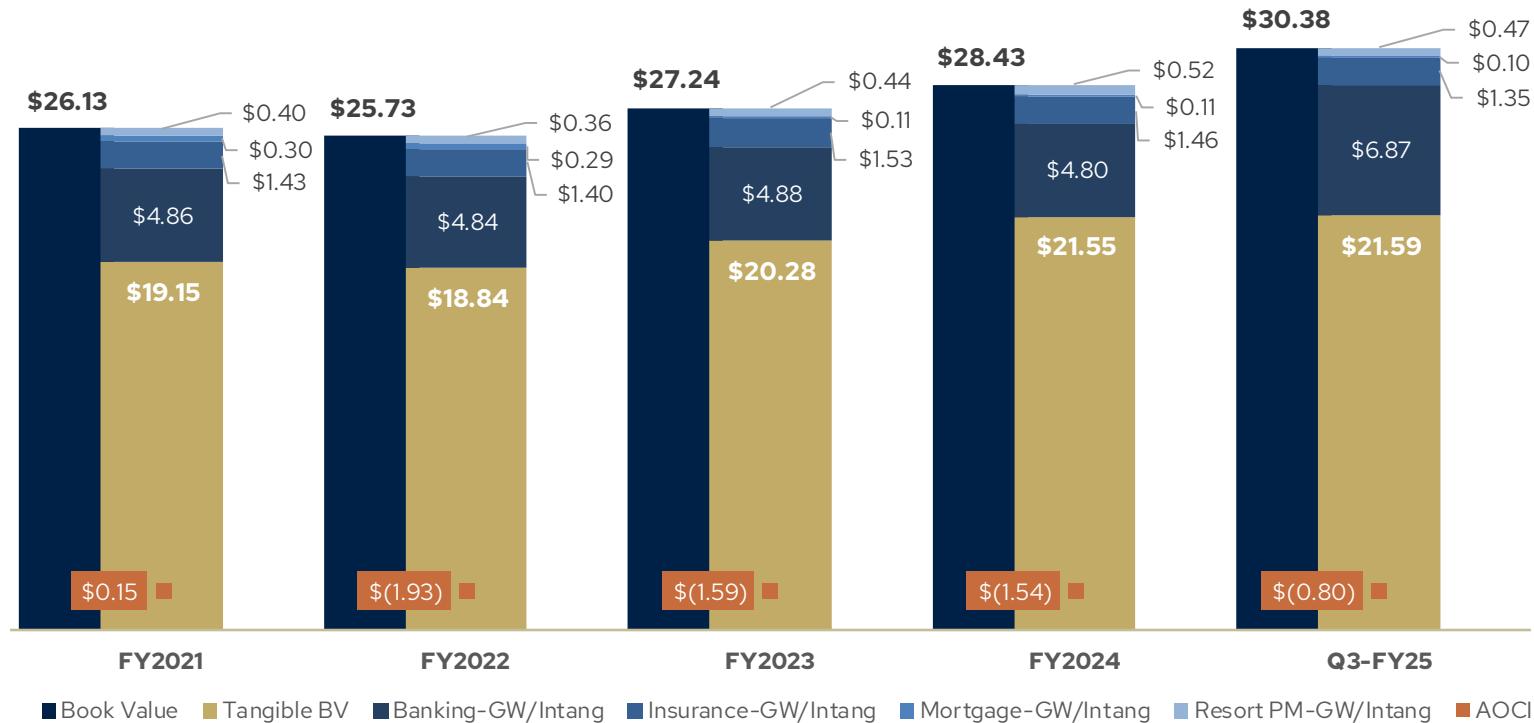
Tangible Book Value Roll Forward



(1) 10Yr Total Return as of 9/30/2025; Source: S&P Global, data collected 10/10/2025. Peer group median - peers as disclosed in the most recent TOWN proxy statement

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

Book Value and Tangible Book Value



Outlook Summary

Loans and Asset Quality

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

Profitability⁽¹⁾

- Net interest income expected to range between \$560-570 million for FY2025⁽¹⁾⁽²⁾⁽³⁾
- Noninterest income of \$270-275 million for FY2025⁽¹⁾
- Noninterest expense of \$545-555 million for FY2025⁽¹⁾⁽⁴⁾

Strategic

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

(1) Includes Village and recently closed Old Point acquisition

(2) Assumes one rate cut in Q4-FY25

(3) Tax equivalent

(4) Excludes one-time M&A expenses





Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions except per share data	QTD			Year			
	Q3-FY25	Q2-FY25	Q3-FY24	FY2024	FY2023	FY2022	FY2021
Net Income Attributable to TowneBank	\$ 38.98	\$ 38.84	\$ 42.95	\$ 161.76	\$ 153.72	\$ 188.99	\$ 215.38
<u>Adjustments</u>							
Plus: Acquisition Related Expenses	17.81	18.74	0.46	1.34	9.59	1.06	1.02
Plus: Initial Provision for Credit Losses	12.00	6.24	-	-	4.01	-	-
Plus: FDIC Special Assessment	-	-	-	0.71	5.17	-	-
Less: Gain (Loss) on Equity Investment ¹	-	-	0.02	0.15	7.52	-	-
Plus: Income Tax & Other Adjustments	(5.34)	(2.47)	0.00	(0.02)	(4.02)	(0.04)	(0.20)
Core Net Income	\$ 63.45	\$ 61.34	\$ 43.39	\$ 163.64	\$ 160.94	\$ 190.01	\$ 216.20
Return on Avg Assets	0.83%	0.86%	1.00%	0.95%	0.92%	1.16%	1.40%
Core Return on Avg Assets	1.35%	1.36%	1.01%	0.96%	0.97%	1.17%	1.41%
Earnings Per Share-Diluted	\$ 0.51	\$ 0.51	\$ 0.57	\$ 2.15	\$ 2.06	\$ 2.60	\$ 2.97
Core Earnings Per Share-Diluted	\$ 0.83	\$ 0.81	\$ 0.58	\$ 2.18	\$ 2.16	\$ 2.62	\$ 2.98
Return on Avg Tangible Common Equity	10.15%	10.44%	11.54%	11.11%	11.50%	14.54%	16.75%
Core Return on Avg Tangible Common Equity	15.99%	16.03%	11.65%	11.24%	12.01%	14.62%	16.81%
Total Revenue	\$ 215.66	\$ 207.44	\$ 174.52	\$ 693.75	\$ 694.12	\$ 686.93	\$ 680.33
Less: Gain (Loss) on Securities Investments	(0.01)	(0.00)	-	0.07	-	-	1.25
Less: Gain (Loss) on Equity Investments	-	-	0.02	0.24	9.38	-	(0.03)
Total Revenue Adjusted	215.67	207.44	174.50	693.44	684.75	686.93	679.11
Noninterest Expense	\$ 153.74	\$ 150.66	\$ 126.90	\$ 503.92	\$ 489.22	\$ 441.28	\$ 417.27
Less: Intangible Amortization	4.43	3.98	3.13	12.77	14.15	10.62	11.13
Noninterest Expense Adjusted	149.31	146.69	123.77	491.15	475.07	430.66	406.15
Efficiency Ratio	69.23%	70.71%	70.93%	70.83%	69.38%	62.69%	59.81%
Less: Acquisition Related Expenses	17.81	18.74	0.46	1.34	9.59	1.06	1.02
Core Efficiency Ratio	60.97%	61.68%	70.67%	70.63%	67.98%	62.54%	59.66%

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

Non-GAAP Reconciliations

Core Efficiency Ratio – Banking

Amounts in millions	YTD		Year		
	Q3-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 446.34	\$ 490.95	\$ 499.53	\$ 495.49	\$ 430.21
Less: Gain (Loss) on Securities Investments	(0.01)	0.07	-	-	1.25
Less: Gain (Loss) on Equity Investments	2.00	-	-	-	(0.03)
Total Revenue Adjusted	444.34	490.88	499.53	495.49	428.99
Noninterest Expense	\$ 311.40	\$ 343.17	\$ 326.17	\$ 272.39	\$ 244.01
Less: Intangible Amortization	5.37	4.38	5.15	3.01	3.55
Noninterest Expense Adjusted	306.04	338.79	321.02	269.39	240.46
Efficiency Ratio	68.87%	69.02%	64.26%	54.37%	56.05%
Less: Acquisition Related Expenses	35.44	0.87	9.08	0.96	-
Core Efficiency Ratio	60.90%	68.84%	62.45%	54.18%	56.05%

Core Efficiency Ratio – Mortgage

Amounts in millions	YTD		Year		
	Q3-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 42.24	\$ 53.37	\$ 56.25	\$ 74.14	\$ 143.63
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	8.83	-	-
Total Revenue Adjusted	42.24	53.37	47.42	74.14	143.63
Noninterest Expense	\$ 39.64	\$ 48.16	\$ 59.06	\$ 76.96	\$ 90.89
Less: Intangible Amortization	-	0.29	0.58	0.58	0.58
Noninterest Expense Adjusted	39.64	47.87	58.49	76.39	90.31
Efficiency Ratio	93.84%	89.70%	123.34%	103.03%	62.88%
Less: Acquisition Related Expenses	1.53	-	0.29	-	-
Core Efficiency Ratio	90.21%	89.70%	122.74%	103.03%	62.88%

Core Efficiency Ratio – Insurance

Amounts in millions	YTD		Year		
	Q3-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 79.13	\$ 100.42	\$ 90.92	\$ 74.34	\$ 65.66
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	0.24	0.54	-	-
Total Revenue Adjusted	79.13	100.18	90.38	74.34	65.66
Noninterest Expense	\$ 52.01	\$ 68.17	\$ 62.93	\$ 54.24	\$ 51.60
Less: Intangible Amortization	4.15	5.66	6.10	4.51	4.77
Noninterest Expense Adjusted	47.86	62.51	56.83	49.73	46.83
Efficiency Ratio	60.48%	62.39%	62.88%	66.89%	71.32%
Less: Acquisition Related Expenses	-	0.00	0.09	0.06	0.03
Core Efficiency Ratio	60.48%	62.39%	62.78%	66.81%	71.28%

Core Efficiency Ratio – Resort Property Management

Amounts in millions	YTD		Year		
	Q3-FY25	FY2024	FY2023	FY2022	FY2021
Total Revenue	\$ 48.67	\$ 50.60	\$ 47.42	\$ 42.97	\$ 40.82
Less: Gain (Loss) on Securities Investments	-	-	-	-	-
Less: Gain (Loss) on Equity Investments	-	-	-	-	-
Total Revenue Adjusted	48.67	50.60	47.42	42.97	40.82
Noninterest Expense	\$ 33.10	\$ 46.01	\$ 41.06	\$ 37.68	\$ 30.78
Less: Intangible Amortization	1.91	2.44	2.33	2.53	2.24
Noninterest Expense Adjusted	31.19	43.57	38.73	35.15	28.54
Efficiency Ratio	64.10%	86.11%	81.68%	81.82%	69.91%
Less: Acquisition Related Expenses	-	0.47	0.14	0.05	0.99
Core Efficiency Ratio	64.10%	85.19%	81.39%	81.70%	67.47%

Non-GAAP Reconciliations

Tax Equivalent (TE) Adjustments

Amounts in millions	Q3-FY25	Q2-FY25	Q1-FY25	Q4-FY24	Q3-FY24
Loans TE Adjustment	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.78	\$ 0.82
Securities TE Adjustment	0.33	0.31	0.32	0.32	0.29
Tax-Equivalent Adjustment	1.08	1.06	1.07	1.10	1.11
<u>Yield & Margin Impacts:</u>					
Loan Yield	5.63%	5.53%	5.36%	5.38%	5.43%
Loan Yield (TE)	5.65%	5.56%	5.38%	5.41%	5.46%
Securities Investment Yield	3.54%	3.59%	3.44%	3.42%	3.51%
Securities Investment Yield (TE)	3.58%	3.63%	3.49%	3.47%	3.56%
Earning Asset Yield	5.17%	5.11%	4.95%	4.96%	5.08%
Earning Asset Yield (TE)	5.19%	5.14%	4.97%	4.99%	5.11%
Net Interest Margin (GAAP)	3.48%	3.38%	3.14%	2.99%	2.90%
Net Interest Margin (TE)	3.50%	3.40%	3.17%	3.02%	2.93%

Tangible Book Value per Share

Amounts in millions except per share data	Q3-FY25	Q2-FY25	Q1-FY25	Q4-FY24	Q3-FY24
Shareholders' Equity (Common)	\$ 2,397.53	\$ 2,231.35	\$ 2,200.66	\$ 2,139.33	\$ 2,146.28
Goodwill and Intangible Assets	693.57	573.89	514.76	517.79	520.88
Tangible Common Equity	\$ 1,703.96	\$ 1,657.45	\$ 1,685.89	\$ 1,621.54	\$ 1,625.40
Common Shares Outstanding	78.93	75.42	75.39	75.26	75.07
Tangible Book Value per Share	\$ 21.59	\$ 21.98	\$ 22.36	\$ 21.55	\$ 21.65



TowneBank Acquisition of Dogwood State Bank



Cautionary Statements

Cautionary Note Regarding Forward-Looking Statements

This communication 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 Dogwood and their respective management teams regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of TowneBank and Dogwood. 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 transaction, including future financial and operating results, cost savings, enhancement to revenue and accretion to reported earnings that may be realized from the transaction and (ii) TowneBank's and Dogwood's plans, objectives, expectations and intentions and other statements contained in this communication that are not historical facts. In addition, these forward-looking statements are subject to various risks, uncertainties, estimates 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. Although TowneBank's and Dogwood's respective management teams believe that estimates and assumptions on which forward-looking statements are based are reasonable, such estimates and assumptions are inherently uncertain. 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 Dogwood 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 transaction 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 transaction, including adverse effects on relationships with employees and customers, may be greater than expected; (4) the possibility that the transaction does not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction); (5) the outcome of any legal proceedings that may be instituted against TowneBank or Dogwood; (6) the occurrence of any event, change, or other circumstance that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between TowneBank and Dogwood; (7) reputational risk and potential adverse reactions of TowneBank's or Dogwood's customers, employees or other business partners, including those resulting from the announcement or completion of the transaction; (8) the dilution caused by TowneBank's issuance of additional shares of its capital stock in connection with the transaction; (9) the diversion of management's attention and time from ongoing business operations and opportunities on merger-related matters; (10) economic, legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which TowneBank and Dogwood are engaged; (11) competitive pressures in the banking industry that may increase significantly; (12) 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; (13) an unforeseen outflow of cash or deposits or an inability to access the capital markets, which could jeopardize TowneBank's or Dogwood's overall liquidity or capitalization; (14) changes in the creditworthiness of customers and the possible impairment of the collectability of loans; (15) insufficiency of TowneBank's or Dogwood's allowance for credit losses due to market conditions, inflation, changing interest rates or other factors; (16) adverse developments in the financial industry generally, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; (17) 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; (18) weather-related or natural disasters, acts of war or terrorism, public health events, or similar events; (19) cybersecurity threats or attacks, whether directed at TowneBank or Dogwood or at vendors or other third parties with which TowneBank or Dogwood interact; (20) the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; (21) changes in business conditions; (22) changes in the securities market; and (23) changes in the local economies with regard to TowneBank's and Dogwood's 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 filed with the Federal Deposit Insurance Corporation ("FDIC").

TowneBank and Dogwood undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Cautionary Statements

Important Information and Where to Find It

This press release 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. Dogwood 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 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, Dogwood, and the proposed merger.

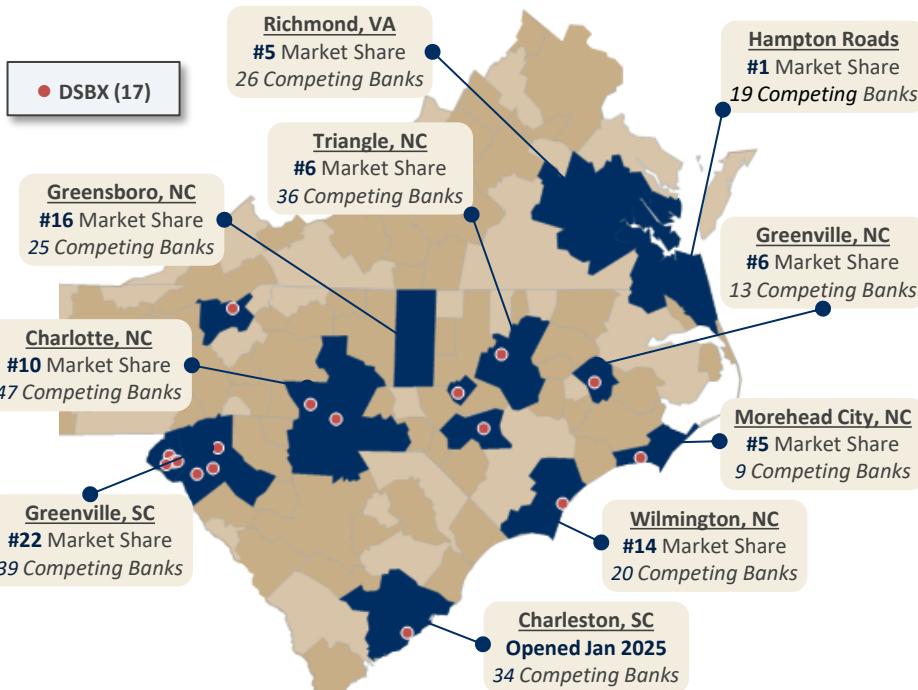
Shareholders are also urged to carefully review TowneBank's public filings with the FDIC, including, but not limited to, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements. Free copies of filings containing information about TowneBank may be obtained after their filing at the FDIC's website (<https://www.fdic.gov>). The documents described above also may be obtained by directing a request by telephone or mail to TowneBank, 6001 Harbour View Boulevard, Suffolk, Virginia 23435, Attention: Investor Relations (telephone: (757) 638-6794), or by accessing TowneBank's website at <https://townebank.com> under "Investor Relations." 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 Dogwood State Bank, 5401 Six Forks Road, Raleigh, North Carolina, Attention: David Therit (telephone: (919) 609-2602), or by accessing Dogwood's website at <https://www.dogwoodstatebank.com> under "Connect - Investor Relations." The information on TowneBank's website and Dogwood's website is not, and shall not be deemed to be, a part of this press release or incorporated into other filings TowneBank makes with the FDIC.

Participants in the Solicitation

TowneBank, Dogwood, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Dogwood in connection with the proposed merger. Information about the directors and executive officers of Dogwood 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 2, 2025. Additional information about the directors and executive officers of Dogwood can be found in Dogwood's proxy statement in connection with its annual meeting of shareholders, as sent previously to Dogwood's shareholders on or about May 9, 2025.

Enhancing Our Carolinas Franchise

Pro Forma Geographic Footprint



Dogwood State Bank Financial Highlights

Dollars in millions	Q1-FY25	Q2-FY25
Assets	\$2,294	\$2,363
Net Loans	\$1,838	\$1,866
Deposits	\$1,884	\$1,970
Adj. Return on Average Assets ¹	1.36%	1.36%
Adj. Return on Average Tangible Common Equity ¹	14.22%	14.23%
Net Interest Margin	4.20%	4.17%
Adj. Efficiency Ratio ¹	59.2%	57.0%

Dogwood State Bank Overview

- Headquartered in Raleigh and operates 17 retail branches in attractive markets across the Carolinas and Tennessee
- Experienced management team with aligned values and a high-quality client base
- Proven track record of organic growth in loans and core deposits
- Strong net interest margin reflecting consistent high profitability

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

Note: Deposit market share data as of June 30, 2024; Competing Banks' count excludes institutions with no deposits in stated market regardless of physical or other presence

Source: S&P Capital IQ Pro

Transaction Highlights

Strategic Rationale

- Enhances TOWN's position as one of the **premier regional banking companies** in the Southeast
- Expansion throughout **high-growth markets in the Carolinas** with robust economic growth opportunities
- **Well-run and profitable franchise** with most recent quarter Net Interest Margin of 4.17% and an Adj. Return on Average Assets of 1.36%¹
- Provides **increased scale** to drive growth, investment and innovation
- Opportunity to benefit from the recent significant market consolidation across the Carolinas

Consideration and Deal Value

- **Consideration Mix:** 100% Stock; Each share of DSBX common stock to receive a fixed exchange ratio of 0.700 shares of TOWN
- **Transaction Value^{2,3}:** \$476.2 million
- **Transaction Price per Share²:** \$25.04
- **Price / TBVPS²:** 212%
- **Price to Forward Earnings + Cost Saves^{2,4}:** 7.9x

Pricing For Similar North Carolina and South Carolina Transactions⁵

229%

10.4x

Execution

- Employment agreements in place for key personnel
- Voting agreements in place with all directors and certain investors
- Expansion in attractive markets in the Carolinas via a low-risk transaction with a profitable franchise with sound asset quality
- Proven and experienced acquirer
- Well-capitalized post acquisition to support further growth

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

(2) Based on TOWN 15-day average closing stock price of \$35.77 as of August 18, 2025

(3) Based on Dogwood 19,017,913 common shares outstanding as of June 30, 2025

(4) Reflects fully phased-in cost savings after-tax

(5) Represents the 75th percentile of North Carolina and South Carolina M&A transactions since January 1, 2015 with deal value greater than \$100M, per S&P Capital IQ Pro and Investor Presentations

Accelerated Growth in High Performing Carolinas Markets

Raleigh, NC



- #2 Fastest-Growing city in the U.S.
- Top industries include advanced manufacturing, technology and life sciences

Charlotte, NC



- #2 largest banking center in the U.S.
- Top industries include financial services, manufacturing, technology, energy and healthcare

Greenville, SC



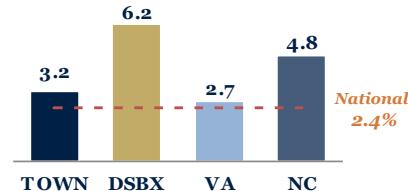
- Former textile hub making new strides in renewable energy, healthcare and manufacturing
- A robust region where small businesses thrive

Key Employers

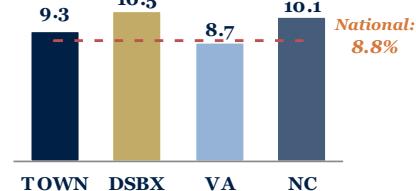


Desirable Market Demographics

'25-'30 Projected Population Growth (%)



'25-'30 Household Income Growth (%)



Meaningful Presence in Top 5 Largest Carolinas MSAs

Top 5 Largest Carolinas MSAs by Population	TOWN	DSBX
1. Charlotte-Concord-Gastonia, NC-SC	✓	✓
2. Virginia Beach-Chesapeake-Norfolk, VA-NC	✓	
3. Raleigh-Cary, NC	✓	✓
4. Greenville-Anderson-Greer, SC		✓
5. Charleston-North Charleston, SC		✓

Source: S&P Capital IQ Pro; Greenville City Economic Development Corporation; Raleigh Economic Development; U.S. Bureau of Labor Statistics

The Carolinas Lead Population Migration: I-85 Corridor Prominence



Demographics

- Between 1990 and 2030, South Carolina counties like **Greenville, Spartanburg, and Anderson** are projected to grow by **30-40%**
- The I-85 corridor is evolving into a **22-million-person megaregion**, driven by industrial development and urban sprawl



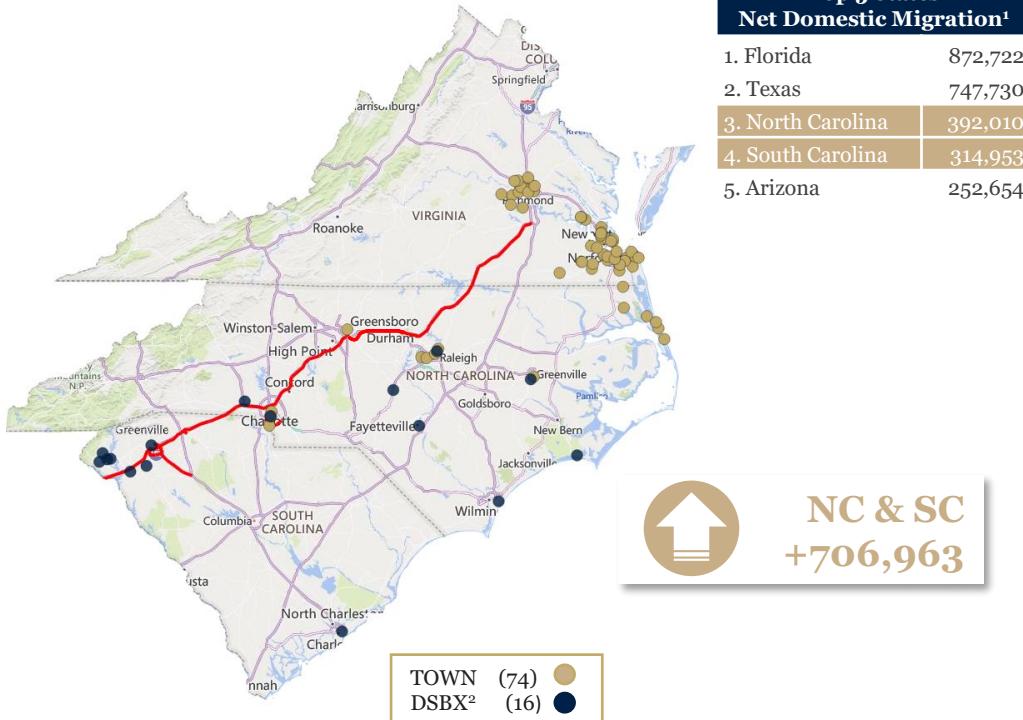
Top Employers

- Home to prominent industries like Automotive, Distribution, Healthcare, and Technology, creating employment **opportunities for thousands**
- Plethora of employers** in the area, including Toyota, Chewy, Eli Lilly, and Oshkosh Defense



Strategic Importance

- The I-85 corridor is likened to the **Transcontinental Railroad for the South**, driving commerce and connectivity
- It connects major metros like Richmond, Charlotte, Atlanta, and Montgomery, making it a **magnet for regional HQs and industrial investment**



(1) U.S. Net Domestic Migration from April 1, 2020 to July 1, 2024

(2) DSBX branches in the Carolinas

Source: S&P Capital IQ Pro; Charlotte Regional Business Alliance; Clemson Strom Thurmond Institute; CoStar; U.S. Census Bureau

Market Leadership: Carolinas

Western Region



Greg Heaton
President
Western Region



Scott Baker
Triad



Justin Combs
Winston-Salem



Dustin Green
Upstate SC



Josh Hall
Ballantyne - Charlotte



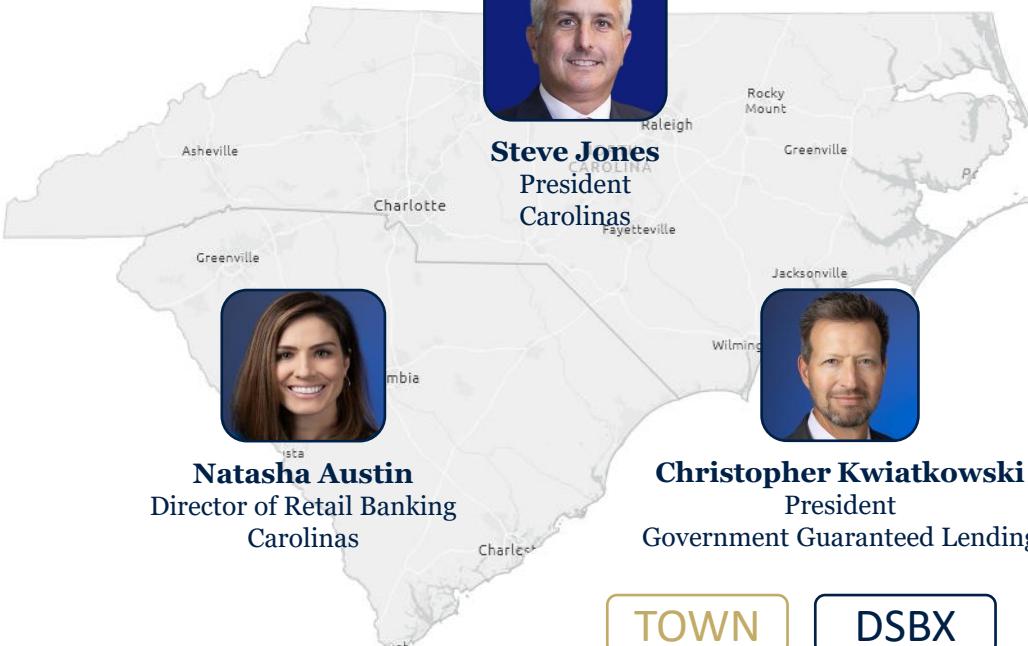
Stephen Heeseman
Myers Park - Charlotte



Seth Horton
Charleston



Ted Wolfe
Charlotte



A Combined Team of 75 Bankers Will Drive Growth Across the Carolinas

Eastern Region



Stewart Patch
President
Eastern Region



Stewart Forbes
Sanford



Mark Johnson
Wilmington



Patsy Johnson
Cary



Scot McAlexander
North Ridge - Raleigh



Chris McCutcheon
Morehead City



Greg Reames
Fayetteville



Brian Reid
Triangle



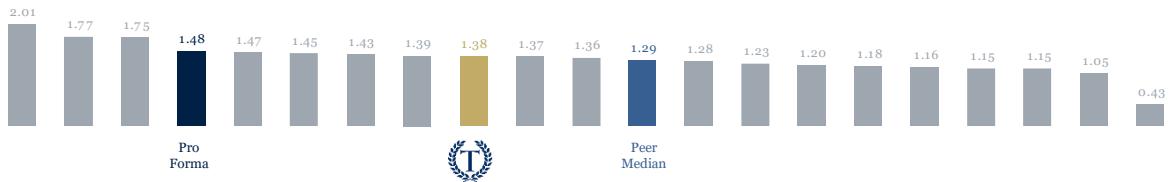
Greg Steele
Greenville

Key Assumptions and Pro Forma Financial Impact

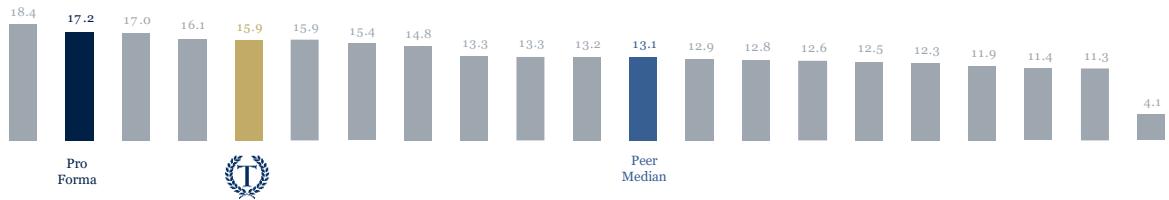
	~8% 2027E EPS Accretion	~(6%) TBVPS Dilution at Closing	<4 yrs TBVPS Earnback	~11% Common Equity Tier 1 Ratio	~13% Total RBC Ratio
Cost Savings		<ul style="list-style-type: none">Cost Savings: ~35% of noninterest expense basePhase in Period: 75% realized in 2026 and 100% thereafter			
Key Transaction Assumptions		<ul style="list-style-type: none">One-time Merger and Integration Cost: ~\$45 million pre-taxLoan Mark: ~3.18% or \$60.6 million Gross Loan Mark<ul style="list-style-type: none">~1.18% or \$22.5 million Credit Mark~2.00% or \$38.1 million Interest Rate MarkAOCI Securities Mark Down: ~\$2.7 million amortized over 4 years using straight-line methodHTM Securities Mark Down: ~\$10.6 million amortized over 5 years using straight-line methodTime Deposit Mark Down: ~\$1.3 million amortized over 0.7 years using straight-line methodFixed Asset Mark Up: ~\$1.0 million amortized over 30 years using straight-line methodCore Deposit Intangible: 3.00% of core deposits amortized over 10-year period using sum of the years digits methodClosing: Expected to close early in 2026			

Pro Forma Performance vs. Peers

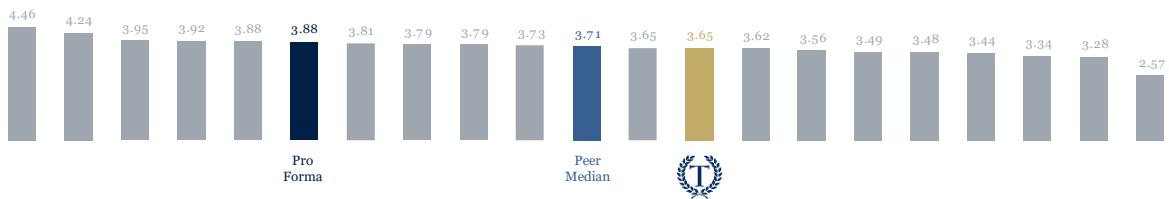
2026E ROAA (%)



2026E ROATCE (%)



2026E NIM (%)



Benefit to TOWN



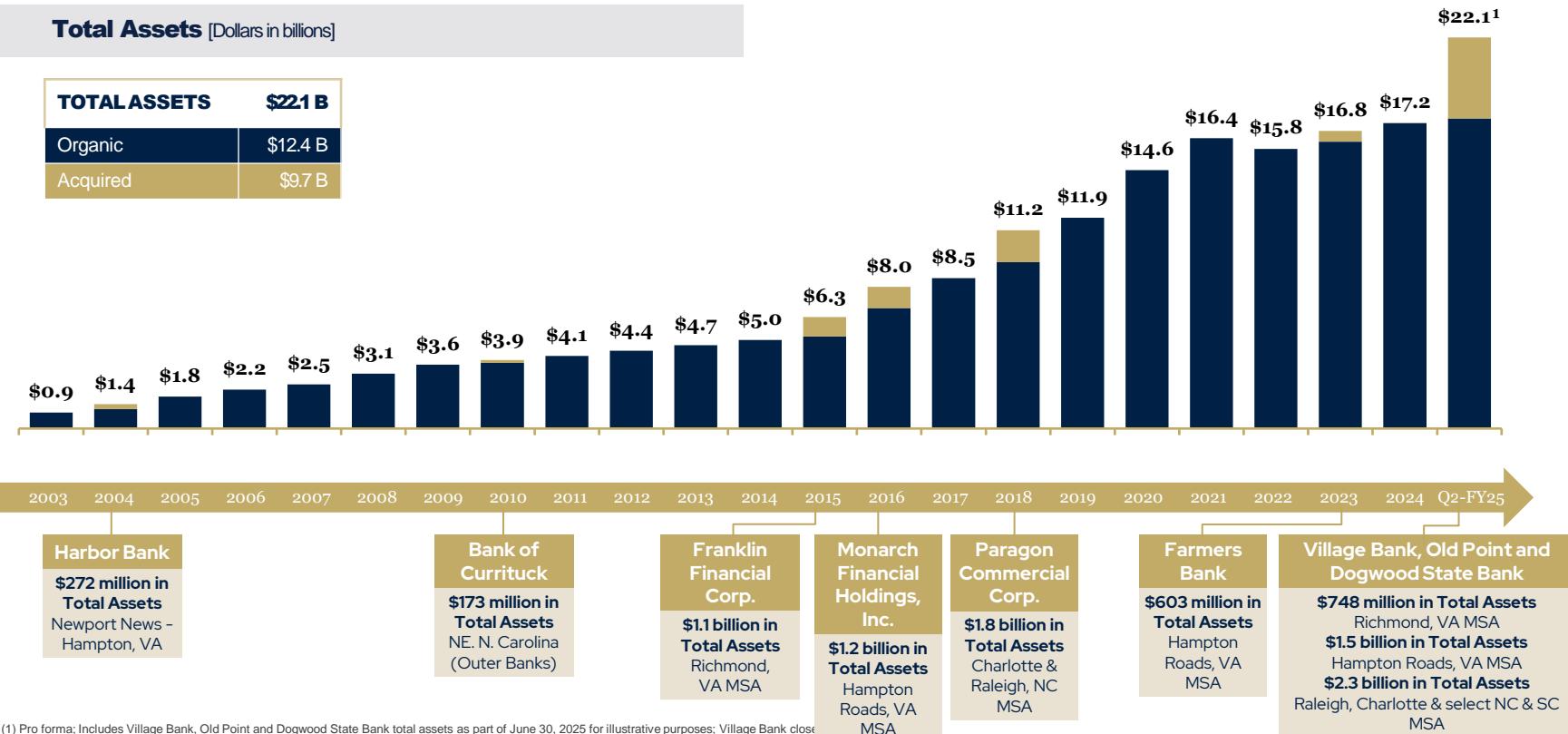
Note 1: Gray bars in each graph represent the performance of the Pro Forma Company's peers as shown on the latest proxy statement

Note 2: Peer median does not include TOWN or the Pro Forma franchise

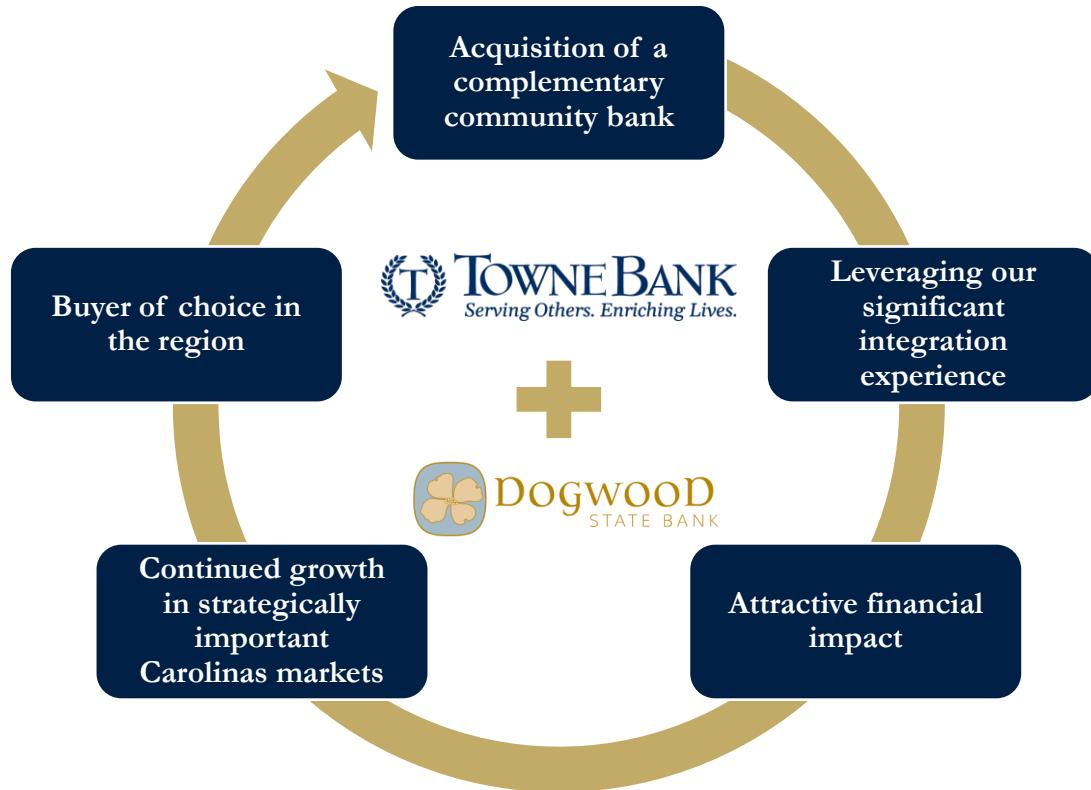
Note 3: Pro forma and TOWN metrics are shown using 2026 estimated data; Pro Forma ROAA and ROATCE assume fully phased-in cost saves

Source: S&P Capital IQ Pro; Company filings

Disciplined Acquirer and Experienced Integrator



Transaction Summary





Appendix

Comprehensive Due Diligence

- Coordinated comprehensive due diligence review with executives from TOWN & DSBX, 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
- Granular approach to identifying efficiencies during diligence gives the management team high confidence in ability to realize meaningful cost synergies

Scope of Loan Review Process

Comprehensive Loan Review Analysis

~40%+ of total loan portfolio reviewed

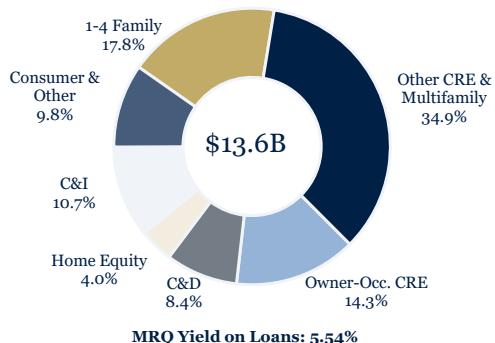
- Cross-section analysis of the loan portfolio's performance; review of loan terms and structure; and borrower's continued ability to service their debt
- Additional focus on underwriting standards and credit culture
- All Special Mention, Substandard and Non-Accrual loans
- All significant relationships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



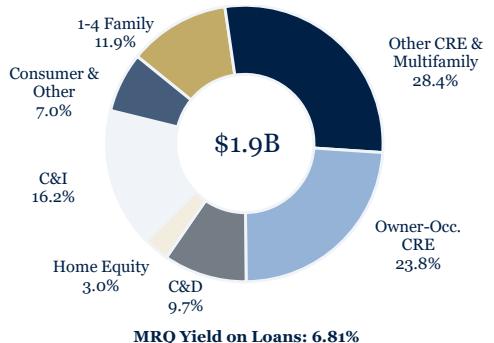
Pro Forma Loan and Deposit Composition

Loan Composition

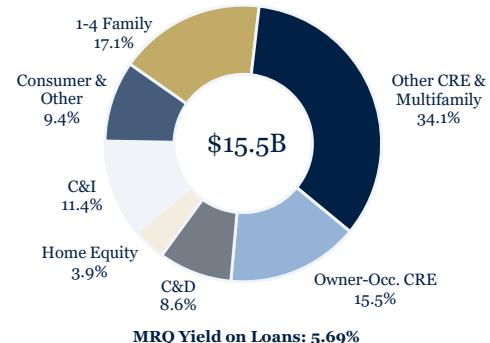
TOWN¹



DSBX

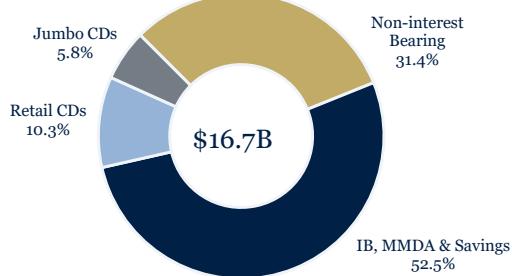


PRO FORMA²

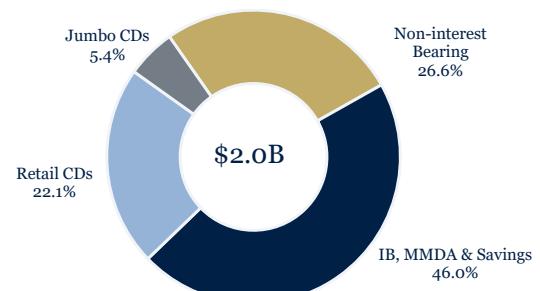


Deposit Composition

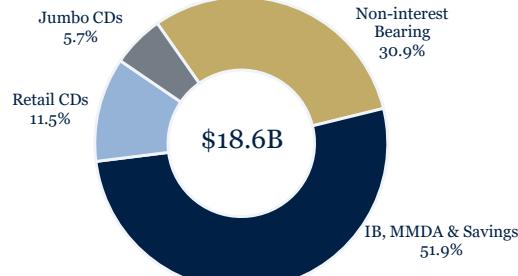
MRQ Cost of Deposits: 1.78%



MRQ Cost of Deposits: 2.28%



MRQ Cost of Deposits: 1.84%



(1) Loan and deposit composition estimated pro forma for pending acquisition of Old Point Financial Corporation (expected to close September 1, 2025), exclusive of purchase accounting adjustments

(2) Pro Forma composition is exclusive of purchase accounting adjustments; Pro Forma totals may not sum due to rounding

Note: Financial data as of June 30, 2025; Loan and deposit composition reflects Call Report data
Source: S&P Capital IQ Pro

Non-GAAP Reconciliations

Return on Average Tangible Common Equity of DSBX

Dollars in millions	Q1-FY25	QTD
	Q1-FY25	Q2-FY25
Average Shareholder's Equity	\$235.6	\$243.1
Less: Average Preferred Stock	--	--
Less: Average Goodwill and Other Intangible Assets	\$22.9	\$22.3
Average Tangible Common Equity	\$212.7	\$220.8
Net Income Available to Common Shareholders	\$7.4	\$7.6
Less: Merger and Acquisition Expenses, Net of Tax	\$0.1	\$0.2
Adjusted Net Income Available to Common Shareholders	\$7.5	\$7.8
Adjusted Return on Average Tangible Common Equity	14.22%	14.23%

Non-GAAP Reconciliations

Return on Average Assets of DSBX

Dollars in millions	Q1-FY25	QTD
	Q1-FY25	Q2-FY25
Average Assets	\$2,220.4	\$2,312.0
Net Income Available to Common Shareholders	\$7.4	\$7.6
Less: Merger and Acquisition Expenses, Net of Tax	\$0.1	\$0.2
Adjusted Net Income Available to Common Shareholders	\$7.5	\$7.8
Adjusted Return on Average Assets	1.36%	1.36%

Non-GAAP Reconciliations

Efficiency Ratio of DSBX

Dollars in millions	Q1-FY25	QTD
	Q1-FY25	Q2-FY25
Non-Interest Expense	\$15.8	\$15.7
Less: Merger and Acquisition Expenses	\$0.1	\$0.3
Adjusted Non-Interest Expense	\$15.6	\$15.4
Net Interest Income	\$21.6	\$22.7
Non-Interest Income	\$4.8	\$4.4
Total Revenue	\$26.4	\$27.1
Adjusted Efficiency Ratio	59.2%	57.0%



Member FDIC