



News Release

FOR IMMEDIATE RELEASE

TOWNEBANK REPORTS THIRD QUARTER 2026 EARNINGS

Suffolk, VA., October 28, 2026 - TowneBank (the "Company" or "Towne") (NASDAQ: TOWN) today reported earnings for the quarter ended September 30, 2026 of \$81.78 million, or \$0.88 per diluted share, compared to \$44.30 million, or \$0.58 per diluted share, for the quarter ended September 30, 2025.

Excluding certain items affecting comparability, core earnings (non-GAAP) were \$83.85 million, or \$0.91 per diluted share, in the current quarter compared to \$68.77 million, or \$0.90 per diluted share, for the quarter ended September 30, 2025.

"Our third-quarter results demonstrate the strength of our Main Street Banking model and our disciplined execution against strategic objectives. We expanded margin to 3.92%, generated a core return on average assets of 1.49% and delivered a core return on average tangible common equity of 16.63%, with each metric meeting or exceeding the pro forma assumptions established at the time of the Dogwood State Bank merger announcement. The recently announced blueharbor bank partnership further reflects our commitment to pursuing attractive in-market opportunities that are strategically aligned, financially accretive and characterized by low execution risk. Together with our emphasis on maintaining balance sheet flexibility, these initiatives position us well to continue creating long-term value for shareholders," said G. Robert Aston, Jr., Executive Chairman.

Highlights for Third Quarter 2026:

- Total revenues were \$257.89 million, an increase of \$35.31 million, or 15.86%, compared to third quarter 2025. Net interest income increased \$49.26 million, as higher loan volumes and improved yields on loans and securities drove growth in interest income while cost of deposits decreased by 24 basis points compared to third quarter 2025. Noninterest income decreased \$13.95 million. This decrease was primarily attributable to the sale of the Company's Resort Property Management segment in the second quarter of 2026, which resulted in a \$20.45 million reduction in property management income during the quarter compared to the third quarter of 2025.

- Noninterest-bearing deposits increased \$139.53 million, or 2.39%, compared to the linked quarter driven by growth in commercial deposits.
- Total deposits were \$18.46 billion, a decrease of 1.36%, or \$254.56 million, compared to June 30, 2026.
- Loans held for investment were \$15.10 billion, a decrease of \$69.37 million, or 0.46%, compared to June 30, 2026.
- The Company repaid \$50.00 million in short term FHLB advances and \$26.25 million in acquired subordinated debt in the quarter.
- Annualized return on common shareholders' equity was 10.76% compared to 7.75% in third quarter 2025. Excluding certain items affecting comparability, annualized return on common shareholders' equity (non-GAAP) was 11.03% compared to 12.03% in third quarter 2025.
- Annualized return on average tangible common shareholders' equity (non-GAAP) was 16.24% compared to 11.45% in third quarter 2025. Excluding certain items affecting comparability, annualized return on average tangible common shareholders' equity (non-GAAP) was 16.63% compared to 17.31% in third quarter 2025.
- Net interest margin was 3.89% for the quarter and tax-equivalent net interest margin (non-GAAP) was 3.92%, including purchase accounting accretion of 20 basis points, compared to the prior year quarter net interest margin of 3.48% and tax-equivalent net interest margin (non-GAAP) of 3.50%, including purchase accounting accretion of 8 basis points.
- We expect net interest income to be impacted by net purchase accounting accretion income of \$3.50 million and \$11.61 million in the remainder of 2026 and 2027, respectively.
- The effective tax rate was 17.72% in the quarter compared to 16.82% in third quarter 2025 and 23.72% in the linked quarter. The change in the effective rate in third quarter 2026 compared to 2025 was attributable to a decrease in non-deductible merger related expenses compared to the prior year. The change in the effective rate in third quarter 2026 compared the linked quarter was due to recognition of state tax expense related to the sale of the Resort Property Management business, which occurred in the second quarter of 2026.

"We remain confident in the resilience of our operating model, which is anchored by a high-quality, low-cost deposit base, industry-leading credit performance, and disciplined capital allocation. Together, these strengths create a sustainable competitive advantage across multiple economic cycles. Looking ahead, our priorities include the successful integration of Dogwood's systems and identifying attractive opportunities

to grow and enhance our Towne Financial Services platform," stated William I. Foster III, President and Chief Executive Officer.

Quarterly Net Interest Income:

- Net interest income increased \$49.26 million, to \$196.21 million in third quarter 2026 compared to \$146.95 million for the quarter ended September 30, 2025. The increase was primarily due to a \$51.25 million increase in interest income resulting from a combination of higher earning-asset volumes and improved yields.
- Average interest-earning assets totaled \$20.01 billion at September 30, 2026, compared to \$20.19 billion in the linked quarter, a decrease of \$177.00 million, or 0.88%.
- Loans held for investment yield increased 16 basis points to 5.85% at September 30, 2026, from 5.69% in the linked quarter, and 20 basis points from 5.65% at September 30, 2025.
- The cost of interest-bearing deposits was 2.21% for the quarter ended September 30, 2026, compared to 2.24% in the linked quarter and 2.55% in third quarter 2025. Interest expense on deposits increased \$1.09 million, or 1.58%, compared to the prior year quarter, as growth in deposit balances more than offset the benefit of lower rates.
- Our total cost of deposits decreased to 1.51% from 1.55% for the linked quarter and 1.75% for the quarter ended September 30, 2025 due to lower interest-bearing deposit rates.
- Average interest-bearing liabilities totaled \$13.01 billion, a decrease of \$256.99 million, or 1.94%, from the linked quarter.
- Total borrowings decreased \$91.59 million compared to the linked quarter, due to repayment of a portion of debt assumed in acquisitions.

Quarterly Provision for Credit Losses:

- The quarterly provision for credit losses was a benefit of \$1.18 million compared to an expense of \$15.28 million in the prior year quarter and \$0.63 million in the linked quarter.
- The allowance for credit losses on loans decreased \$0.54 million in third quarter 2026 compared to the linked quarter.
- Net loan charge-offs were \$2.45 million in the quarter, \$5.76 million in the linked quarter, and \$255 thousand in the prior year quarter. The increase from the prior year quarter was primarily driven by charge-offs related to indirect and acquired SBA loan portfolios.
- The ratio of net charge-offs to average loans on an annualized basis was 0.06% in third quarter 2026, 0.15% in the linked quarter, and 0.01% in third quarter 2025.
- The allowance for credit losses on loans represented 1.32% of total loans at September 30, 2026,

and June 30, 2026, compared to 1.11% at September 30, 2025. Our September 30, 2026 allowance for credit losses is further broken down into community banking which represented 1.21% of total loans and government guaranteed lending which represented 0.11% of total loans.

- The allowance for credit losses on loans was 5.10 times nonperforming loans compared to 6.16 times at June 30, 2026 and 19.38 times at September 30, 2025.

Quarterly Noninterest Income:

- Total noninterest income was \$61.68 million compared to \$75.63 million in 2025, a decrease of \$13.95 million, or 18.45%.
- Government guaranteed lending income, net was \$0.62 million in third quarter 2026 and represented a new noninterest income source in 2026 related to the acquisition of Dogwood. Current quarter results were negatively impacted by a purchase accounting adjustment and are expected to normalize in future quarters.
- Residential mortgage banking income was \$11.19 million compared to \$13.12 million in third quarter 2025 driven by margin compression. Loan volume increased to \$639.73 million in third quarter 2026 from \$636.36 million in third quarter 2025. Residential purchase activity was 91.25% of production volume in third quarter 2026 compared to 91.84% in third quarter 2025.
- Gross margins on residential mortgage sales were 2.95%, a decrease of 2 basis points from 2.97% in the linked quarter and 37 basis points from 3.32% in third quarter 2025.
- Noninterest income included \$2.69 million in gains, driven primarily by adjustments to the gain recognized on the sale of the Company's Resort Property Management segment and by the contribution of property to an entity in which the Company holds a minority interest.

Quarterly Noninterest Expense:

- Total noninterest expense was \$159.47 million compared to \$153.74 million in 2025, an increase of \$5.73 million, or 3.73%. Increases in salaries and employee benefits, occupancy costs, and amortization expense, were partially offset by lower acquisition related expenses.
- An increase in banking personnel related to the Dogwood acquisition represented \$8.55 million of the \$11.68 million increase in salaries and benefits expenses, compared to the prior year quarter. Additional contributing factors include annual base salary adjustments that go into effect in third quarter each year and higher health insurance costs.

Consolidated Balance Sheet Highlights:

- Total assets were \$22.18 billion for the quarter ended September 30, 2026, a \$434.25 million decrease compared to \$22.62 billion at June 30, 2026.
- Loans held for investment decreased \$69.37 million, or 0.46%, compared to the linked quarter, but increased \$77.79 million in our Carolina markets.
- Mortgage loans held for sale decreased \$36.78 million, or 17.31%, compared to prior year and \$99.88 million, or 36.24%, compared to the linked quarter, primarily driven by lower production volume.
- Government guaranteed loans held for sale decreased \$24.91 million compared to the linked quarter.
- Total deposits decreased \$254.56 million, or 1.36%, compared to the linked quarter, driven by declines in interest-bearing deposits.
- Noninterest-bearing deposits increased \$139.53 million, or 2.39%, compared to the linked quarter.
- The Company repaid a portion of acquired subordinated debt and FHLB borrowings in the quarter, contributing to a \$91.59 million, or 20.34%, decrease in borrowings compared to the linked quarter.

Investment Securities:

- Total investment securities were \$3.10 billion at September 30, 2026 and June 30, 2026, compared to \$2.87 billion at September 30, 2025. The weighted average duration of the portfolio at September 30, 2026 was 3.7 years. The carrying value of the available-for-sale debt securities portfolio included net unrealized losses of \$186.87 million at September 30, 2026, compared to \$85.14 million at June 30, 2026 and \$87.87 million at September 30, 2025, with the changes in fair value marks due to the change in interest rates.

Loans and Asset Quality:

- Total loans held for investment were \$15.10 billion at September 30, 2026 and \$15.17 billion at June 30, 2026.
- Nonperforming assets, which consists of nonperforming loans, foreclosed property, and former bank premises, were \$47.08 million, or 0.21% of total assets, compared to \$48.31 million, or 0.21%, at the linked quarter end, and \$10.38 million, or 0.05%, at September 30, 2025.
- Nonperforming loans were 0.26% of period end loans at September 30, 2026, 0.21% in the linked quarter, and 0.06% at September 30, 2025. The increase over prior year was primarily driven by loans acquired in the Dogwood transaction.

- Foreclosed property and former bank premises totaled \$8.02 million at September 30, 2026, and consisted of \$0.93 million in other real estate owned, \$0.68 million in repossessed autos, and \$6.41 million in acquisition-related former bank premises. Foreclosed property and former bank premises totaled \$15.88 million at June 30, 2026, and consisted of \$0.51 million in other real estate owned, \$1.32 million in repossessed autos, and \$14.06 million in acquisition-related former bank premises.

Deposits and Borrowings:

- Total deposits were \$18.46 billion compared to \$18.71 billion at June 30, 2026, a decrease of \$254.56 million, or 1.36%, from the linked quarter.
- The ratio of period end loans held for investment to deposits was 81.81% compared to 81.06% at June 30, 2026, and 80.93% at September 30, 2025.
- Noninterest-bearing deposits were 32.41% of total deposits at September 30, 2026 compared to 31.22% at June 30, 2026 and 31.09% at September 30, 2025. Noninterest-bearing deposits increased \$139.53 million, or 2.39%, compared to the linked quarter.
- Total borrowings were \$358.65 million compared to \$450.24 million at June 30, 2026, a decrease of \$91.59 million, or 20.34%.

Capital:

- Book value per common share was \$32.13 compared to \$32.40 at June 30, 2026 and \$30.27 at September 30, 2025.
- Tangible book value per common share (non-GAAP) was \$22.30 compared to \$22.60 at June 30, 2026 and \$21.49 at September 30, 2025.

About TowneBank:

Founded in 1999, TowneBank is a company built on relationships, offering a full range of banking and other financial services, with a focus of serving others and enriching lives. Dedicated to a culture of caring, Towne values all employees and members by embracing their diverse talents, perspectives, and experiences.

Today, TowneBank operates over 70 banking offices throughout Hampton Roads and Central Virginia, Eastern and Central North Carolina, the Greenville and upstate region of South Carolina, and Charleston, South Carolina – serving as a local leader in promoting the social, cultural, and economic growth in each

community. Towne offers a competitive array of business and personal banking solutions, delivered with only the highest ethical standards. Experienced local bankers providing a higher level of expertise and personal attention with local decision-making are key to the TowneBank strategy. TowneBank has grown its capabilities beyond banking to provide expertise through its affiliated companies that include Towne Wealth Management, Towne Insurance Agency, Towne Benefits, TowneBank Mortgage, TowneBank Commercial Mortgage, Berkshire Hathaway HomeServices RW Towne Realty, Towne 1031 Exchange, and Towne Trust Company, N.A. With total assets of \$22.18 billion as of September 30, 2026, TowneBank is one of the largest banks headquartered in Virginia.

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.

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, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; general economic conditions, either nationally or regionally, that may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit or other services; geopolitical instability, including wars, conflicts, trade restrictions and tariffs, civil unrest, and terrorist attacks and the potential impact, directly or indirectly, on our business; the effects of weather-related or natural disasters, which may negatively affect our operations and/or our loan portfolio and increase our cost of conducting business; public health events (such as the COVID-19 pandemic) and governmental and societal responses to them; changes in the legislative or regulatory environment, including changes in accounting standards and tax laws and changes impacting the rulemaking, supervision, examination and enforcement priorities of the federal banking agencies, that may adversely affect our business; our ability to successfully integrate the businesses from recently completed and pending acquisitions, including our recent merger with Dogwood State Bank and our pending merger with blueharbor bank, to the extent that that process may take longer or be more difficult, time-consuming, or costly to accomplish than expected; our ability to close the transaction with blueharbor bank 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 and integration related matters; the introduction of new lines of business or new products and services; cybersecurity threats or attacks, whether directed at us or at vendors or other third parties with which we

interact; the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; competitors that may have greater financial resources and develop products that enable them to compete more successfully; changes in business conditions; changes in the securities market; and changes in our local economy with regard to our market area, including any adverse impact of actual and proposed cuts to federal spending, including defense, security and military spending, on the economy. Any forward-looking statements made by us or on our behalf speak only as of the date they are made or as of the date indicated, and we do not undertake any obligation to update forward-looking statements as a result of new information, future events, or otherwise. For additional information on factors that could materially influence forward-looking statements included in this report, see the "Risk Factors" in TowneBank's Annual Report on Form 10-K for the year ended December 31, 2025 and related disclosures in other filings that have been, or will be, filed by TowneBank with the Federal Deposit Insurance Corporation.

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TOWNEBANK
Selected Financial Highlights (unaudited)
(dollars in thousands, except per share data)

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Income and Performance Ratios:					
Total revenue	\$ 257,891	\$ 444,266	\$ 246,447	\$ 219,943	\$ 222,584
Net income	81,991	193,618	41,101	40,850	44,612
Net income available to common shareholders	81,777	193,186	40,993	40,630	44,295
Net income per common share - diluted	0.88	2.09	0.45	0.51	0.58
Book value per common share	32.13	32.40	31.31	30.67	30.27
Book value per common share - tangible (non-GAAP)	22.30	22.60	21.49	21.93	21.49
Return on average assets	1.46 %	3.45 %	0.76 %	0.82 %	0.94 %
Return on average assets - tangible (non-GAAP)	1.60 %	3.68 %	0.89 %	0.94 %	1.05 %
Return on average equity	10.73 %	25.66 %	5.84 %	6.67 %	7.72 %
Return on average equity - tangible (non-GAAP)	16.19 %	37.63 %	9.55 %	10.32 %	11.39 %
Return on average common equity	10.76 %	25.72 %	5.85 %	6.69 %	7.75 %
Return on average common equity - tangible (non-GAAP)	16.24 %	37.76 %	9.58 %	10.36 %	11.45 %
Noninterest income as a percentage of total revenue	23.92 %	58.33 %	29.83 %	27.73 %	33.98 %
Regulatory Capital Ratios (1):					
Common equity tier 1	12.47 %	12.16 %	11.43 %	11.34 %	11.18 %
Tier 1	12.51 %	12.20 %	11.47 %	11.39 %	11.23 %
Total	14.81 %	14.63 %	13.87 %	14.14 %	13.98 %
Tier 1 leverage ratio	10.36 %	10.00 %	9.75 %	9.36 %	9.84 %
Asset Quality:					
Allowance for credit losses on loans to nonperforming loans	5.1x	6.16x	6.08x	12.57x	19.38x
Allowance for credit losses on loans to period end loans	1.32 %	1.32 %	1.31 %	1.10 %	1.11 %
Nonperforming loans to period end loans	0.26 %	0.21 %	0.21 %	0.09 %	0.06 %
Nonperforming assets to period end assets	0.21 %	0.21 %	0.23 %	0.07 %	0.05 %
Net charge-offs (recoveries) to average loans (annualized)	0.06 %	0.15 %	0.05 %	0.06 %	0.01 %
Net charge-offs (recoveries)	\$ 2,453	\$ 5,756	\$ 1,690	\$ 1,948	\$ 255
Nonperforming loans	\$ 39,065	\$ 32,430	\$ 32,751	\$ 11,726	\$ 7,698
Former bank premises	6,407	14,061	16,323	879	885
Foreclosed property	1,609	1,823	2,037	1,754	1,798
Total nonperforming assets	\$ 47,081	\$ 48,314	\$ 51,111	\$ 14,359	\$ 10,381
Loans past due 90 days and still accruing interest	\$ 4,502	\$ 1,095	\$ 2,487	\$ 890	\$ 1,863
Allowance for credit losses on loans	\$ 199,375	\$ 199,918	\$ 199,267	\$ 147,343	\$ 149,175
Mortgage Banking:					
Loans originated, mortgage	\$ 518,893	\$ 597,622	\$ 469,323	\$ 504,732	\$ 491,921
Loans originated, joint venture	120,839	137,028	106,027	118,597	144,440
Total loans originated	\$ 639,732	\$ 734,651	\$ 575,350	\$ 623,329	\$ 636,361
Number of loans originated	1,609	1,827	1,423	1,551	1,679
Number of originators	164	168	162	161	169
Purchase %	91.25 %	91.58 %	77.57 %	82.23 %	91.84 %
Loans sold	\$ 714,057	\$ 597,947	\$ 527,428	\$ 652,853	\$ 657,822
Rate lock asset	\$ 1,434	\$ 1,831	\$ 2,003	\$ 1,145	\$ 2,213
Gross realized gain on sales and fees as a % of loans originated	2.95 %	2.97 %	3.09 %	3.19 %	3.32 %
Other Ratios:					
Net interest margin	3.89 %	3.68 %	3.58 %	3.56 %	3.48 %
Net interest margin-fully tax-equivalent (non-GAAP)	3.92 %	3.70 %	3.60 %	3.58 %	3.50 %
Average earning assets/total average assets	89.83 %	89.78 %	89.60 %	89.96 %	90.03 %
Average loans/average deposits	81.68 %	82.40 %	83.22 %	80.57 %	80.92 %
Average noninterest deposits/total average deposits	31.72 %	30.78 %	30.24 %	31.28 %	31.30 %
Period end equity/period end total assets	13.42 %	13.27 %	12.96 %	12.34 %	12.18 %
Efficiency ratio (non-GAAP)	60.22 %	74.91 %	76.96 %	73.37 %	67.08 %

(1) Current reporting period regulatory capital ratios are preliminary.

TOWNEBANK
Selected Data (unaudited)
(dollars in thousands)

<u>Investment Securities</u>	% Change				
	Q3	Q3	Q2	Q3 26 vs.	Q3 26 vs.
	2026	2025	2026	Q3 25	Q2 26
<i>Available-for-sale securities, at fair value</i>					
U.S. agency securities	\$ 386,308	\$ 364,889	\$ 402,738	5.87 %	(4.08)%
U.S. Treasury notes	218,844	83,246	176,393	162.89 %	24.07 %
Municipal securities	539,373	478,711	540,924	12.67 %	(0.29)%
Trust preferred and other corporate securities	171,517	143,291	164,040	19.70 %	4.56 %
Mortgage-backed securities issued by GSEs and GNMA	1,625,908	1,599,812	1,657,895	1.63 %	(1.93)%
Allowance for credit losses	(1,440)	(1,350)	(1,028)	6.67 %	40.08 %
Total	\$ 2,940,510	\$ 2,668,599	\$ 2,940,962	10.19 %	(0.02)%
<i>Gross unrealized gains (losses) reflected in financial statements</i>					
Total gross unrealized gains	\$ 2,540	\$ 10,741	\$ 9,072	(76.35)%	(72.00)%
Total gross unrealized losses	(189,411)	(98,606)	(94,212)	92.09 %	101.05 %
Net unrealized gains (losses) and other adjustments on AFS securities	\$ (186,871)	\$ (87,865)	\$ (85,140)	112.68 %	119.49 %
<i>Held-to-maturity securities, at amortized cost</i>					
U.S. agency securities	\$ 18,467	\$ 68,140	\$ 18,403	(72.90)%	0.35 %
U.S. Treasury notes	95,082	96,017	95,317	(0.97)%	(0.25)%
Municipal securities	5,541	5,439	5,515	1.88 %	0.47 %
Trust preferred corporate securities	2,028	2,081	2,041	(2.55)%	(0.64)%
Mortgage-backed securities issued by GSEs	5,021	5,166	5,057	(2.81)%	(0.71)%
Allowance for credit losses	(31)	(65)	(32)	(52.31)%	(3.13)%
Total	\$ 126,108	\$ 176,778	\$ 126,301	(28.66)%	(0.15)%
Total gross unrealized gains	\$ 55	\$ 283	\$ 195	(80.57)%	(71.79)%
Total gross unrealized losses	(1,590)	(3,746)	(1,931)	(57.55)%	(17.66)%
Net unrealized gains (losses) in HTM securities	\$ (1,535)	\$ (3,463)	\$ (1,736)	(55.67)%	(11.58)%
Total unrealized gains (losses) on AFS and HTM securities	\$ (188,406)	\$ (91,328)	\$ (86,876)	106.30 %	116.87 %
	% Change				
<u>Loans Held For Investment</u>	Q3	Q3	Q2	Q3 26 vs.	Q3 26 vs.
	2026	2025	2026	Q3 25	Q2 26
Community Banking:					
CRE - construction and development	\$ 1,405,069	\$ 1,239,372	\$ 1,308,080	13.37 %	7.41 %
CRE - owner occupied	2,407,117	1,910,050	2,401,402	26.02 %	0.24 %
CRE - non-owner occupied	4,242,916	3,808,755	4,317,091	11.40 %	(1.72)%
CRE - multifamily	866,534	920,254	865,154	(5.84)%	0.16 %
Residential 1-4 family	2,288,956	2,189,417	2,326,019	4.55 %	(1.59)%
HELOC	703,496	556,386	682,941	26.44 %	3.01 %
Commercial and industrial business (C&I)	1,587,937	1,452,133	1,615,241	9.35 %	(1.69)%
Government	498,990	504,543	524,444	(1.10)%	(4.85)%
Indirect	657,348	697,606	690,321	(5.77)%	(4.78)%
Consumer loans and other	209,589	100,517	222,970	108.51 %	(6.00)%
Total Community Banking	\$ 14,867,952	\$ 13,379,033	\$ 14,953,663	11.13 %	(0.57)%
Government Guaranteed Lending:					
Real estate - construction and development	19,180	—	12,846	N/M	49.31 %
Commercial real estate - owner occupied	96,318	—	94,943	N/M	1.45 %
Commercial and industrial business (C&I)	116,851	—	108,216	N/M	7.98 %
Consumer loans and other	7	—	7	N/M	N/M
Total Government Guaranteed Lending	\$ 232,356	\$ —	\$ 216,012	N/M	7.57 %
Total Loans Held for Investment	\$ 15,100,308	\$ 13,379,033	\$ 15,169,675	12.87 %	(0.46)%

TOWNEBANK
Selected Data (unaudited)
(dollars in thousands)

	% Change				
<u>Deposits</u>	Q3 2026	Q3 2025	Q2 2026	Q3 26 vs. Q3 25	Q3 26 vs. Q2 26
Noninterest-bearing demand deposits	\$ 5,982,476	\$ 5,139,488	\$ 5,842,944	16.40 %	2.39 %
Interest-bearing:					
Demand and money market accounts	9,224,530	8,273,987	9,468,690	11.49 %	(2.58)%
Savings	429,705	331,168	436,751	29.75 %	(1.61)%
Certificates of deposits	2,822,170	2,786,292	2,965,060	1.29 %	(4.82)%
Total	<u>\$ 18,458,881</u>	<u>\$ 16,530,935</u>	<u>\$ 18,713,445</u>	<u>11.66 %</u>	<u>(1.36)%</u>

<u>Acquisition Summary - Day 1 Balances</u>	Total Acquired 2025-2026	2026 Dogwood (1)	2025	
			Old Point (2)	Village (3)
Total securities	\$ 478,420	\$ 190,988	\$ 211,877	\$ 75,555
Loans held for sale	31,616	28,001	—	3,615
Loans held for investment	3,438,241	1,905,571	956,430	576,240
Core deposit intangibles	82,900	30,490	31,390	21,020
Total assets	4,482,892	2,335,431	1,401,533	745,928
Noninterest-bearing demand deposits	1,089,093	544,484	306,066	238,543
Interest-bearing deposits	2,690,912	1,387,029	904,933	398,950
Total deposits	3,780,005	1,931,513	1,210,999	637,493
Advances from the FHLB	205,000	155,000	40,000	10,000
Subordinated debt, net	39,693	—	25,274	14,419
Total liabilities	4,071,562	2,118,598	1,284,549	668,415
Goodwill	378,493	241,127	94,374	42,992
Initial allowance for credit losses on loans held for investment	68,516	62,602	4,223	1,691
Initial provision for credit losses (4)	17,504	—	11,449	6,055

(1) Dogwood State Bank was acquired January 12, 2026.

(2) Old Point Financial Corporation was acquired September 1, 2025.

(3) Village Bank and Trust Corp. was acquired April 1, 2025.

(4) ASU 2025-08 Financial Instruments - *Credit Losses Measurement of Credit Losses on Financial Instruments - Purchased Loans*, was adopted January 1, 2026.

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
<u>Net charge-offs:</u>					
Community Banking	\$ 414	\$ 451	\$ (284)	\$ 1,159	\$ (116)
Indirect	1,104	4,002	414	789	371
Government guaranteed lending	935	1,303	1,560	—	—
Total	<u>\$ 2,453</u>	<u>\$ 5,756</u>	<u>\$ 1,690</u>	<u>\$ 1,948</u>	<u>\$ 255</u>
<u>Non-performing loans (1):</u>					
Community Banking	\$ 30,870	\$ 24,616	\$ 22,380	\$ 10,275	\$ 6,629
Indirect	1,400	970	2,731	1,451	1,069
Government guaranteed lending	6,795	6,844	7,640	—	—
Total	<u>\$ 39,065</u>	<u>\$ 32,430</u>	<u>\$ 32,751</u>	<u>\$ 11,726</u>	<u>\$ 7,698</u>
<u>Criticized Loans:</u>					
Community Banking	\$ 252,097	\$ 247,814	\$ 212,043	\$ 169,182	\$ 170,271
Indirect	3,812	4,061	4,743	2,917	2,557
Government guaranteed lending	14,795	10,821	14,501	—	—
Total	<u>\$ 270,704</u>	<u>\$ 262,696</u>	<u>\$ 231,287</u>	<u>\$ 172,099</u>	<u>\$ 172,828</u>

(1) Non-performing loans related to the Dogwood acquisition totaled approximately \$25.00 million at September 30, 2026 and \$18.59 million at June 30, 2026.

TOWNEBANK
Average Balances, Yields and Rate Paid (unaudited)
(dollars in thousands)

	Three Months Ended September 30, 2026			Three Months Ended June 30, 2026			Three Months Ended September 30, 2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)
Assets:									
Loans (net of unearned income and deferred costs)	\$ 15,099,033	\$222,774	5.85 %	\$ 15,241,959	\$216,044	5.69 %	\$ 12,662,595	\$180,361	5.65 %
Taxable investment securities	2,830,262	27,714	3.92 %	2,808,164	25,687	3.66 %	2,627,476	23,203	3.53 %
Tax-exempt investment securities	306,541	3,436	4.48 %	275,487	3,083	4.48 %	176,193	1,913	4.34 %
Total securities	3,136,803	31,150	3.97 %	3,083,651	28,770	3.73 %	2,803,669	25,116	3.58 %
Interest-bearing deposits	1,532,388	13,210	3.42 %	1,659,332	14,023	3.39 %	1,096,909	10,597	3.83 %
Loans held for sale	243,694	3,789	6.22 %	203,978	3,076	6.03 %	204,949	3,351	6.54 %
Total earning assets	20,011,918	270,923	5.37 %	20,188,920	261,913	5.20 %	16,768,122	219,425	5.19 %
Less: allowance for loan losses	(199,806)			(202,001)			(139,408)		
Total nonearning assets	2,464,522			2,499,032			1,995,385		
Total assets	<u>\$ 22,276,634</u>			<u>\$ 22,485,951</u>			<u>\$ 18,624,099</u>		
Liabilities and Equity:									
Interest-bearing deposits									
Demand and money market	\$ 9,270,396	\$ 45,110	1.93 %	\$ 9,279,980	\$ 44,758	1.93 %	\$ 7,791,983	\$ 43,015	2.19 %
Savings	435,096	600	0.55 %	446,151	619	0.56 %	332,403	684	0.82 %
Certificates of deposit	2,916,256	24,524	3.34 %	3,076,803	26,104	3.40 %	2,626,140	25,444	3.84 %
Total interest-bearing deposits	12,621,748	70,234	2.21 %	12,802,934	71,481	2.24 %	10,750,526	69,143	2.55 %
Borrowings	121,656	798	2.57 %	175,152	1,309	2.96 %	49,111	(212)	(1.69)%
Subordinated debt, net	262,100	2,349	3.59 %	284,404	2,736	3.85 %	267,755	2,461	3.68 %
Total interest-bearing liabilities	13,005,504	73,381	2.24 %	13,262,490	75,526	2.28 %	11,067,392	71,392	2.56 %
Demand deposits	5,863,443			5,693,724			4,898,006		
Other noninterest-bearing liabilities	385,016			510,177			378,717		
Total liabilities	19,253,963			19,466,391			16,344,115		
Shareholders' equity	3,022,671			3,019,560			2,279,984		
Total liabilities and equity	<u>\$ 22,276,634</u>			<u>\$ 22,485,951</u>			<u>\$ 18,624,099</u>		
Net interest income (tax-equivalent basis) (4)		\$197,542			\$186,387			\$148,033	
Reconciliation of Non-GAAP Financial Measures									
Tax-equivalent basis adjustment		(1,333)			(1,270)			(1,081)	
Net interest income (GAAP)		<u>\$196,209</u>			<u>\$185,117</u>			<u>\$146,952</u>	
Interest rate spread (2)(4)			3.13 %			2.92 %			2.63 %
Interest expense as a percent of average earning assets			1.45 %			1.50 %			1.69 %
Net interest margin (tax-equivalent basis) (3)(4)			3.92 %			3.70 %			3.50 %
Total cost of deposits			1.51 %			1.55 %			1.75 %

(1) Yields and interest income are presented on a tax-equivalent basis using the federal statutory tax rate of 21%.

(2) Interest spread is the average yield earned on earning assets less the average rate paid on interest-bearing liabilities. Fully tax-equivalent.

(3) Net interest margin is net interest income expressed as a percentage of average earning assets. Fully tax-equivalent.

(4) Non-GAAP.

TOWNEBANK
Average Balances, Yields and Rate Paid (unaudited)
(dollars in thousands)

	Nine Months Ended			Nine Months Ended		
	September 30, 2026			September 30, 2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)
Assets:						
Loans (net of unearned income and deferred costs)	\$ 15,124,879	\$649,043	5.74 %	\$ 12,169,050	\$503,947	5.54 %
Taxable investment securities	2,814,643	78,584	3.72 %	2,568,420	67,866	3.52 %
Tax-exempt investment securities	275,931	9,144	4.42 %	174,786	5,575	4.25 %
Total securities	3,090,574	87,728	3.78 %	2,743,206	73,441	3.57 %
Interest-bearing deposits	1,527,108	38,693	3.39 %	1,113,719	32,639	3.92 %
Loans held for sale	196,415	8,942	6.07 %	180,618	8,774	6.48 %
Total earning assets	19,938,976	784,406	5.26 %	16,206,593	618,801	5.10 %
Less: allowance for loan losses	(193,688)			(131,892)		
Total nonearning assets	2,473,117			1,894,785		
Total assets	<u>\$ 22,218,405</u>			<u>\$ 17,969,486</u>		
Liabilities and Equity:						
Interest-bearing deposits						
Demand and money market	\$ 9,211,245	\$134,690	1.95 %	\$ 7,555,758	\$125,675	2.22 %
Savings	434,213	1,832	0.56 %	327,517	2,102	0.86 %
Certificates of deposit	3,029,497	77,701	3.43 %	2,575,944	76,651	3.98 %
Total interest-bearing deposits	12,674,955	214,223	2.26 %	10,459,219	204,428	2.61 %
Borrowings	189,239	4,306	3.00 %	37,910	(854)	(2.97)%
Subordinated debt, net	276,763	7,834	3.77 %	266,786	7,374	3.69 %
Total interest-bearing liabilities	13,140,957	226,363	2.30 %	10,763,915	210,948	2.62 %
Demand deposits	5,674,901			4,622,418		
Other noninterest-bearing liabilities	438,206			373,274		
Total liabilities	19,254,064			15,759,607		
Shareholders' equity	2,964,341			2,209,879		
Total liabilities and equity	<u>\$ 22,218,405</u>			<u>\$ 17,969,486</u>		
Net interest income (tax-equivalent basis)(4)		\$558,043			\$407,853	
Reconciliation of Non-GAAP Financial Measures						
Tax-equivalent basis adjustment		(3,773)			(3,210)	
Net interest income (GAAP)		<u>\$554,270</u>			<u>\$404,643</u>	
Interest rate spread (2)(4)			2.96 %			2.48 %
Interest expense as a percent of average earning assets			1.52 %			1.74 %
Net interest margin (tax-equivalent basis) (3)(4)			3.74 %			3.36 %
Total cost of deposits			1.56 %			1.81 %

(1) Yields and interest income are presented on a tax-equivalent basis using the federal statutory rate of 21%.

(2) Interest spread is the average yield earned on earning assets less the average rate paid on interest-bearing liabilities. Fully tax-equivalent.

(3) Net interest margin is net interest income expressed as a percentage of average earning assets. Fully tax-equivalent.

(4) Non-GAAP.

TOWNEBANK
Consolidated Balance Sheets
(dollars in thousands, except share data)

	September 30, 2026	December 31, 2025
	(unaudited)	(audited)
ASSETS		
Cash and due from banks	\$ 118,234	\$ 129,941
Interest-bearing deposits at FRB	1,283,078	1,097,155
Interest-bearing deposits in financial institutions	111,825	123,553
Total Cash and Cash Equivalents	1,513,137	1,350,649
Securities available for sale, at fair value (amortized cost of \$3,128,821 and \$2,784,462, and allowance for credit losses of \$1,440 and \$1,207 at September 30, 2026 and December 31, 2025, respectively)	2,940,510	2,710,189
Securities held to maturity, at amortized cost (fair value of \$124,604 and \$154,269 at September 30, 2026 and December 31, 2025, respectively)	126,139	156,697
Less: allowance for credit losses	(31)	(65)
Securities held to maturity, net of allowance for credit losses	126,108	156,632
Other equity securities	15,829	12,219
FHLB stock	19,275	16,341
Total Securities	3,101,722	2,895,381
Mortgage loans held for sale	175,727	154,444
Government guaranteed loans held for sale	9,010	—
Loans, net of unearned income and deferred costs	15,100,308	13,335,804
Less: allowance for credit losses on loans	(199,375)	(147,343)
Net Loans	14,900,933	13,188,461
Premises and equipment, net	437,117	430,987
Goodwill	818,147	594,080
Other intangible assets, net	90,987	96,528
BOLI	390,207	337,425
Other assets	745,720	639,386
TOTAL ASSETS	\$ 22,182,707	\$ 19,687,341
LIABILITIES AND EQUITY		
Deposits:		
Noninterest-bearing demand	\$ 5,982,476	\$ 5,073,157
Interest-bearing:		
Demand and money market accounts	9,224,530	8,390,884
Savings	429,705	332,752
Certificates of deposit	2,822,170	2,712,324
Total Deposits	18,458,881	16,509,117
Advances from the FHLB	76,862	52,452
Subordinated debt, net	258,257	283,870
Repurchase agreements and other borrowings	23,532	34,817
Total Borrowings	358,651	371,139
Other liabilities	387,306	378,076
TOTAL LIABILITIES	19,204,838	17,258,332
Preferred stock, authorized and unissued shares - 2,000,000	—	—
Common stock, \$1.667 par value: 150,000,000 shares authorized; 92,464,490 and 78,964,038 shares issued at September 30, 2026 and December 31, 2025, respectively	154,138	131,633
Capital surplus	1,698,525	1,254,776
Retained earnings	1,261,924	1,087,343
Common stock issued to deferred compensation trust, at cost:		
1,140,688 and 1,086,290 shares at September 30, 2026 and December 31, 2025, respectively	(25,083)	(23,293)
Deferred compensation trust	25,083	23,293
Accumulated other comprehensive income (loss)	(143,611)	(51,685)
TOTAL SHAREHOLDERS' EQUITY	2,970,976	2,422,067
Noncontrolling interest	6,893	6,942
TOTAL EQUITY	2,977,869	2,429,009
TOTAL LIABILITIES AND EQUITY	\$ 22,182,707	\$ 19,687,341

TOWNEBANK
Consolidated Statements of Income (unaudited)
(dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
INTEREST INCOME:				
Loans, including fees	\$ 222,037	\$ 179,612	\$ 646,857	\$ 501,705
Investment securities	30,554	24,784	86,141	72,473
Interest-bearing deposits in financial institutions and federal funds sold	13,210	10,597	38,693	32,639
Mortgage loans held for sale	3,789	3,351	8,942	8,774
Total interest income	269,590	218,344	780,633	615,591
INTEREST EXPENSE:				
Deposits	70,234	69,143	214,223	204,428
Advances from the FHLB	813	258	4,909	407
Subordinated debt, net	2,349	2,461	7,834	7,374
Repurchase agreements and other borrowings	(15)	(470)	(603)	(1,261)
Total interest expense	73,381	71,392	226,363	210,948
Net interest income	196,209	146,952	554,270	404,643
PROVISION FOR CREDIT LOSSES	(1,177)	15,276	(208)	24,106
Net interest income after provision for credit losses	197,386	131,676	554,478	380,537
NONINTEREST INCOME:				
Residential mortgage banking income, net	11,186	13,123	35,457	37,046
Insurance commissions and related income, net	25,642	25,791	76,970	77,893
Property management income, net	—	20,449	12,440	49,209
Service charges on deposit accounts	4,400	4,056	13,789	11,025
Credit card merchant fees, net	2,096	1,909	6,160	5,400
Investment income, net	4,255	3,699	11,770	9,932
BOLI	3,124	2,157	8,903	6,021
Government guaranteed lending income, net	615	—	6,810	—
Gain on sale of equity investment	2,692	—	201,242	2,000
Other income	7,672	4,456	20,669	12,613
Net gain on investment securities	—	(7)	126	(7)
Total noninterest income	61,682	75,633	394,336	211,132
NONINTEREST EXPENSE:				
Salaries and employee benefits	90,640	78,964	272,549	232,404
Occupancy	12,094	9,988	35,892	29,112
Furniture and equipment	5,186	5,044	16,432	14,436
Amortization - intangibles	5,778	4,427	17,965	11,431
Software	8,071	7,518	23,944	20,647
Data processing	4,083	4,630	12,506	12,974
Professional fees	3,996	2,999	10,413	8,191
Advertising and marketing	3,636	3,759	12,523	11,460
FDIC and other insurance	2,707	3,002	9,886	8,895
Acquisition related expenses	3,191	17,814	46,088	36,971
Other expenses	20,088	15,593	87,102	48,418
Total noninterest expense	159,470	153,738	545,300	434,939
Income before income tax expense and noncontrolling interest	99,598	53,571	403,514	156,730
Provision for income tax expense	17,607	8,959	86,804	26,790
Net Income	81,991	44,612	316,710	129,940
Net income attributable to noncontrolling interest	(214)	(317)	(754)	(1,044)
Net income attributable to TowneBank	\$ 81,777	\$ 44,295	\$ 315,956	\$ 128,896
Per common share information				
Basic earnings	\$ 0.89	\$ 0.58	\$ 3.45	\$ 1.70
Diluted earnings	\$ 0.88	\$ 0.58	\$ 3.44	\$ 1.70
Cash dividends declared	\$ 0.28	\$ 0.27	\$ 1.53	\$ 0.79

TOWNEBANK
Consolidated Balance Sheets - Five Quarter Trend
(dollars in thousands, except share data)

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)
ASSETS					
Cash and due from banks	\$ 118,234	\$ 158,770	\$ 95,472	\$ 129,941	\$ 152,647
Interest-bearing deposits at FRB	1,283,078	1,546,624	1,346,573	1,097,155	974,514
Interest-bearing deposits in financial institutions	111,825	110,086	119,922	123,553	122,819
Total Cash and Cash Equivalents	1,513,137	1,815,480	1,561,967	1,350,649	1,249,980
Securities available for sale	2,940,510	2,940,962	2,862,427	2,710,189	2,668,599
Securities held to maturity	126,139	126,333	126,527	156,697	176,843
Less: allowance for credit losses	(31)	(32)	(33)	(65)	(65)
Securities held to maturity, net of allowance for credit losses	126,108	126,301	126,494	156,632	176,778
Other equity securities	15,829	15,907	15,463	12,219	12,420
FHLB stock	19,275	21,550	24,985	16,341	16,341
Total Securities	3,101,722	3,104,720	3,029,369	2,895,381	2,874,138
Mortgage loans held for sale	175,727	275,602	171,735	154,444	212,507
Government guaranteed loans held for sale	9,010	33,915	5,498	—	—
Loans, net of unearned income and deferred costs	15,100,308	15,169,675	15,261,160	13,335,804	13,379,033
Less: allowance for credit losses	(199,375)	(199,918)	(199,267)	(147,343)	(149,175)
Net Loans	14,900,933	14,969,757	15,061,893	13,188,461	13,229,858
Premises and equipment, net	437,117	444,807	438,792	430,987	422,134
Goodwill	818,147	808,644	804,143	594,080	591,691
Other intangible assets, net	90,987	96,765	102,631	96,528	101,875
BOLI	390,207	387,841	385,087	337,425	334,527
Other assets	745,720	679,428	694,197	639,386	657,731
Assets held for sale	—	—	103,396	—	—
TOTAL ASSETS	\$ 22,182,707	\$ 22,616,959	\$ 22,358,708	\$ 19,687,341	\$ 19,674,441
LIABILITIES AND EQUITY					
Deposits:					
Noninterest-bearing demand	\$ 5,982,476	\$ 5,842,944	\$ 5,597,395	\$ 5,073,157	\$ 5,139,488
Interest-bearing:					
Demand and money market accounts	9,224,530	9,468,690	9,293,443	8,390,884	8,273,987
Savings	429,705	436,751	457,028	332,752	331,168
Certificates of deposit	2,822,170	2,965,060	3,132,406	2,712,324	2,786,292
Total Deposits	18,458,881	18,713,445	18,480,272	16,509,117	16,530,935
Advances from the FHLB	76,862	127,060	197,257	52,452	52,646
Subordinated debt, net	258,257	284,207	284,236	283,870	283,847
Repurchase agreements and other borrowings	23,532	38,971	30,988	34,817	25,740
Total Borrowings	358,651	450,238	512,481	371,139	362,233
Other liabilities	387,306	451,756	414,979	378,076	384,321
Liabilities held for sale	—	—	52,460	—	—
TOTAL LIABILITIES	19,204,838	19,615,439	19,460,192	17,258,332	17,277,489
TOTAL SHAREHOLDERS' EQUITY	2,970,976	2,994,483	2,891,688	2,422,067	2,389,448
Noncontrolling interest	6,893	7,037	6,828	6,942	7,504
TOTAL EQUITY	2,977,869	3,001,520	2,898,516	2,429,009	2,396,952
TOTAL LIABILITIES AND EQUITY	\$ 22,182,707	\$ 22,616,959	\$ 22,358,708	\$ 19,687,341	\$ 19,674,441

TOWNEBANK
Consolidated Statements of Income - Five Quarter Trend (unaudited)
(dollars in thousands, except share data)

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
INTEREST INCOME:					
Loans, including fees	\$ 222,037	\$ 215,308	\$ 209,512	\$ 189,824	\$ 179,612
Investment securities	30,554	28,236	27,351	26,226	24,784
Interest-bearing deposits in financial institutions and federal funds sold	13,210	14,023	11,459	11,825	10,597
Mortgage loans held for sale	3,789	3,076	2,077	2,794	3,351
Total interest income	269,590	260,643	250,399	230,669	218,344
INTEREST EXPENSE:					
Deposits	70,234	71,481	72,508	68,977	69,143
Advances from the FHLB	813	1,671	2,425	532	258
Subordinated debt, net	2,349	2,736	2,750	2,764	2,461
Repurchase agreements and other borrowings	(15)	(362)	(226)	(568)	(470)
Total interest expense	73,381	75,526	77,457	71,705	71,392
Net interest income	196,209	185,117	172,942	158,964	146,952
PROVISION FOR CREDIT LOSSES	(1,177)	625	344	(169)	15,276
Net interest income after provision for credit losses	197,386	184,492	172,598	159,133	131,676
NONINTEREST INCOME:					
Residential mortgage banking income, net	11,186	12,537	11,734	11,538	13,123
Insurance commissions and related income, net	25,642	25,294	26,034	23,120	25,791
Property management income, net	—	—	12,440	8,412	20,449
Service charges on deposit accounts	4,400	4,747	4,642	4,638	4,056
Credit card merchant fees, net	2,096	2,145	1,919	1,808	1,909
Investment income, net	4,255	3,795	3,720	3,386	3,699
BOLI	3,124	2,760	3,019	2,898	2,157
Government guaranteed lending income, net	615	1,994	4,201	—	—
Gain on sale of equity investment	2,692	198,550	—	—	—
Other income	7,672	7,327	5,670	5,166	4,456
Net gain (loss) on investment securities	—	—	126	13	(7)
Total noninterest income	61,682	259,149	73,505	60,979	75,633
NONINTEREST EXPENSE:					
Salaries and employee benefits	90,640	88,730	93,179	85,088	78,964
Occupancy	12,094	11,793	12,005	11,367	9,988
Furniture and equipment	5,186	5,347	5,899	5,315	5,044
Amortization - intangibles	5,778	5,866	6,321	5,347	4,427
Software	8,071	7,475	8,398	6,986	7,518
Data processing	4,083	3,492	4,931	4,236	4,630
Professional fees	3,996	3,164	3,253	2,931	2,999
Advertising and marketing	3,636	3,210	5,677	3,668	3,759
Other expenses	25,986	60,866	56,223	41,688	36,409
Total noninterest expense	159,470	189,943	195,886	166,626	153,738
Income before income tax expense and noncontrolling interest	99,598	253,698	50,217	53,486	53,571
Provision for income tax expense	17,607	60,080	9,116	12,636	8,959
Net Income	81,991	193,618	41,101	40,850	44,612
Net income attributable to noncontrolling interest	(214)	(432)	(108)	(220)	(317)
Net income attributable to TowneBank	\$ 81,777	\$ 193,186	\$ 40,993	\$ 40,630	\$ 44,295
Per common share information					
Basic earnings	\$ 0.89	\$ 2.10	\$ 0.45	\$ 0.52	\$ 0.58
Diluted earnings	\$ 0.88	\$ 2.09	\$ 0.45	\$ 0.51	\$ 0.58
Basic weighted average shares outstanding	92,207,902	92,165,341	90,433,283	78,805,687	76,417,605
Diluted weighted average shares outstanding	92,611,196	92,463,558	90,775,117	79,109,745	76,763,640
Cash dividends declared	\$ 0.28	\$ 0.98	\$ 0.27	\$ 0.27	\$ 0.27

TOWNEBANK
Banking Segment Financial Information (unaudited)
(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Revenue							
Net interest income	\$ 194,917	\$ 145,746	\$ 183,847	\$ 550,755	\$ 401,654	\$ 149,101	37.12 %
Service charges on deposit accounts	4,400	4,056	4,747	13,789	11,025	2,764	25.07 %
Credit card merchant fees	2,096	1,909	2,145	6,160	5,400	760	14.07 %
Investment income, net	4,255	3,699	3,795	11,770	9,932	1,838	18.51 %
Government guaranteed lending income, net	615	—	1,994	6,810	—	6,810	N/M
Gain on sale of equity investment	2,692	—	198,550	201,242	2,000	199,242	N/M
Other income	9,115	4,866	8,334	24,841	15,110	9,731	64.40 %
Subtotal	23,173	14,530	219,565	264,612	43,467	221,145	508.77 %
Net gain/(loss) on investment securities	—	(7)	—	126	(7)	133	N/M
Total noninterest income	23,173	14,523	219,565	264,738	43,460	221,278	509.15 %
Total revenue	218,090	160,269	403,412	815,493	445,114	370,379	83.21 %
Provision for credit losses	(1,217)	15,148	688	(23)	23,727	(23,750)	(100.10)%
Expenses							
Salaries and employee benefits	68,934	53,053	67,192	202,261	155,588	46,673	30.00 %
Occupancy	10,387	7,571	10,073	30,192	21,892	8,300	37.91 %
Furniture and equipment	4,811	4,302	5,064	15,088	12,191	2,897	23.76 %
Amortization of intangible assets	4,454	2,417	4,603	13,611	5,367	8,244	153.61 %
Software	6,406	5,096	5,898	18,219	13,545	4,674	34.51 %
Data processing	3,816	2,853	3,196	10,816	8,301	2,515	30.30 %
Accounting and professional fees	3,602	2,514	2,727	9,093	6,458	2,635	40.80 %
Advertising and marketing	3,099	2,167	2,636	9,971	6,947	3,024	43.53 %
FDIC and other insurance	2,343	2,672	3,964	8,794	7,938	856	10.78 %
Acquisition related	3,191	17,761	11,212	46,086	35,437	10,649	30.05 %
Other expenses	16,700	13,272	41,916	76,765	36,519	40,246	110.21 %
Total expenses	127,743	113,678	158,481	440,896	310,183	130,713	42.14 %
Income before income tax, corporate allocation and noncontrolling interest	91,564	31,443	244,243	374,620	111,204	263,416	236.88 %
Corporate allocation	1,207	1,544	1,136	3,774	4,475	(701)	(15.66)%
Income before income tax provision and noncontrolling interest	92,771	32,987	245,379	378,394	115,679	262,715	227.11 %
Provision for income tax expense	15,855	3,881	58,021	80,414	16,375	64,039	391.08 %
Net income	76,916	29,106	187,358	297,980	99,304	198,676	200.07 %
Noncontrolling interest	(135)	(112)	(127)	(251)	(194)	(57)	29.38 %
Net income attributable to TowneBank	\$ 76,781	\$ 28,994	\$ 187,231	\$ 297,729	\$ 99,110	\$ 198,619	200.40 %
Efficiency ratio (non-GAAP)	56.53 %	69.42 %	38.14 %	52.40 %	68.48 %	(16.08)%	(23.48)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	57.24 %	69.42 %	75.11 %	69.58 %	68.79 %	0.79 %	1.15 %

TOWNEBANK
Mortgage Segment Financial Information (unaudited)
(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Revenue							
Residential mortgage brokerage income, net	\$ 11,856	\$ 13,724	\$ 13,392	\$ 37,746	\$ 38,388	\$ (642)	(1.67)%
Income from unconsolidated subsidiary	30	107	119	182	232	(50)	(21.55)%
Net interest and other income	1,514	1,414	1,484	4,167	3,620	547	15.11 %
Total revenue	13,400	15,245	14,995	42,095	42,240	(145)	(0.34)%
Provision for credit losses	40	128	(63)	(185)	379	(564)	(148.81)%
Expenses							
Salaries and employee benefits	8,239	7,574	8,011	24,195	21,920	2,275	10.38 %
Occupancy	970	956	950	2,785	2,993	(208)	(6.95)%
Furniture and equipment	238	151	140	554	497	57	11.47 %
Software	884	800	754	2,424	2,317	107	4.62 %
Data processing	165	209	169	479	570	(91)	(15.96)%
Accounting and professional fees	152	117	166	452	500	(48)	(9.60)%
Advertising and marketing	353	500	352	1,122	1,309	(187)	(14.29)%
FDIC and other insurance	177	128	163	489	341	148	43.40 %
Acquisition related	—	53	—	—	1,534	(1,534)	100.00 %
Other expenses	2,676	2,466	2,700	7,706	7,657	49	0.64 %
Total expenses	13,854	12,954	13,405	40,206	39,638	568	1.43 %
Income before income tax, corporate allocation and noncontrolling interest	(494)	2,163	1,653	2,074	2,223	(149)	(6.70)%
Corporate allocation	(466)	(502)	(531)	(1,412)	(1,371)	(41)	2.99 %
Income before income tax provision and noncontrolling interest	(960)	1,661	1,122	662	852	(190)	(22.30)%
Provision for income tax expense	(225)	319	226	88	38	50	131.58 %
Net income	(735)	1,342	896	574	814	(240)	(29.48)%
Noncontrolling interest	(79)	(205)	(305)	(503)	(630)	127	20.16 %
Net income attributable to TowneBank	\$ (814)	\$ 1,137	\$ 591	\$ 71	\$ 184	\$ (113)	(61.41)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	103.39 %	84.97 %	89.40 %	95.51 %	93.84 %	1.67 %	1.78 %

TOWNEBANK
Insurance Segment Financial Information (unaudited)
(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Commission and fee income							
Property and casualty	\$ 24,105	\$ 24,030	\$ 23,068	\$ 69,624	\$ 70,659	\$ (1,035)	(1.46)%
Employee benefits	4,622	4,925	4,940	14,438	14,245	193	1.35 %
Total commissions and fees	28,727	28,955	28,008	84,062	84,904	(842)	(0.99)%
Contingency and bonus revenue	2,537	2,556	2,828	9,096	9,210	(114)	(1.24)%
Other income	58	10	5	76	18	58	322.22 %
Total revenue	31,322	31,521	30,841	93,234	94,132	(898)	(0.95)%
Employee commission expense	4,921	4,943	4,982	14,657	15,001	(344)	(2.29)%
Revenue, net of commission expense	26,401	26,578	25,859	78,577	79,131	(554)	(0.70)%
Salaries and employee benefits	13,467	12,821	13,527	41,012	38,682	2,330	6.02 %
Occupancy	737	784	770	2,288	2,362	(74)	(3.13)%
Furniture and equipment	137	160	143	455	526	(71)	(13.50)%
Amortization of intangible assets	1,324	1,373	1,263	3,929	4,153	(224)	(5.39)%
Software	781	737	823	2,453	2,163	290	13.41 %
Data processing	102	140	127	333	392	(59)	(15.05)%
Accounting and professional fees	242	276	271	758	779	(21)	(2.70)%
Advertising and marketing	184	151	222	609	622	(13)	(2.09)%
FDIC and other insurance	187	142	158	485	376	109	28.99 %
Other expenses	712	611	753	2,142	1,958	184	9.40 %
Total operating expenses	17,873	17,195	18,057	54,464	52,013	2,451	4.71 %
Income before income tax, corporate allocation and noncontrolling interest	8,528	9,383	7,802	24,113	27,118	(3,005)	(11.08)%
Corporate allocation	(741)	(713)	(605)	(2,072)	(2,139)	67	3.13 %
Income before income tax provision and noncontrolling interest	7,787	8,670	7,197	22,041	24,979	(2,938)	(11.76)%
Provision for income tax expense	1,977	2,235	1,833	5,621	6,465	(844)	(13.05)%
Net income	5,810	6,435	5,364	16,420	18,514	(2,094)	(11.31)%
Noncontrolling interest	—	—	—	—	—	—	— %
Net income attributable to TowneBank	\$ 5,810	\$ 6,435	\$ 5,364	\$ 16,420	\$ 18,514	\$ (2,094)	(11.31)%
Provision for income taxes	1,977	2,235	1,833	5,621	6,465	(844)	(13.05)%
Depreciation, amortization and interest expense	1,401	1,481	1,342	4,172	4,496	(324)	(7.21)%
EBITDA (non-GAAP)	\$ 9,188	\$ 10,151	\$ 8,539	\$ 26,213	\$ 29,475	\$ (3,262)	(11.07)%
Efficiency ratio (non-GAAP)	62.68 %	59.53 %	64.94 %	64.31 %	60.48 %	3.83 %	6.33 %

TOWNEBANK
Resort Property Management Segment Financial Information (unaudited)
(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2026 over 2025	
	2026 (1)	2025	2026	2026	2025	Amount	Percent
Revenue							
Property management fees, net	\$ —	\$ 20,449	\$ —	12,440	49,209	(36,769)	(74.72)%
Net interest and other income	—	44	—	1	81	(80)	(98.77)%
Total revenue	—	20,493	—	12,441	49,290	(36,849)	(74.76)%
Expenses							
Salaries and employee benefits	—	5,516	—	5,081	16,214	(11,133)	(68.66)%
Occupancy	—	677	—	627	1,865	(1,238)	(66.38)%
Furniture and equipment	—	431	—	335	1,222	(887)	(72.59)%
Amortization of intangible assets	—	637	—	425	1,911	(1,486)	(77.76)%
Software	—	885	—	848	2,622	(1,774)	(67.66)%
Data processing	—	1,428	—	878	3,711	(2,833)	(76.34)%
Accounting and professional fees	—	92	—	110	454	(344)	(75.77)%
Advertising and marketing	—	941	—	821	2,582	(1,761)	(68.20)%
FDIC and other insurance	—	60	—	118	240	(122)	(50.83)%
Acquisition related	—	—	—	2	—	2	N/M
Other expenses	—	(756)	—	489	2,284	(1,795)	(78.59)%
Total expenses	—	9,911	—	9,734	33,105	(23,371)	(70.60)%
Income before income tax, corporate allocation and noncontrolling interest	—	10,582	—	2,707	16,185	(13,478)	(83.27)%
Corporate allocation	—	(329)	—	(290)	(965)	675	69.95 %
Income before income tax provision and noncontrolling interest	—	10,253	—	2,417	15,220	(12,803)	(84.12)%
Provision for income tax expense	—	2,524	—	681	3,912	(3,231)	(82.59)%
Net income	—	7,729	—	1,736	11,308	(9,572)	(84.65)%
Noncontrolling interest	—	—	—	—	(220)	220	100.00 %
Net income attributable to TowneBank	\$ —	\$ 7,729	\$ —	\$ 1,736	\$ 11,088	\$ (9,352)	(84.34)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	N/M	45.25 %	N/M	74.83 %	63.29 %	11.54 %	18.23 %

(1) The Resort Property Management segment was sold on April 3, 2026. There is no operating income to report in the quarters ended September 30, 2026 and June 30, 2026.

TOWNEBANK
Reconciliation of Non-GAAP Financial Measures
(dollars in thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2026	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2025
Return on average assets (GAAP)	1.46 %	0.94 %	3.45 %	1.90 %	0.96 %
Impact of excluding average goodwill and other intangibles and amortization	0.14 %	0.11 %	0.23 %	0.17 %	0.10 %
Return on average tangible assets (non-GAAP)	1.60 %	1.05 %	3.68 %	2.07 %	1.06 %
Return on average equity (GAAP)	10.73 %	7.72 %	25.66 %	14.25 %	7.81 %
Impact of excluding average goodwill and other intangibles and amortization	5.46 %	3.67 %	11.97 %	7.18 %	3.43 %
Return on average tangible equity (non-GAAP)	16.19 %	11.39 %	37.63 %	21.43 %	11.24 %
Return on average common equity (GAAP)	10.76 %	7.75 %	25.72 %	14.28 %	7.85 %
Impact of excluding average goodwill and other intangibles and amortization	5.48 %	3.70 %	12.04 %	7.22 %	3.46 %
Return on average tangible common equity (non-GAAP)	16.24 %	11.45 %	37.76 %	21.50 %	11.31 %
Book value (GAAP)	\$ 32.13	\$ 30.27	\$ 32.40	\$ 32.13	\$ 30.27
Impact of excluding average goodwill and other intangibles and amortization	(9.83)	(8.78)	(9.80)	(9.83)	(8.78)
Tangible book value (non-GAAP)	\$ 22.30	\$ 21.49	\$ 22.60	\$ 22.30	\$ 21.49
Efficiency ratio (GAAP)	61.84 %	69.07 %	42.75 %	57.48 %	70.63 %
Impact of exclusions	(1.62)%	(1.99)%	32.16 %	13.09 %	(1.63)%
Efficiency ratio (non-GAAP)	60.22 %	67.08 %	74.91 %	70.57 %	69.00 %
Average assets (GAAP)	\$ 22,276,634	\$ 18,624,099	\$22,485,951	\$ 22,218,405	\$ 17,969,486
Less: average goodwill and intangible assets	906,450	611,836	911,261	904,644	565,597
Average tangible assets (non-GAAP)	\$ 21,370,184	\$ 18,012,263	\$21,574,690	\$ 21,313,761	\$ 17,403,889
Average equity (GAAP)	\$ 3,022,671	\$ 2,279,984	\$ 3,019,560	\$ 2,964,341	\$ 2,209,879
Less: average goodwill and intangible assets	906,450	611,836	911,261	904,644	565,597
Average tangible equity (non-GAAP)	\$ 2,116,221	\$ 1,668,148	\$ 2,108,299	\$ 2,059,697	\$ 1,644,282
Average common equity (GAAP)	\$ 3,015,825	\$ 2,272,509	\$ 3,012,709	\$ 2,957,516	\$ 2,199,472
Less: average goodwill and intangible assets	906,450	611,836	911,261	904,644	565,597
Average tangible common equity (non-GAAP)	\$ 2,109,375	\$ 1,660,673	\$ 2,101,448	\$ 2,052,872	\$ 1,633,875
Net income (GAAP)	\$ 81,777	\$ 44,295	\$ 193,186	\$ 315,956	\$ 128,896
Amortization of intangibles, net of tax	4,565	3,497	4,634	14,192	9,030
Tangible net income (non-GAAP)	\$ 86,342	\$ 47,792	\$ 197,820	\$ 330,148	\$ 137,926
Total revenue (GAAP)	\$ 257,891	\$ 222,584	\$ 444,266	\$ 948,606	\$ 615,775
Net (gain)/loss on investment securities/equity investments	(2,692)	7	(198,550)	(201,368)	(1,993)
Total revenue for efficiency calculation (non-GAAP)	\$ 255,199	\$ 222,591	\$ 245,716	\$ 747,238	\$ 613,782
Noninterest expense (GAAP)	\$ 159,470	\$ 153,738	\$ 189,943	\$ 545,300	\$ 434,939
Less: amortization of intangibles	5,778	4,427	5,866	17,965	11,431
Noninterest expense net of amortization (non-GAAP)	\$ 153,692	\$ 149,311	\$ 184,077	\$ 527,335	\$ 423,508

TOWNEBANK
Reconciliation of Non-GAAP Financial Measures
(dollars in thousands, except per share data)

Reconciliation of GAAP Earnings to Operating Earnings Excluding Certain Items Affecting Comparability

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Net income available to common shareholders (GAAP)	\$ 81,777	\$ 193,186	\$ 40,993	\$ 40,630	\$ 44,295
<u>Adjustments</u>					
Plus: Acquisition-related expenses, net of tax	2,628	8,983	25,736	14,659	14,996
Plus: Special contribution, net of tax	—	19,750	—	—	—
Plus: Initial provision for acquired loans, net of tax	—	—	—	—	9,478
Less: Gain on sale of equity investments, net of noncontrolling interest and tax	(560)	(149,905)	—	—	—
Total adjustments, net of taxes	2,068	(121,172)	25,736	14,659	24,474
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	\$ 83,845	\$ 72,014	\$ 66,729	\$ 55,289	\$ 68,769
Annualized interest impact of Series IV Notes, net of tax	41	41	42	42	42
Core net income for diluted EPS (non-GAAP)	<u>\$ 83,886</u>	<u>\$ 72,055</u>	<u>\$ 66,771</u>	<u>\$ 55,331</u>	<u>\$ 68,811</u>
Weighted average diluted shares	92,611,197	92,463,558	90,775,117	79,109,745	76,763,640
Diluted EPS (GAAP)	\$ 0.88	\$ 2.09	\$ 0.45	\$ 0.51	\$ 0.58
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	\$ 0.91	\$ 0.78	\$ 0.74	\$ 0.70	\$ 0.90
Average assets	\$ 22,276,634	\$ 22,485,951	\$ 21,888,364	\$ 19,707,366	\$ 18,624,099
Average tangible equity	\$ 2,116,221	\$ 2,108,299	\$ 1,952,778	\$ 1,724,687	\$ 1,668,148
Average tangible common equity	\$ 2,109,375	\$ 2,101,448	\$ 1,945,999	\$ 1,717,982	\$ 1,660,673
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.49 %	1.28 %	1.24 %	1.11 %	1.46 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	16.57 %	14.58 %	14.90 %	13.69 %	17.23 %
Return on average common equity, excluding certain items affecting comparability (non-GAAP)	11.03 %	9.59 %	9.52 %	9.10 %	12.03 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	16.63 %	14.63 %	14.95 %	13.74 %	17.31 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	61.24 %	62.56 %	66.66 %	67.50 %	61.06 %

TOWNEBANK
Reconciliation of Non-GAAP Financial Measures
(dollars in thousands, except per share data)

<u>Reconciliation of GAAP Earnings to Operating Earnings Excluding Certain Items Affecting Comparability</u>	Nine Months Ended	
	September 30,	September 30,
	2026	2025
Net income available to common shareholders (GAAP)	\$ 315,956	\$ 128,896
<u>Adjustments</u>		
Plus: Acquisition-related expenses, net of tax	37,347	30,676
Plus: Special contribution, net of tax	19,750	—
Plus: Initial provision for acquired loans, net of tax	—	14,404
Plus: Resort Property Management deferred tax adjustment for repurchase of noncontrolling interests	—	2,286
Less: Gain on sale of equity investments, net of noncontrolling interest and tax	(150,465)	—
Total adjustments, net of taxes	(93,368)	47,366
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	\$ 222,588	\$ 176,262
Annualized interest impact of Series IV Notes, net of tax	124	126
Core net income for diluted EPS (non-GAAP)	<u>\$ 222,712</u>	<u>\$ 176,388</u>
Weighted average diluted shares	91,959,715	75,952,187
Diluted EPS (GAAP)	\$ 3.44	\$ 1.70
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	\$ 2.42	\$ 2.32
Average assets	\$ 22,218,405	\$ 17,969,486
Average tangible equity	\$ 2,059,697	\$ 1,644,282
Average tangible common equity	\$ 2,052,872	\$ 1,633,875
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.34 %	1.31 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	15.37 %	15.10 %
Return on average common equity, excluding certain items affecting comparability (non-GAAP)	10.06 %	10.73 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	15.42 %	15.20 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	63.46 %	64.84 %