TOWNEBANK

News Release

FOR IMMEDIATE RELEASE

TOWNEBANK REPORTS THIRD QUARTER 2025 EARNINGS

Suffolk, VA., October 22, 2025 - TowneBank (the "Company" or "Towne") (NASDAQ: TOWN) today reported earnings for the quarter ended September 30, 2025 of $38.98 million, or $0.51 per diluted share, compared to $42.95 million, or $0.57 per diluted share, for the quarter ended September 30, 2024. Excluding certain items affecting comparability, core earnings (non-GAAP) were $63.45 million, or $0.83 per diluted share, in the current quarter compared to $43.39 million, or $0.58 per diluted share, for the quarter ended September 30, 2024.

"We delivered another strong quarter with total revenue up nearly 24% year-over-year. During the period, we announced a new partnership with Dogwood and completed the Old Point acquisition. Our disciplined approach, partnering with leading organizations in high growth markets, continues to drive earnings momentum, reflected in a 3.50% tax-equivalent margin. Towne's resilient business model and flexible balance sheet position us well to navigate an uncertain economic environment" said G. Robert Aston, Jr., Executive Chairman.

<u>Highlights for Third Quarter 2025:</u>

- Towne successfully completed the acquisition of Old Point Financial Corporation ("Old Point"), the parent company of The Old Point National Bank of Phoebus ("Old Point National Bank"), in September 2025. Included in that acquisition were $961.35 million in loans, $208.83 million in securities, and $1.21 billion in deposits.
- As previously announced, Towne successfully completed the acquisition of Village Bank and Trust Financial Corp. and its wholly-owned bank subsidiary, Village Bank ("Village"), in April 2025. Included in that acquisition were $576.51 million in loans, $74.31 million in securities, and $637.49 million in deposits.

- Total revenues were $215.67 million, an increase of $41.15 million, or 23.58%, compared to third quarter 2024. Net interest income increased $34.67 million, driven by a combination of increased interest income and lower deposit costs, and noninterest income increased $6.48 million.
- Total deposits were $16.53 billion, an increase of $2.17 billion, or 15.09%, compared to third quarter 2024. Total deposits increased 7.84%, or $1.20 billion, in comparison to June 30, 2025. Excluding $1.21 billion in Old Point acquired deposits, total deposits would have increased $0.96 billion, or 6.66% compared to the prior year but declined $9.67 million, compared to the linked quarter.
- Noninterest-bearing deposits increased 20.43%, to $5.14 billion, compared to third quarter 2024 and represented 31.09% of total deposits. Compared to the linked quarter, noninterest-bearing deposits increased 8.10%, including $306.07 million acquired from Old Point.
- Loans held for investment were $13.38 billion, an increase of $1.97 billion, or 17.23%, compared to September 30, 2024, and $1.02 billion, or 8.25% compared to June 30, 2025. Excluding loans acquired in the quarter, total loans would have increased $1.01 billion, or 8.81%, compared to the prior year and $58.01 million, or 1.86% on an annualized basis, compared to the linked quarter.
- Annualized return on common shareholders' equity was 6.80% compared to 8.18% in third quarter 2024. Annualized return on average tangible common shareholders' equity (non-GAAP) was 10.15% compared to 11.54% in third quarter 2024.
- Net interest margin was 3.48% for the quarter and tax-equivalent net interest margin (non-GAAP) was 3.50%, including purchase accounting accretion of 8 basis points, compared to the prior year quarter net interest margin of 2.90% and tax-equivalent net interest margin (non-GAAP) of 2.93%, including purchase accounting accretion of 3 basis points.
- Compared to the linked quarter, which included purchase accounting accretion of 6 basis points, net interest margin increased 10 basis points and spread increased 11 basis points.
- The effective tax rate was 15.88% in the quarter compared to 11.52% in third quarter 2024 and 22.23% in the linked quarter. The increase in the effective rate from third quarter 2024 to 2025 was due to an increase in state tax expense and nondeductible expenses related to the Old Point acquisition. The lower effective tax rate in the current quarter compared to prior quarter was primarily due to LIHTC investment properties placed in service during the period and the prior quarter nonrecurring adjustment to deferred income tax related to the repurchase of noncontrolling interests in Resort Property Management.

"We're excited to have completed most of the Village integration and system conversions, marking a major milestone for our team. Our immediate priority is to finalize the Dogwood partnership and integrate Old Point systems which we expect could occur in the first quarter of 2026. Looking ahead, we anticipate scheduling the Dogwood system integration in the second half of 2026. I want to express my sincere gratitude to our dedicated teammates whose leadership and commitment to our mission of Serving Others and Enriching Lives make these achievements possible," stated William I. Foster III, President and Chief Executive Officer.

Quarterly Net Interest Income:

- Net interest income was $146.95 million in third quarter 2025 compared to $112.28 million for the quarter ended September 30, 2024.
- On an average basis, loans held for investment, with a yield of 5.65%, represented 75.52% of earning assets at September 30, 2025 compared to a yield of 5.46% and 74.16% of earning assets at September 30, 2024.
- The cost of interest-bearing deposits was 2.55% for the quarter ended September 30, 2025, compared to 3.28% in second quarter 2024. Interest expense on deposits decreased $12.99 million, or 15.81%, from the prior year quarter driven by decreases in rate.
- Our total cost of deposits decreased to 1.75% from 2.29% for the quarter ended September 30, 2024 due to lower interest-bearing deposit rates, as short-term Treasury rates continued to fall.
- Average interest-earning assets totaled $16.77 billion at September 30, 2025 compared to $15.40 billion at September 30, 2024, an increase of 8.89%.
- Average interest-bearing liabilities totaled $11.07 billion, an increase of $0.82 billion, or 8.01%, from prior year, driven by demand and money market deposit growth. Borrowings increased by $68.12 million over the linked quarter, driven by debt assumed in the Old Point acquisition.

Quarterly Provision for Credit Losses:

- The quarterly provision for credit losses was an expense of $15.28 million compared to a benefit of $1.10 million in the prior year quarter and an expense of $6.41 million in the linked quarter. The provision includes an initial provision for credit losses of $12.00 million related to loans and commitments acquired in the Old Point transaction.
- The allowance for credit losses on loans increased $14.99 million in third quarter 2025, compared to the linked quarter, $13.50 million of which resulted from the September 2025 acquisition of Old Point. In addition to the $11.45 million initial acquisition related provision for the purchased loan portfolio we increased our allowance $2.05 million for purchased credit deteriorated loan marks.

Additional allowance increases were primarily driven by loan portfolio growth.

- Net loan charge-offs were $254 thousand in the quarter, $19 thousand in the linked quarter, and $677 thousand in the prior year quarter.
- The ratio of net charge-offs to average loans on an annualized basis was 0.01% in third quarter 2025, 0.02% in third quarter 2024, and 0.00% in the linked quarter.
- The allowance for credit losses on loans represented 1.11% of total loans at September 30, 2025, compared to 1.08% at September 30, 2024, and 1.09% at June 30, 2025. The allowance for credit losses on loans was 19.38 times nonperforming loans compared to 18.70 times at September 30, 2024 and 16.81 times at June 30, 2025.

Quarterly Noninterest Income:

- Total noninterest income was $68.71 million compared to $62.24 million in 2024, an increase of $6.48 million, or 10.41%.
- Property management fee revenue increased $2.31 million, or 20.57%, to $13.53 million in third quarter 2025, compared to third quarter 2024. The increase was driven by changes to our fee structure resulting in revenue growth.
- Residential mortgage banking income was $13.12 million compared to $11.79 million in third quarter 2024. Loan volume increased to $636.36 million in third quarter 2025 from $598.18 million in third quarter 2024. Residential purchase activity was 91.84% of production volume in the third quarter of 2025 compared to 91.49% in third quarter 2024.
- Gross margins on residential mortgage sales increased 19 basis points to 3.32%, from the linked quarter and 4 basis points from 3.28% in third quarter 2024.
- Investment income, net, increased 1.10 million, or 38.73%, from third quarter 2024, $0.50 million of this increase was attributable to the acquisition of Old Point.

Quarterly Noninterest Expense:

- Total noninterest expense was $153.74 million compared to $126.90 million in 2024, an increase of $26.84 million, or 21.15%. This increase was primarily attributable to acquisition-related expenses and growth in salaries and employee benefits.
- The acquisitions of Village and Old Point, and the pending acquisition of Dogwood State Bank, which is expected to be completed first quarter 2026, resulted in $17.81 million in acquisition-related expenses in the quarter.

- An increase in banking personnel related to the Village and Old Point acquisitions represented $3.03 million of the $6.84 million increase in salaries and benefits expenses, compared to the prior year quarter. Additional contributing factors were annual base salary adjustments that went into effect October 2024 and higher performance-based incentives.

Consolidated Balance Sheet Highlights:

- Total assets were $19.68 billion for the quarter ended September 30, 2025, a $1.42 billion increase compared to $18.26 billion at June 30, 2025. Total assets increased $2.49 billion, or 14.51%, from $17.19 billion at September 30, 2024.
- Loans held for investment increased $1.97 billion, or 17.23%, compared to prior year and $1.02 billion, or 8.25%, compared to the linked quarter. The Company continues to maintain a strong credit discipline.
- Mortgage loans held for sale decreased $51.81 million, or 19.60%, compared to prior year and $26.24 million, or 10.99%, compared to the linked quarter, driven by production seasonality.
- Total deposits increased $2.17 billion, or 15.09%, compared to prior year, driven by acquisition-related increases in both noninterest bearing and interest-bearing demand deposits. In the linked quarter comparison, total deposits increased $1.20 billion, or 7.84%.
- Noninterest-bearing deposits increased $871.86 million, or 20.43%, compared to prior year and $385.15 million, or 8.10%, compared to the linked quarter.
- Total borrowings increased $71.41 million, or 24.56%, compared to third quarter 2024 and $68.12 million, or 23.16%, compared to the linked quarter, due to acquired FHLB borrowings and subordinated debt.

Investment Securities:

- Total investment securities were $2.87 billion compared to $2.78 billion at June 30, 2025 and $2.60 billion at September 30, 2024. The weighted average duration of the portfolio at September 30, 2025 was 3.2 years. The carrying value of the available-for-sale debt securities portfolio included net unrealized losses of $87.87 million at September 30, 2025, compared to $113.14 million at June 30, 2025 and $110.62 million at September 30, 2024, with the changes in fair value marks due to the change in interest rates.

Loans and Asset Quality:

- Total loans held for investment were $13.38 billion at September 30, 2025, $12.36 billion at

June 30, 2025, and $11.41 billion at September 30, 2024. Excluding loans acquired in the quarter, total loans would have increased $1.01 billion, or 8.81%, compared to the prior year and $58.01 million, or 1.86% on an annualized basis, compared to the linked quarter.

- Nonperforming assets were $10.38 million, or 0.05% of total assets, compared to $7.47 million, or 0.04%, at September 30, 2024, and $9.29 million, or 0.05%, at the linked quarter end.
- Nonperforming loans were 0.06% of period end loans at September 30, 2025, September 30, 2024, and the linked quarter end.
- Foreclosed property consisted of $712 thousand in other real estate owned, $885 thousand in former bank premises and $1.09 million in repossessed autos, for a total of $2.68 million in foreclosed property at September 30, 2025, compared to $884 thousand in repossessed autos at September 30, 2024.

Deposits and Borrowings:

- Total deposits were $16.53 billion compared to $15.33 billion at June 30, 2025 and $14.36 billion at September 30, 2024. Excluding $1.21 billion in acquired deposits, total deposits would have increased $0.96 billion, or 6.66%, compared to the prior year but declined $9.67 million, or 0.25% on an annualized basis from the linked quarter.
- The ratio of period end loans held for investment to deposits was 80.93% compared to 80.63% at June 30, 2025 and 79.46% at September 30, 2024.
- Noninterest-bearing deposits were 31.09% of total deposits at September 30, 2025 compared to 31.02% at June 30, 2025 and 29.71% at September 30, 2024. Noninterest-bearing deposits increased $0.87 billion, or 20.43%, compared to September 30, 2024, and $385.15 million, or 8.10%, compared to the linked quarter.
- Total borrowings were $362.23 million compared to $294.12 million at June 30, 2025 and $290.82 million at September 30, 2024.

Capital:

- Common equity tier 1 capital ratio of 11.18%(1).
- Tier 1 leverage capital ratio of 9.84%(1).
- Tier 1 risk-based capital ratio of 11.23%(1).
- Total risk-based capital ratio of 13.99% (1).
- Book value per common share was $30.38 compared to $29.58 at June 30, 2025 and $28.59 at September 30, 2024.

- Tangible book value per common share (non-GAAP) was $21.59 compared to $21.98 at June 30, 2025 and $21.65 at September 30, 2024.

(1) Preliminary.

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 60 banking offices throughout Hampton Roads and Central Virginia, as well as Northeastern and Central North 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 Vacations. With total assets of $19.68 billion as of September 30, 2025, 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, 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.

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Selected Financial Highlights (unaudited)

(dollars in thousands, except per share data)

	Three Months Ended				
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Income and Performance Ratios:					
Total revenue	$ 215,665	$ 207,442	$ 192,044	$ 177,160	$ 174,518
Net income	39,294	39,269	50,887	41,441	43,126
Net income available to common shareholders	38,977	38,837	50,592	41,265	42,949
Net income per common share - diluted	0.51	0.51	0.67	0.55	0.57
Book value per common share	30.38	29.58	29.19	28.43	28.59
Book value per common share - tangible (non-GAAP)	21.59	21.98	22.36	21.55	21.65
Return on average assets	0.83 %	0.86 %	1.19 %	0.95 %	1.00 %
Return on average assets - tangible (non-GAAP)	0.94 %	0.96 %	1.29 %	1.03 %	1.09 %
Return on average equity	6.78 %	7.12 %	9.50 %	7.64 %	8.12 %
Return on average equity - tangible (non-GAAP)	10.10 %	10.39 %	13.08 %	10.68 %	11.42 %
Return on average common equity	6.80 %	7.14 %	9.57 %	7.70 %	8.18 %
Return on average common equity - tangible (non-GAAP)	10.15 %	10.44 %	13.21 %	10.79 %	11.54 %
Noninterest income as a percentage of total revenue	31.86 %	33.85 %	37.27 %	33.36 %	35.66 %
Regulatory Capital Ratios (1):					
Common equity tier 1	11.18 %	11.77 %	12.75 %	12.77 %	12.63 %
Tier 1	11.23 %	11.82 %	12.87 %	12.89 %	12.76 %
Total	13.99 %	14.49 %	15.65 %	15.68 %	15.54 %
Tier 1 leverage ratio	9.84 %	9.93 %	10.61 %	10.36 %	10.38 %
Asset Quality:					
Allowance for credit losses on loans to nonperforming loans	19.38x	16.81x	19.15x	16.69x	18.70x
Allowance for credit losses on loans to period end loans	1.11 %	1.09 %	1.08 %	1.08 %	1.08 %
Nonperforming loans to period end loans	0.06 %	0.06 %	0.06 %	0.06 %	0.06 %
Nonperforming assets to period end assets	0.05 %	0.05 %	0.04 %	0.05 %	0.04 %
Net charge-offs (recoveries) to average loans (annualized)	0.01 %	— %	0.02 %	0.01 %	0.02 %
Net charge-offs (recoveries)	$ 254	$ 19	$ 626	$ 382	$ 677
Nonperforming loans	$ 7,698	$ 7,982	$ 6,586	$ 7,424	$ 6,588
Former bank premises	885	—	—	—	—
Foreclosed property	1,798	1,306	786	443	884
Total nonperforming assets	$ 10,381	$ 9,288	$ 7,372	$ 7,867	$ 7,472
Loans past due 90 days and still accruing interest	$ 1,863	$ 210	$ 15	$ 1,264	$ 510
Allowance for credit losses on loans	$ 149,175	$ 134,187	$ 126,131	$ 123,923	$ 123,191
Mortgage Banking:					
Loans originated, mortgage	$ 491,921	$ 494,108	$ 300,699	$ 385,238	$ 421,571
Loans originated, joint venture	144,440	177,359	144,495	180,188	176,612
Total loans originated	$ 636,361	$ 671,467	$ 445,194	$ 565,426	$ 598,183
Number of loans originated	1,679	1,750	1,181	1,489	1,637
Number of originators	169	166	161	160	159
Purchase %	91.84 %	92.37 %	89.94 %	89.46 %	91.49 %
Loans sold	$ 657,822	$ 596,009	$ 475,518	$ 629,120	$ 526,998
Rate lock asset	$ 2,213	$ 2,186	$ 1,880	$ 1,150	$ 1,548
Gross realized gain on sales and fees as a % of loans originated	3.32 %	3.13 %	3.18 %	3.25 %	3.28 %
Other Ratios:					
Net interest margin	3.48 %	3.38 %	3.14 %	2.99 %	2.90 %
Net interest margin-fully tax-equivalent (non-GAAP)	3.50 %	3.40 %	3.17 %	3.02 %	2.93 %
Average earning assets/total average assets	90.03 %	90.23 %	90.32 %	90.57 %	90.43 %
Average loans/average deposits	80.92 %	81.09 %	80.01 %	78.71 %	80.07 %
Average noninterest deposits/total average deposits	31.30 %	30.88 %	29.68 %	30.14 %	30.19 %
Period end equity/period end total assets	12.22 %	12.26 %	12.66 %	12.50 %	12.58 %
Efficiency ratio (non-GAAP)	69.23 %	70.71 %	67.10 %	70.28 %	70.93 %

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

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Selected Data (unaudited)

(dollars in thousands)

Investment Securities				**% Change**	
	Q3	**Q3**	**Q2**	**Q3 25 vs.**	**Q3 25 vs.**
Available-for-sale securities, at fair value	**2025**	**2024**	**2025**	**Q3 24**	**Q2 25**
U.S. agency securities	$ 364,889	$ 291,814	$ 345,808	25.04 %	5.52 %
U.S. Treasury notes	83,246	28,655	78,746	190.51 %	5.71 %
Municipal securities	478,711	455,722	438,490	5.04 %	9.17 %
Trust preferred and other corporate securities	143,291	91,525	115,126	56.56 %	24.46 %
Mortgage-backed securities issued by GSEs and GNMA	1,599,812	1,496,631	1,577,325	6.89 %	1.43 %
Allowance for credit losses	(1,350)	(1,171)	(1,520)	15.29 %	(11.18)%
Total	$ 2,668,599	$ 2,363,176	$ 2,553,975	12.92 %	4.49 %
Gross unrealized gains (losses) reflected in financial statements					
Total gross unrealized gains	$ 10,741	$ 6,703	$ 6,048	60.24 %	77.60 %
Total gross unrealized losses	(98,606)	(117,319)	(119,186)	(15.95)%	(17.27)%
Net unrealized gains (losses) and other adjustments on AFS securities	$ (87,865)	$ (110,616)	$ (113,138)	(20.57)%	(22.34)%
Held-to-maturity securities, at amortized cost					
U.S. agency securities	$ 68,140	$ 102,428	$ 92,973	(33.48)%	(26.71)%
U.S. Treasury notes	96,017	96,942	96,250	(0.95)%	(0.24)%
Municipal securities	5,439	5,342	5,414	1.82 %	0.46 %
Trust preferred corporate securities	2,081	2,133	2,094	(2.44)%	(0.62)%
Mortgage-backed securities issued by GSEs	5,166	5,577	5,201	(7.37)%	(0.67)%
Allowance for credit losses	(65)	(77)	(67)	(15.58)%	(2.99)%
Total	$ 176,778	$ 212,345	$ 201,865	(16.75)%	(12.43)%
Total gross unrealized gains	$ 283	$ 323	$ 214	(12.38)%	32.24 %
Total gross unrealized losses	(3,746)	(7,929)	(5,148)	(52.76)%	(27.23)%
Net unrealized gains (losses) in HTM securities	$ (3,463)	$ (7,606)	$ (4,934)	(54.47)%	(29.81)%
Total unrealized gains (losses) on AFS and HTM securities	$ (91,328)	$ (118,222)	$ (118,072)	(22.75)%	(22.65)%

				% Change	
Loans Held For Investment	**Q3**	**Q3**	**Q2**	**Q3 25 vs.**	**Q3 25 vs.**
	2025	**2024**	**2025**	**Q3 24**	**Q2 25**
Real estate - construction and development	$ 1,239,372	$ 1,118,669	$ 1,072,625	10.79 %	15.55 %
Commercial real estate - owner occupied	1,910,050	1,655,345	1,815,900	15.39 %	5.18 %
Commercial real estate - non-owner occupied	3,808,755	3,179,699	3,557,175	19.78 %	7.07 %
Real estate - multifamily	920,254	750,906	887,083	22.55 %	3.74 %
Residential 1-4 family	2,189,417	1,891,216	1,997,395	15.77 %	9.61 %
HELOC	556,386	408,565	480,610	36.18 %	15.77 %
Commercial and industrial business (C&I)	1,452,133	1,256,511	1,370,564	15.57 %	5.95 %
Government	504,543	521,681	510,902	(3.29)%	(1.24)%
Indirect	697,606	546,887	579,041	27.56 %	20.48 %
Consumer loans and other	100,517	83,039	88,378	21.05 %	13.74 %
Total	$ 13,379,033	$ 11,412,518	$ 12,359,673	17.23 %	8.25 %

				% Change	
Deposits	**Q3**	**Q3**	**Q2**	**Q3 25 vs.**	**Q3 25 vs.**
	2025	**2024**	**2025**	**Q3 24**	**Q2 25**
Noninterest-bearing demand	$ 5,139,488	$ 4,267,628	$ 4,754,340	20.43 %	8.10 %
Interest-bearing:					
Demand and money market accounts	8,273,987	6,990,103	7,654,317	18.37 %	8.10 %
Savings	331,168	319,970	332,108	3.50 %	(0.28)%
Certificates of deposits	2,786,292	2,785,469	2,587,951	0.03 %	7.66 %
Total	16,530,935	14,363,170	15,328,716	15.09 %	7.84 %

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

	Three Months Ended September 30, 2025			Three Months Ended June 30, 2025			Three Months Ended September 30, 2024		
	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)	$ 12,662,595	$180,361	5.65 %	$ 12,304,172	$170,520	5.56 %	$ 11,419,428	$156,610	5.46 %
Taxable investment securities	2,627,476	23,203	3.53 %	2,598,093	23,361	3.60 %	2,376,102	20,940	3.53 %
Tax-exempt investment securities	176,193	1,913	4.34 %	172,083	1,802	4.19 %	168,768	1,686	4.00 %
Total securities	2,803,669	25,116	3.58 %	2,770,176	25,163	3.63 %	2,544,870	22,626	3.56 %
Interest-bearing deposits	1,096,909	10,597	3.83 %	1,045,727	10,241	3.93 %	1,226,445	15,249	4.95 %
Mortgage loans held for sale	204,949	3,351	6.54 %	172,102	2,770	6.44 %	208,513	3,247	6.23 %
Total earning assets	16,768,122	219,425	5.19 %	16,292,177	208,694	5.14 %	15,399,256	197,732	5.11 %
Less: allowance for loan losses	(139,408)			(131,837)			(125,331)		
Total nonearning assets	1,995,385			1,896,640			1,754,216		
Total assets	$ 18,624,099			$ 18,056,980			$ 17,028,141		
Liabilities and Equity:									
Interest-bearing deposits									
Demand and money market	$ 7,791,983	$ 43,015	2.19 %	$ 7,590,290	$ 42,054	2.22 %	$ 6,917,622	$ 48,896	2.81 %
Savings	332,403	684	0.82 %	337,807	704	0.84 %	315,338	842	1.06 %
Certificates of deposit	2,626,140	25,444	3.84 %	2,560,313	25,394	3.98 %	2,723,437	32,390	4.73 %
Total interest-bearing deposits	10,750,526	69,143	2.55 %	10,488,410	68,152	2.61 %	9,956,397	82,128	3.28 %
Borrowings	49,111	(212)	(1.69)%	34,799	(341)	(3.88)%	33,867	(25)	(0.29)%
Subordinated debt, net	267,755	2,461	3.68 %	272,448	2,609	3.83 %	256,309	2,237	3.49 %
Total interest-bearing liabilities	11,067,392	71,392	2.56 %	10,795,657	70,420	2.62 %	10,246,573	84,340	3.27 %
Demand deposits	4,898,006			4,685,835			4,305,783		
Other noninterest-bearing liabilities	378,717			387,166			370,736		
Total liabilities	16,344,115			15,868,658			14,923,092		
Shareholders' equity	2,279,984			2,188,322			2,105,049		
Total liabilities and equity	$ 18,624,099			$ 18,056,980			$ 17,028,141		
Net interest income (tax-equivalent basis) (4)		$148,033			$138,274			$113,392	
Reconciliation of Non-GAAP Financial Measures									
Tax-equivalent basis adjustment		(1,081)			(1,061)			(1,110)	
Net interest income (GAAP)		$146,952			$137,213			$112,282	
Interest rate spread (2)(4)			2.63 %			2.52 %			1.84 %
Interest expense as a percent of average earning assets			1.69 %			1.73 %			2.18 %
Net interest margin (tax-equivalent basis) (3)(4)			3.50 %			3.40 %			2.93 %
Total cost of deposits			1.75 %			1.80 %			2.29 %

(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 September 30, 2025			Nine Months Ended September 30, 2024		
	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)	$ 12,169,050	$503,947	5.54 %	$ 11,423,458	$463,794	5.42 %
Taxable investment securities	2,568,420	67,866	3.52 %	2,395,007	61,327	3.41 %
Tax-exempt investment securities	174,786	5,575	4.25 %	162,294	4,756	3.91 %
Total securities	2,743,206	73,441	3.57 %	2,557,301	66,083	3.45 %
Interest-bearing deposits	1,113,719	32,639	3.92 %	1,192,319	43,995	4.93 %
Mortgage loans held for sale	180,618	8,774	6.48 %	163,755	7,908	6.44 %
Total earning assets	16,206,593	618,801	5.10 %	15,336,833	581,780	5.07 %
Less: allowance for loan losses	(131,892)			(126,508)		
Total nonearning assets	1,894,785			1,748,215		
Total assets	$ 17,969,486			$ 16,958,540		
Liabilities and Equity:						
Interest-bearing deposits						
Demand and money market	$ 7,555,758	$125,675	2.22 %	$ 6,880,752	$145,042	2.82 %
Savings	327,517	2,102	0.86 %	320,696	2,569	1.07 %
Certificates of deposit	2,575,944	76,651	3.98 %	2,674,509	94,928	4.74 %
Total interest-bearing deposits	10,459,219	204,428	2.61 %	9,875,957	242,539	3.28 %
Borrowings	37,910	(854)	(2.97)%	115,171	4,679	5.34 %
Subordinated debt, net	266,786	7,374	3.69 %	256,094	6,710	3.49 %
Total interest-bearing liabilities	10,763,915	210,948	2.62 %	10,247,222	253,928	3.31 %
Demand deposits	4,622,418			4,265,971		
Other noninterest-bearing liabilities	373,274			381,547		
Total liabilities	15,759,607			14,894,740		
Shareholders' equity	2,209,879			2,063,800		
Total liabilities and equity	$ 17,969,486			$ 16,958,540		
Net interest income (tax-equivalent basis)(4)		$407,853			$327,852	
Reconciliation of Non-GAAP Financial Measures						
Tax-equivalent basis adjustment		(3,210)			(3,304)	
Net interest income (GAAP)		$404,643			$324,548	
Interest rate spread (2)(4)			2.48 %			1.76 %
Interest expense as a percent of average earning assets			1.74 %			2.21 %
Net interest margin (tax-equivalent basis) (3)(4)			3.36 %			2.86 %
Total cost of deposits			1.81 %			2.29 %

(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, 2025 (unaudited)	December 31, 2024 (audited)
ASSETS		
Cash and due from banks	$ 152,647	$ 108,750
Interest-bearing deposits at FRB	974,514	1,127,878
Interest-bearing deposits in financial institutions	122,819	102,847
Total Cash and Cash Equivalents	1,249,980	1,339,475
Securities available for sale, at fair value (amortized cost of $2,757,814 and $2,509,970, and allowance for credit losses of $1,350 and $1,326 at September 30, 2025 and December 31, 2024, respectively)	2,668,599	2,353,365
Securities held to maturity, at amortized cost (fair value of $173,380 and $203,883 at September 30, 2025 and December 31, 2024, respectively)	176,843	212,352
Less: allowance for credit losses	(65)	(77)
Securities held to maturity, net of allowance for credit losses	176,778	212,275
Other equity securities	12,420	12,100
FHLB stock	16,341	12,136
Total Securities	2,874,138	2,589,876
Mortgage loans held for sale	212,507	200,460
Loans, net of unearned income and deferred costs	13,379,033	11,459,055
Less: allowance for credit losses on loans	(149,175)	(123,923)
Net Loans	13,229,858	11,335,132
Premises and equipment, net	422,134	368,876
Goodwill	591,691	457,619
Other intangible assets, net	101,875	60,171
BOLI	334,527	279,802
Other assets	665,810	615,479
TOTAL ASSETS	$ 19,682,520	$ 17,246,890
LIABILITIES AND EQUITY		
Deposits:		
Noninterest-bearing demand	$ 5,139,488	$ 4,253,053
Interest-bearing:		
Demand and money market accounts	8,273,987	7,329,669
Savings	331,168	311,841
Certificates of deposit	2,786,292	2,542,735
Total Deposits	16,530,935	14,437,298
Advances from the FHLB	52,646	3,218
Subordinated debt, net	283,847	260,001
Repurchase agreements and other borrowings	25,740	33,683
Total Borrowings	362,233	296,902
Other liabilities	384,321	357,063
TOTAL LIABILITIES	17,277,489	15,091,263
Preferred stock, authorized and unissued shares - 2,000,000	—	—
Common stock, $1.667 par value: 150,000,000 shares authorized; 78,928,417 and 75,255,205 shares issued at September 30, 2025 and December 31, 2024, respectively	131,574	125,455
Capital surplus	1,253,666	1,122,147
Retained earnings	1,075,657	1,007,775
Common stock issued to deferred compensation trust, at cost: 1,112,008 and 1,046,121 shares at September 30, 2025 and December 31, 2024, respectively	(24,130)	(21,868)
Deferred compensation trust	24,130	21,868
Accumulated other comprehensive income (loss)	(63,370)	(116,045)
TOTAL SHAREHOLDERS' EQUITY	2,397,527	2,139,332
Noncontrolling interest	7,504	16,295
TOTAL EQUITY	2,405,031	2,155,627
TOTAL LIABILITIES AND EQUITY	$ 19,682,520	$ 17,246,890

TOWNEBANK

Consolidated Statements of Income (unaudited)

(dollars in thousands, except per share data)

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
INTEREST INCOME:				
Loans, including fees	$ 179,612	$ 155,792	$ 501,705	$ 461,316
Investment securities	24,784	22,334	72,473	65,257
Interest-bearing deposits in financial institutions and federal funds sold	10,597	15,249	32,639	43,995
Mortgage loans held for sale	3,351	3,247	8,774	7,908
Total interest income	218,344	196,622	615,591	578,476
INTEREST EXPENSE:				
Deposits	69,143	82,128	204,428	242,539
Advances from the FHLB	258	29	407	3,408
Subordinated debt, net	2,461	2,237	7,374	6,710
Repurchase agreements and other borrowings	(470)	(54)	(1,261)	1,271
Total interest expense	71,392	84,340	210,948	253,928
Net interest income	146,952	112,282	404,643	324,548
PROVISION FOR CREDIT LOSSES	15,276	(1,100)	24,106	(2,154)
Net interest income after provision for credit losses	131,676	113,382	380,537	326,702
NONINTEREST INCOME:				
Residential mortgage banking income, net	13,123	11,786	37,046	35,685
Insurance commissions and related income, net	25,791	25,727	77,893	75,297
Property management income, net	13,529	11,221	48,585	42,306
Service charges on deposit accounts	4,056	3,117	11,025	9,548
Credit card merchant fees, net	1,909	1,830	5,400	5,042
Investment income, net	3,933	2,835	10,166	7,759
BOLI	2,157	1,886	6,021	6,966
Gain on sale of equity investment	—	20	2,000	20
Other income	4,222	3,814	12,379	9,345
Net gain on investment securities	(7)	—	(7)	74
Total noninterest income	68,713	62,236	210,508	192,042
NONINTEREST EXPENSE:				
Salaries and employee benefits	78,964	72,123	232,404	214,849
Occupancy	9,988	9,351	29,112	28,490
Furniture and equipment	5,044	4,657	14,436	13,769
Amortization - intangibles	4,427	3,130	11,431	9,675
Software	7,518	6,790	20,647	19,947
Data processing	4,630	4,701	12,974	13,223
Professional fees	2,999	4,720	8,191	11,689
Advertising and marketing	3,759	4,162	11,460	12,268
FDIC and other insurance	3,002	2,797	8,895	9,287
Acquisition related expenses	17,814	460	36,971	1,073
Other expenses	15,593	14,009	48,418	42,205
Total noninterest expense	153,738	126,900	434,939	376,475
Income before income tax expense and noncontrolling interest	46,651	48,718	156,106	142,269
Provision for income tax expense	7,357	5,592	26,656	20,977
Net income	$ 39,294	$ 43,126	$ 129,450	$ 121,292
Net income attributable to noncontrolling interest	(317)	(177)	(1,044)	(800)
Net income attributable to TowneBank	$ 38,977	$ 42,949	$ 128,406	$ 120,492
Per common share information				
Basic earnings	$ 0.51	$ 0.57	$ 1.70	$ 1.61
Diluted earnings	$ 0.51	$ 0.57	$ 1.69	$ 1.61
Cash dividends declared	$ 0.27	$ 0.25	$ 0.79	$ 0.75

TOWNEBANK

Consolidated Balance Sheets - Five Quarter Trend

(dollars in thousands, except share data)

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)
ASSETS					
Cash and due from banks	$ 152,647	$ 149,462	$ 126,526	$ 108,750	$ 131,068
Interest-bearing deposits at FRB	974,514	838,315	1,090,555	1,127,878	1,061,596
Interest-bearing deposits in financial institutions	122,819	123,911	100,249	102,847	103,400
Total Cash and Cash Equivalents	1,249,980	1,111,688	1,317,330	1,339,475	1,296,064
Securities available for sale	2,668,599	2,553,975	2,470,171	2,353,365	2,363,176
Securities held to maturity	176,843	201,932	202,018	212,352	212,422
Less: allowance for credit losses	(65)	(67)	(68)	(77)	(77)
Securities held to maturity, net of allowance for credit losses	176,778	201,865	201,950	212,275	212,345
Other equity securities	12,420	12,248	12,223	12,100	12,681
FHLB stock	16,341	13,428	12,425	12,136	12,134
Total Securities	2,874,138	2,781,516	2,696,769	2,589,876	2,600,336
Mortgage loans held for sale	212,507	238,742	168,510	200,460	264,320
Loans, net of unearned income and deferred costs	13,379,033	12,359,673	11,652,746	11,459,055	11,412,518
Less: allowance for credit losses	(149,175)	(134,187)	(126,131)	(123,923)	(123,191)
Net Loans	13,229,858	12,225,486	11,526,615	11,335,132	11,289,327
Premises and equipment, net	422,134	392,056	373,111	368,876	365,764
Goodwill	591,691	499,709	457,619	457,619	457,619
Other intangible assets, net	101,875	74,186	57,145	60,171	63,265
BOLI	334,527	295,434	280,344	279,802	279,325
Other assets	665,810	645,779	634,437	615,479	572,000
TOTAL ASSETS	$ 19,682,520	$ 18,264,596	$ 17,511,880	$ 17,246,890	$ 17,188,020
LIABILITIES AND EQUITY					
Deposits:					
Noninterest-bearing demand	$ 5,139,488	$ 4,754,340	$ 4,313,553	$ 4,253,053	$ 4,267,628
Interest-bearing:					
Demand and money market accounts	8,273,987	7,654,317	7,463,355	7,329,669	6,990,103
Savings	331,168	332,108	312,151	311,841	319,970
Certificates of deposit	2,786,292	2,587,951	2,519,489	2,542,735	2,785,469
Total Deposits	16,530,935	15,328,716	14,608,548	14,437,298	14,363,170
Advances from the FHLB	52,646	12,838	3,029	3,218	3,405
Subordinated debt, net	283,847	260,430	260,198	260,001	256,444
Repurchase agreements and other borrowings	25,740	20,847	20,875	33,683	30,970
Total Borrowings	362,233	294,115	284,102	296,902	290,819
Other liabilities	384,321	402,823	402,252	357,063	371,316
TOTAL LIABILITIES	17,277,489	16,025,654	15,294,902	15,091,263	15,025,305
Preferred stock	—	—	—	—	—
Common stock, $1.667 par value	131,574	125,728	125,679	125,455	125,139
Capital surplus	1,253,666	1,131,536	1,123,330	1,122,147	1,117,279
Retained earnings	1,075,657	1,057,184	1,039,518	1,007,775	985,343
Common stock issued to deferred compensation trust, at cost	(24,130)	(23,977)	(21,969)	(21,868)	(22,224)
Deferred compensation trust	24,130	23,977	21,969	21,868	22,224
Accumulated other comprehensive income (loss)	(63,370)	(83,103)	(87,869)	(116,045)	(81,482)
TOTAL SHAREHOLDERS' EQUITY	2,397,527	2,231,345	2,200,658	2,139,332	2,146,279
Noncontrolling interest	7,504	7,597	16,320	16,295	16,436
TOTAL EQUITY	2,405,031	2,238,942	2,216,978	2,155,627	2,162,715
TOTAL LIABILITIES AND EQUITY	$ 19,682,520	$ 18,264,596	$ 17,511,880	$ 17,246,890	$ 17,188,020

TOWNEBANK

Consolidated Statements of Income - Five Quarter Trend (unaudited)

(dollars in thousands, except share data)

	Three Months Ended				
	September 30, 2025	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**
INTEREST INCOME:					
Loans, including fees	$ 179,612	$ 169,772	$ 152,322	$ 154,933	$ 155,792
Investment securities	24,784	24,850	22,839	22,236	22,334
Interest-bearing deposits in financial institutions and federal funds sold	10,597	10,241	11,801	15,796	15,249
Mortgage loans held for sale	3,351	2,770	2,653	3,087	3,247
Total interest income	218,344	207,633	189,615	196,052	196,622
INTEREST EXPENSE:					
Deposits	69,143	68,152	67,133	75,885	82,128
Advances from the FHLB	258	124	25	26	29
Subordinated debt, net	2,461	2,609	2,304	2,261	2,237
Repurchase agreements and other borrowings	(470)	(465)	(325)	(177)	(54)
Total interest expense	71,392	70,420	69,137	77,995	84,340
Net interest income	146,952	137,213	120,478	118,057	112,282
PROVISION FOR CREDIT LOSSES	15,276	6,410	2,420	1,606	(1,100)
Net interest income after provision for credit losses	131,676	130,803	118,058	116,451	113,382
NONINTEREST INCOME:					
Residential mortgage banking income, net	13,123	13,561	10,361	11,272	11,786
Insurance commissions and related income, net	25,791	25,677	26,424	23,265	25,727
Property management income, net	13,529	15,556	19,500	8,186	11,221
Service charges on deposit accounts	4,056	3,642	3,327	3,289	3,117
Credit card merchant fees, net	1,909	1,794	1,697	1,486	1,830
Investment income, net	3,933	3,158	3,075	3,195	2,835
BOLI	2,157	1,992	1,872	4,478	1,886
Other income	4,222	4,849	5,310	3,932	3,834
Net gain on investment securities	(7)	—	—	—	—
Total noninterest income	68,713	70,229	71,566	59,103	62,236
NONINTEREST EXPENSE:					
Salaries and employee benefits	78,964	78,362	75,078	74,399	72,123
Occupancy	9,988	9,791	9,333	9,819	9,351
Furniture and equipment	5,044	4,770	4,621	4,850	4,657
Amortization - intangibles	4,427	3,979	3,026	3,095	3,130
Software	7,518	6,835	6,293	6,870	6,790
Data processing	4,630	4,510	3,835	3,788	4,701
Professional fees	2,999	2,539	2,653	3,446	4,720
Advertising and marketing	3,759	3,228	4,472	3,359	4,162
Other expenses	36,409	36,651	21,225	17,815	17,266
Total noninterest expense	153,738	150,665	130,536	127,441	126,900
Income before income tax expense and noncontrolling interest	46,651	50,367	59,088	48,113	48,718
Provision for income tax expense	7,357	11,098	8,201	6,672	5,592
Net income	39,294	39,269	50,887	41,441	43,126
Net income attributable to noncontrolling interest	(317)	(432)	(295)	(176)	(177)
Net income attributable to TowneBank	$ 38,977	$ 38,837	$ 50,592	$ 41,265	$ 42,949
Per common share information					
Basic earnings	$ 0.51	$ 0.52	$ 0.67	$ 0.55	$ 0.57
Diluted earnings	$ 0.51	$ 0.51	$ 0.67	$ 0.55	$ 0.57
Basic weighted average shares outstanding	76,417,605	75,240,678	75,149,668	75,034,688	74,940,827
Diluted weighted average shares outstanding	76,763,640	75,540,822	75,527,713	75,318,578	75,141,661
Cash dividends declared	$ 0.27	$ 0.27	$ 0.25	$ 0.25	$ 0.25

TOWNEBANK

Banking Segment Financial Information (unaudited)

(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Revenue							
Net interest income	$ 145,746	$ 111,569	$ 136,325	$ 401,654	$ 322,280	$ 79,374	24.63 %
Service charges on deposit accounts	4,056	3,117	3,642	11,025	9,548	1,477	15.47 %
Credit card merchant fees	1,909	1,830	1,794	5,400	5,042	358	7.10 %
Investment income, net	3,933	2,835	3,158	10,166	7,759	2,407	31.02 %
Other income	4,632	4,828	5,750	16,876	13,096	3,780	28.86 %
Subtotal	14,530	12,610	14,344	43,467	35,445	8,022	22.63 %
Net gain/(loss) on investment securities	(7)	—	—	(7)	74	(81)	(109.46)%
Total noninterest income	14,523	12,610	14,344	43,460	35,519	7,941	22.36 %
Total revenue	160,269	124,179	150,669	445,114	357,799	87,315	24.40 %
Provision for credit losses	15,148	(1,043)	6,212	23,727	(2,189)	25,916	(1,183.92)%
Expenses							
Salaries and employee benefits	53,053	47,148	52,850	155,588	140,261	15,327	10.93 %
Occupancy	7,571	6,963	7,342	21,892	21,217	675	3.18 %
Furniture and equipment	4,302	3,878	4,081	12,191	11,336	855	7.54 %
Amortization of intangible assets	2,417	1,072	1,969	5,367	3,352	2,015	60.11 %
Software	5,096	4,336	4,427	13,545	12,813	732	5.71 %
Data processing	2,853	2,765	2,840	8,301	7,922	379	4.78 %
Accounting and professional fees	2,514	4,123	1,934	6,458	9,929	(3,471)	(34.96)%
Advertising and marketing	2,167	2,141	1,883	6,947	6,759	188	2.78 %
FDIC and other insurance	2,672	2,493	2,676	7,938	8,475	(537)	(6.34)%
Acquisition related	17,761	460	17,256	35,437	606	34,831	N/M
Other expenses	13,272	10,356	11,276	36,519	30,711	5,808	18.91 %
Total expenses	113,678	85,735	108,534	310,183	253,381	56,802	22.42 %
Income before income tax, corporate allocation and noncontrolling interest	31,443	39,487	35,923	111,204	106,607	4,597	4.31 %
Corporate allocation	1,544	1,223	1,535	4,475	3,524	951	26.99 %
Income before income tax provision and noncontrolling interest	32,987	40,710	37,458	115,679	110,131	5,548	5.04 %
Provision for income tax expense	3,881	3,495	7,814	16,375	12,731	3,644	28.62 %
Net income	29,106	37,215	29,644	99,304	97,400	1,904	1.95 %
Noncontrolling interest	(112)	(29)	(124)	(194)	34	(228)	(670.59)%
Net income attributable to TowneBank	$ 28,994	$ 37,186	$ 29,520	$ 99,110	$ 97,434	$ 1,676	1.72 %
Efficiency ratio (non-GAAP)	69.42 %	68.18 %	70.73 %	68.48 %	69.89 %	(1.41)%	(2.02)%

TOWNEBANK

Mortgage Segment Financial Information (unaudited)

(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Revenue							
Residential mortgage brokerage income, net	$ 13,724	$ 12,211	$ 14,083	$ 38,388	$ 37,006	$ 1,382	3.73 %
Income (loss) from unconsolidated subsidiary	107	51	83	232	148	84	56.76 %
Net interest and other income	1,414	904	1,095	3,620	2,903	717	24.70 %
Total revenue	15,245	13,166	15,261	42,240	40,057	2,183	5.45 %
Provision for credit losses	128	(57)	198	379	35	344	982.86 %
Expenses							
Salaries and employee benefits	7,574	6,513	7,315	21,920	19,972	1,948	9.75 %
Occupancy	956	975	1,098	2,993	3,099	(106)	(3.42)%
Furniture and equipment	151	151	151	497	478	19	3.97 %
Amortization of intangible assets	—	—	—	—	287	(287)	(100.00)%
Software	800	744	790	2,317	2,407	(90)	(3.74)%
Data processing	209	205	198	570	523	47	8.99 %
Accounting and professional fees	117	219	157	500	595	(95)	(15.97)%
Advertising and marketing	500	407	420	1,309	1,237	72	5.82 %
FDIC and other insurance	128	91	117	341	287	54	18.82 %
Acquisition related	53	—	1,481	1,534	—	1,534	100.00 %
Other expenses	2,466	2,327	2,728	7,657	7,084	573	8.09 %
Total expenses	12,954	11,632	14,455	39,638	35,969	3,669	10.20 %
Income before income tax, corporate allocation and noncontrolling interest	2,163	1,591	608	2,223	4,053	(1,830)	(45.15)%
Corporate allocation	(502)	(484)	(519)	(1,371)	(1,322)	(49)	3.71 %
Income before income tax provision and noncontrolling interest	1,661	1,107	89	852	2,731	(1,879)	(68.80)%
Provision for income tax expense	319	218	(41)	38	497	(459)	(92.35)%
Net income	1,342	889	130	814	2,234	(1,420)	(63.56)%
Noncontrolling interest	(205)	(285)	(308)	(630)	(812)	182	22.41 %
Net income attributable to TowneBank	$ 1,137	$ 604	$ (178)	$ 184	$ 1,422	$ (1,238)	(87.06)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	84.97 %	88.35 %	94.72 %	93.84 %	89.08 %	4.76 %	5.34 %

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 2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Revenue							
Property management fees, net	$ 13,529	$ 11,221	$ 15,556	48,585	42,306	6,279	14.84 %
Net interest and other income	44	2	24	81	104	(23)	(22.12)%
Total revenue	13,573	11,223	15,580	48,666	42,410	6,256	14.75 %
Expenses							
Salaries and employee benefits	5,516	5,842	5,250	16,214	16,941	(727)	(4.29)%
Occupancy	677	663	574	1,865	1,920	(55)	(2.86)%
Furniture and equipment	431	453	385	1,222	1,316	(94)	(7.14)%
Amortization of intangible assets	637	637	637	1,911	1,807	104	5.76 %
Software	885	964	877	2,622	2,495	127	5.09 %
Data processing	1,428	1,616	1,339	3,711	4,438	(727)	(16.38)%
Accounting and professional fees	92	152	236	454	624	(170)	(27.24)%
Advertising and marketing	941	1,379	750	2,582	3,750	(1,168)	(31.15)%
FDIC and other insurance	60	60	113	240	169	71	42.01 %
Acquisition related	—	—	—	—	466	(466)	(100.00)%
Other expenses	(756)	675	427	2,284	2,099	185	8.81 %
Total expenses	9,911	12,441	10,588	33,105	36,025	(2,920)	(8.11)%
Income before income tax, corporate allocation and noncontrolling interest	3,662	(1,218)	4,992	15,561	6,385	9,176	143.71 %
Corporate allocation	(329)	—	(316)	(965)	—	(965)	N/M
Income before income tax provision and noncontrolling interest	3,333	(1,218)	4,676	14,596	6,385	8,211	128.60 %
Provision for income tax expense	922	(200)	1,227	3,778	1,839	1,939	105.44 %
Net income	2,411	(1,018)	3,449	10,818	4,546	6,272	137.97 %
Noncontrolling interest	—	137	—	(220)	(22)	(198)	(900.00)%
Net income attributable to TowneBank	$ 2,411	$ (881)	$ 3,449	$ 10,598	$ 4,524	$ 6,074	134.26 %
Efficiency ratio excluding gain on equity investment (non-GAAP)	68.33 %	105.18 %	63.87 %	64.10 %	80.68 %	(16.58)%	(20.55)%

TOWNEBANK

Insurance Segment Financial Information (unaudited)

(dollars in thousands)

	Three Months Ended			Nine Months Ended		Increase/(Decrease)	
	September 30,		June 30,	September 30,		YTD 2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Commission and fee income							
Property and casualty	$ 24,030	$ 23,157	$ 23,306	$ 70,659	$ 66,104	$ 4,555	6.89 %
Employee benefits	4,925	4,483	4,596	14,245	13,712	533	3.89 %
Specialized benefit services	—	—	—	—	10	(10)	(100.00)%
Total commissions and fees	28,955	27,640	27,902	84,904	79,826	5,078	6.36 %
Contingency and bonus revenue	2,556	2,731	3,034	9,210	10,185	(975)	(9.57)%
Other income	10	25	4	18	41	(23)	(56.10)%
Total revenue	31,521	30,396	30,940	94,132	90,052	4,080	4.53 %
Employee commission expense	4,943	4,446	5,008	15,001	13,728	1,273	9.27 %
Revenue, net of commission expense	26,578	25,950	25,932	79,131	76,324	2,807	3.68 %
Salaries and employee benefits	12,821	12,620	12,947	38,682	37,675	1,007	2.67 %
Occupancy	784	750	777	2,362	2,254	108	4.79 %
Furniture and equipment	160	175	153	526	639	(113)	(17.68)%
Amortization of intangible assets	1,373	1,421	1,373	4,153	4,229	(76)	(1.80)%
Software	737	746	741	2,163	2,232	(69)	(3.09)%
Data processing	140	115	133	392	340	52	15.29 %
Accounting and professional fees	276	226	212	779	541	238	43.99 %
Advertising and marketing	151	235	175	622	522	100	19.16 %
FDIC and other insurance	142	153	126	376	356	20	5.62 %
Acquisition related	—	—	—	—	1	(1)	(100.00)%
Other expenses	611	651	451	1,958	2,311	(353)	(15.27)%
Total operating expenses	17,195	17,092	17,088	52,013	51,100	913	1.79 %
Income before income tax, corporate allocation and noncontrolling interest	9,383	8,858	8,844	27,118	25,224	1,894	7.51 %
Corporate allocation	(713)	(739)	(700)	(2,139)	(2,202)	63	2.86 %
Income before income tax provision and noncontrolling interest	8,670	8,119	8,144	24,979	23,022	1,957	8.50 %
Provision for income tax expense	2,235	2,079	2,098	6,465	5,910	555	9.39 %
Net income	6,435	6,040	6,046	18,514	17,112	1,402	8.19 %
Noncontrolling interest	—	—	—	—	—	—	— %
Net income attributable to TowneBank	$ 6,435	$ 6,040	$ 6,046	$ 18,514	$ 17,112	$ 1,402	8.19 %
Provision for income taxes	2,235	2,079	2,098	6,465	5,910	555	9.39 %
Depreciation, amortization and interest expense	1,481	1,550	1,489	4,497	4,632	(135)	(2.91)%
EBITDA (non-GAAP)	$ 10,151	$ 9,669	$ 9,633	$ 29,476	$ 27,654	$ 1,822	6.59 %
Efficiency ratio (non-GAAP)	59.53 %	60.44 %	60.60 %	60.48 %	61.43 %	(0.95)%	(1.55)%

TOWNEBANK

Reconciliation of Non-GAAP Financial Measures

(dollars in thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2025	September 30, 2024	June 30, 2025	September 30, 2025	September 30, 2024
Return on average assets (GAAP)	0.83 %	1.00 %	0.86 %	0.96 %	0.95 %
Impact of excluding average goodwill and other intangibles and amortization	0.11 %	0.09 %	0.10 %	0.10 %	0.09 %
Return on average tangible assets (non-GAAP)	0.94 %	1.09 %	0.96 %	1.06 %	1.04 %
Return on average equity (GAAP)	6.78 %	8.12 %	7.12 %	7.77 %	7.80 %
Impact of excluding average goodwill and other intangibles and amortization	3.32 %	3.30 %	3.27 %	3.41 %	3.31 %
Return on average tangible equity (non-GAAP)	10.10 %	11.42 %	10.39 %	11.18 %	11.11 %
Return on average common equity (GAAP)	6.80 %	8.18 %	7.14 %	7.81 %	7.86 %
Impact of excluding average goodwill and other intangibles and amortization	3.35 %	3.36 %	3.30 %	3.44 %	3.37 %
Return on average tangible common equity (non-GAAP)	10.15 %	11.54 %	10.44 %	11.25 %	11.23 %
Book value (GAAP)	$ 30.38	$ 28.59	$ 29.58	$ 30.38	$ 28.59
Impact of excluding average goodwill and other intangibles and amortization	(8.79)	(6.94)	(7.60)	(8.79)	(6.94)
Tangible book value (non-GAAP)	$ 21.59	$ 21.65	$ 21.98	$ 21.59	$ 21.65
Efficiency ratio (GAAP)	71.29 %	72.71 %	72.63 %	70.70 %	72.88 %
Impact of exclusions	(2.06)%	(1.78)%	(1.92)%	(1.63)%	(1.86)%
Efficiency ratio (non-GAAP)	69.23 %	70.93 %	70.71 %	69.07 %	71.02 %
Average assets (GAAP)	$ 18,624,099	$ 17,028,141	$18,056,980	$ 17,969,486	$ 16,958,540
Less: average goodwill and intangible assets	611,836	522,219	567,250	565,597	523,335
Average tangible assets (non-GAAP)	$ 18,012,263	$ 16,505,922	$17,489,730	$ 17,403,889	$ 16,435,205
Average equity (GAAP)	$ 2,279,984	$ 2,105,049	$ 2,188,322	$ 2,209,879	$ 2,063,800
Less: average goodwill and intangible assets	611,836	522,219	567,250	565,597	523,335
Average tangible equity (non-GAAP)	$ 1,668,148	$ 1,582,830	$ 1,621,072	$ 1,644,282	$ 1,540,465
Average common equity (GAAP)	$ 2,272,509	$ 2,088,674	$ 2,180,687	$ 2,199,472	$ 2,047,482
Less: average goodwill and intangible assets	611,836	522,219	567,250	565,597	523,335
Average tangible common equity (non-GAAP)	$ 1,660,673	$ 1,566,455	$ 1,613,437	$ 1,633,875	$ 1,524,147
Net income (GAAP)	$ 38,977	$ 42,949	$ 38,837	$ 128,406	$ 120,492
Amortization of intangibles, net of tax	3,497	2,473	3,143	9,030	7,643
Tangible net income (non-GAAP)	$ 42,474	$ 45,422	$ 41,980	$ 137,436	$ 128,135
Total revenue (GAAP)	$ 215,665	$ 174,518	$ 207,442	$ 615,151	$ 516,590
Net (gain)/loss on investment securities/equity investments	7	(20)	—	(1,993)	(94)
Total revenue for efficiency calculation (non-GAAP)	$ 215,672	$ 174,498	$ 207,442	$ 613,158	$ 516,496
Noninterest expense (GAAP)	$ 153,738	$ 126,900	$ 150,665	$ 434,939	$ 376,475
Less: amortization of intangibles	4,427	3,130	3,979	11,431	9,675
Noninterest expense net of amortization (non-GAAP)	$ 149,311	$ 123,770	$ 146,686	$ 423,508	$ 366,800

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, 2025	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**
Net income available to common shareholders (GAAP)	$ 38,977	$ 38,837	$ 50,592	$ 41,265	$ 42,949
Adjustments					
Plus: Acquisition-related expenses, net of tax	14,996	15,291	389	250	460
Plus: Initial provision for acquired loans, net of tax	9,478	4,926	—	—	—
Plus: FDIC special assessment, net of tax	—	—	—	—	—
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	—	—	—	(99)	(16)
Total adjustments, net of taxes	24,474	22,503	389	151	444
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	$ 63,451	$ 61,340	$ 50,981	$ 41,416	$ 43,393
Annualized interest impact of Series IV Notes, net of tax	42	42	42	—	—
Core net income for diluted EPS (non-GAAP)	$ 63,493	$ 61,382	$ 51,023	$ 41,416	$ 43,393
Weighted average diluted shares	76,763,640	75,540,822	75,527,713	75,318,578	75,141,661
Diluted EPS (GAAP)	$ 0.51	$ 0.51	$ 0.67	$ 0.55	$ 0.57
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	$ 0.83	$ 0.81	$ 0.68	$ 0.55	$ 0.58
Average assets	$ 18,624,099	$ 18,056,980	$ 17,211,862	$ 17,349,128	$ 17,028,141
Average tangible equity	$ 1,668,148	$ 1,621,072	$ 1,643,353	$ 1,628,420	$ 1,582,830
Average tangible common equity	$ 1,660,673	$ 1,613,437	$ 1,627,145	$ 1,612,087	$ 1,566,455
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.35 %	1.36 %	1.20 %	0.95 %	1.01 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	15.92 %	15.95 %	13.17 %	10.72 %	11.53 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	15.99 %	16.03 %	13.30 %	10.82 %	11.65 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	60.97 %	61.68 %	66.87 %	70.12 %	70.67 %

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	**Nine Months Ended**	
	September 30, 2025	**September 30, 2024**
Net income available to common shareholders (GAAP)	$ 128,406	$ 120,492
Adjustments		
Plus: Acquisition-related expenses, net of tax	30,676	1,040
Plus: FDIC special assessment, net of tax	—	711
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	—	(16)
Total adjustments, net of taxes	47,366	1,735
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	$ 175,772	$ 122,227
Annualized interest impact of Series IV Notes, net of tax	126	—
Core net income for diluted EPS (non-GAAP)	$ 175,898	$ 122,227
Weighted average diluted shares	75,952,187	75,043,848
Diluted EPS (GAAP)	$ 1.69	$ 1.61
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	$ 2.32	$ 1.63
Average assets	$ 17,969,486	$ 16,958,540
Average tangible equity	$ 1,644,282	$ 1,540,465
Average tangible common equity	$ 1,633,875	$ 1,524,147
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.31 %	0.96 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	15.03 %	11.26 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	15.12 %	11.38 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	63.04 %	70.81 %