



News Release

FOR IMMEDIATE RELEASE

TOWNEBANK REPORTS FULL YEAR AND FOURTH QUARTER FINANCIAL RESULTS FOR 2025

Suffolk, VA., January 28, 2026 - TowneBank (the "Company" or "Towne") (Nasdaq: TOWN) today reported financial results for the full year and fourth quarter ended December 31, 2025. For the year ended December 31, 2025, earnings were \$169.53 million, or 2.21 per diluted share, compared to \$161.36 million, or 2.15 per diluted share, for the year ended December 31, 2024. Excluding certain items affecting comparability, core earnings (non-GAAP) for 2025 were \$231.55 million, or \$3.02 per diluted share, compared to \$163.24 million, or \$2.17 per diluted share, for 2024. Earnings in the fourth quarter of 2025 were \$40.63 million, or 0.51 per diluted share, compared to fourth quarter 2024 earnings of \$39.97 million, or 0.53 per diluted share. Excluding certain items affecting comparability, core earnings (non-GAAP) for fourth quarter 2025 were \$55.29 million, or \$0.70 per diluted share, compared to \$40.12 million, or \$0.53 per diluted share, for fourth quarter 2024.

"We are pleased to announce record 2025 core earnings of \$3.02 per share, which excludes the impacts of one-time expenses related to merger activity. This year marks a significant period of transformation for our company as we strengthened our presence in Hampton Roads, completed our expansion in the Richmond markets, and advanced our growing footprint in the Carolinas. We are firmly committed to strong credit performance, robust liquidity and healthy capital levels. As we look ahead to 2026, I want to extend my sincere appreciation to our nearly 3,000 dedicated teammates. Your leadership and commitment to our mission of ***Serving Others and Enriching Lives*** make achievements like these possible," said G. Robert Aston, Jr., Executive Chairman.

Annual Highlights for 2025 Compared to 2024:

- Total revenues increased to \$835.72 million, compared to \$693.29 million in the prior year. Net interest income increased \$121.00 million due to a combination of volume driven increases in interest income and rate driven decreases in interest expense. Additionally, noninterest income increased \$21.43 million compared to prior year.

- Completed acquisitions of Old Point Financial Corporation ("Old Point") and Village Bank and Trust Financial Corp. ("Village") added a total of \$1.53 billion in loans, \$283.14 million in securities, and \$1.85 billion in deposits, \$0.54 billion of which was noninterest-bearing.
- Loans held for investment increased \$1.88 billion, or 16.38%, from December 31, 2024.
- Total deposits were \$16.51 billion, an increase of \$2.07 billion, or 14.35%, compared to prior year.
- Noninterest-bearing deposits increased 19.28% to \$5.07 billion and represented 30.73% of total deposits at December 31, 2025.
- Return on average common shareholders' equity was 7.53%, and return on average tangible common shareholders' equity (non-GAAP) was 11.06%.
- Net interest margin was 3.40% and taxable equivalent net interest margin (non-GAAP) was 3.42% compared to a prior year net interest margin of 2.87% and taxable equivalent net interest margin (non-GAAP) of 2.90%.
- Effective tax rate of 18.87% compared to 14.58% in 2024. The increase in the effective rate in the current year was primarily due to a decreased benefit from tax losses and credits related to LIHTC investment properties, an increase in state tax expense and nondeductible expenses related to acquisitions.

Highlights for Fourth Quarter 2025:

- Total revenues were \$219.94 million in fourth quarter 2025, an increase of \$44.40 million, or 25.29%, from the prior year quarter. This increase was attributable to a combination of increased loan volume, margin expansion, and income from acquisitions, including a full quarter of contribution from the Old Point transaction. Net interest income increased \$40.91 million, or 34.65%, driven by increases in loan interest income slightly offset by decreases in deposit costs between quarters. Noninterest income increased \$3.49 million, or 6.07%, compared to the prior year quarter.
- Loans held for investment decreased \$43.23 million, or 0.32%, from September 30, 2025.
- Total deposits decreased \$21.82 million, or 0.13%, compared to September 30, 2025.
- Noninterest-bearing deposits decreased \$66.33 million, or 5.12% on an annualized basis, compared to the linked quarter.
- In the quarter ended December 31, 2025, annualized return on average common shareholders' equity was 6.69% and annualized return on average tangible common shareholders' equity (non-GAAP) was 10.36%.

- Net interest margin was 3.56% and taxable equivalent net interest margin (non-GAAP) was 3.58% compared to the prior year quarter net interest margin of 2.99% and taxable equivalent net interest margin (non-GAAP) of 3.02%.
- Effective tax rate of 23.72% compared to 13.86% in fourth quarter 2024 and 16.82% in the linked quarter. The increase in the effective tax rate from fourth quarter 2024 to 2025 was primarily due to a decreased benefit from tax loss and credits related to LIHTC investment properties and limitations on the deductibility of deferred executive compensation.

"Our resilient balance sheet and disciplined risk-management practices position our company to act strategically amid a shifting landscape and broader macroeconomic challenges. I am pleased with our ability to announce and close multiple transactions, responsibly deploy capital, and deliver year-over-year growth in tangible book value. As we move into 2026, our focus will be on continuing to integrate our recent partnerships, aggressively recruiting talent, and expanding our products and services to sustain our earnings growth momentum," said William I. Foster III, President and Chief Executive Officer.

Quarterly Net Interest Income:

- Net interest income was \$158.96 million compared to \$118.06 million for the quarter ended December 31, 2024. Acquisition-driven growth, coupled with higher yields on interest earning assets were further enhanced by a sequential decline in deposit costs.
- Taxable equivalent net interest margin (non-GAAP) was 3.58%, including purchase accounting accretion of 15 basis points, compared to 3.02%, including purchase accounting accretion of 4 basis points, for fourth quarter 2024.
- On an average basis, loans held for investment had a yield of 5.66%, which represented 75.31% of earning assets, in the fourth quarter of 2025, compared to a yield of 5.41%, and 72.90% of earning assets, in the fourth quarter of 2024.
- Total cost of deposits decreased to 1.65% from 1.75% in the linked quarter and 2.07% in the quarter ended December 31, 2024.
- Average interest-earning assets totaled \$17.73 billion at December 31, 2025 compared to \$15.71 billion at December 31, 2024, an increase of 12.83%.
- Average interest-bearing liabilities totaled \$11.75 billion, an increase of \$1.29 billion, or 12.35%, compared to the prior year.

Quarterly Provision for Credit Losses:

- The provision for credit losses was a benefit of \$0.17 million in the current quarter compared to an expense of \$15.28 million in the linked quarter, and \$1.61 million one year ago.

- The allowance for credit losses on loans decreased \$1.83 million, compared to the linked quarter. The decrease in the allowance was primarily driven by the combination of a slight decline in the loan portfolio and improvements in the macroeconomic forecast scenarios utilized in our models.
- Net charge-offs were \$1.95 million compared to \$0.38 million one year prior and \$0.25 million in the linked quarter. The primary source of net charge-offs in fourth quarter 2025 was \$1.12 million in commercial and industrial loans and \$0.79 million in indirect loans. The ratio of net charge-offs to average loans on an annualized basis was 0.06% in fourth quarter 2025, and 0.01% in both fourth quarter 2024 and in the linked quarter.
- The allowance for credit losses on loans represented 1.10% of total loans at December 31, 2025, 1.08% at December 31, 2024, and 1.11% at September 30, 2025.

Quarterly Noninterest Income:

- Total noninterest income was \$60.98 million compared to \$57.49 million in 2024, an increase of \$3.49 million, or 6.07%.
- Residential mortgage banking income was \$11.54 million compared to \$11.27 million in fourth quarter 2024. Loan volume in the current quarter was \$0.62 billion, with purchase activity comprising 82.23%. Loan volume in fourth quarter 2024 was \$0.57 billion, with purchase activity of 89.46%. A brief drop in rates during the fourth quarter resulted in an increase in refinance activity.
- Gross margins on residential mortgages decreased 6 basis points from 3.25% in fourth quarter 2024 to 3.19% in the current quarter, and 13 basis points from 3.32%, when compared to the linked quarter.
- Property management income increased 28.00%, or \$1.84 million, in comparison to fourth quarter 2024 driven by changes in fee structure and improved results at our Maryland and Tennessee properties.
- Total insurance commissions and other income decreased 0.62%, to \$23.12 million in the fourth quarter of 2025 compared to the fourth quarter of 2024.
- Investment commissions increased \$191 thousand, or 5.98%, driven by higher production levels.

Quarterly Noninterest Expense:

- Total noninterest expense was \$166.63 million compared to \$127.44 million, an increase of \$39.19 million, or 30.75%. Primary sources of the increase were salary and benefits expense and acquisition-related expense.
- An increase in banking personnel related to the Village and Old Point acquisitions represented \$5.75 million of the increase compared to fourth quarter of 2024. Additional factors contributing to

the \$10.69 million increase in salaries were annual base salary adjustments that went into effect mid-September 2025 and performance-based incentives.

- The acquisition of Village and Old Point in 2025 as well as expenses related to the acquisition of Dogwood State Bank which was completed on January 12, 2026 resulted in \$18.26 million in acquisition-related expense in the quarter.

Consolidated Balance Sheet Highlights:

- Total assets were \$19.69 billion at December 31, 2025, an increase of \$2.45 billion, or 14.21%, compared to \$17.24 billion at December 31, 2024. Combined assets obtained through the acquisition of Village and Old Point totaled \$2.15 billion.
- Loans held for investment increased \$1.88 billion, or 16.38%, compared to year end 2024, but declined \$43.23 million compared to the linked quarter, primarily in real estate multi-family loans. Acquired loans held for investment totaled \$1.53 billion in 2025.
- Mortgage loans held for sale decreased \$46.02 million, or 22.96%, compared to prior year and \$58.06 million, or 27.32%, from the linked quarter.
- Total deposits increased \$2.07 billion, or 14.35%, compared to December 31, 2024, but declined \$21.82 million, or 0.13%, compared to the linked quarter. Deposits acquired in 2025 totaled \$1.85 billion, including \$544.61 million in noninterest-bearing deposits.
- Noninterest-bearing deposits increased \$820.10 million, or 19.28%, compared to prior year, and decreased \$66.33 million, or 1.29%, compared to the linked quarter.
- Total loans held for investment to total deposits were 80.78% compared to 80.93% at September 30, 2025 and 79.37% at December 31, 2024.
- Total borrowings increased \$74.24 million, or 25.00%, from prior year. Acquired borrowings totaled \$91.18 million.

Investment Securities:

- Total investment securities were \$2.90 billion compared to \$2.87 billion at September 30, 2025 and \$2.59 billion at December 31, 2024. The weighted average duration of the portfolio at December 31, 2025 was 3.2 years. The carrying value of the AFS debt securities portfolio included \$73.07 million in net unrealized losses, related to changes in interest rates, at December 31, 2025 compared to \$155.28 million in net unrealized losses at December 31, 2024.

Loans and Asset Quality:

- Total loans held for investment were \$13.34 billion at December 31, 2025 compared to \$13.38 billion at September 30, 2025 and \$11.46 billion at December 31, 2024.

- Nonperforming assets were \$14.36 million, or 0.07% of total assets, compared to \$7.87 million, or 0.05% of total assets, at December 31, 2024.
- Nonperforming loans were 0.09% of period end loans at December 31, 2025 and 0.06% at December 31, 2024.
- Foreclosed property totaled \$2.63 million at December 31, 2025, and consisted of \$879 thousand in former bank premises, \$401 thousand in other real estate, and \$1.35 million in repossessed autos. Foreclosed property consisted of repossessed autos totaling \$443 thousand at December 31, 2024.

Deposits and Borrowings:

- Total deposits were \$16.51 billion compared to \$16.53 billion at September 30, 2025 and \$14.44 billion at December 31, 2024.
- Noninterest-bearing deposits were 30.73% of total deposits at December 31, 2025 compared to 31.09% at September 30, 2025 and 29.46% at December 31, 2024.
- Total borrowings were \$371.14 million compared to \$362.23 million at September 30, 2025 and \$296.90 million at December 31, 2024.

Capital:

- Common equity tier 1 capital ratio of 11.34% ⁽¹⁾.
- Tier 1 leverage capital ratio of 9.36% ⁽¹⁾.
- Tier 1 risk-based capital ratio of 11.39% ⁽¹⁾.
- Total risk-based capital ratio of 14.14% ⁽¹⁾.
- Book value per share was \$30.67 compared to \$30.27 at September 30, 2025 and \$28.33 at December 31, 2024.
- Tangible book value per share (non-GAAP) was \$21.93 compared to \$21.49 at September 30, 2025 and \$21.44 at December 31, 2024.

⁽¹⁾ Preliminary.

Immaterial Correction of an Error

During the fourth quarter of fiscal 2025, we identified an immaterial error related to our accrual of property management income, resulting in timing differences in the recording of noninterest income, provision for income taxes, and net income attributable to noncontrolling interests in 2024 and 2025. In accordance with Staff Accounting Bulletin (“SAB”) No. 99, Materiality, and SAB No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, we evaluated the errors and determined that the related impact was not material to results of operations, financial position, or cash flows for any historical annual or interim period. Prior year amounts have been adjusted to

reflect the immaterial correction, which (i) overstated accounts receivable and property management income, net \$464 thousand, (ii) overstated and understated income tax expense and overstated income tax receivable each by \$104 thousand, (iii) understated income attributable to noncontrolling interest by \$40 thousand, in each case as of the year ended December 31, 2024.

Annual Meeting of Shareholders:

TowneBank intends to hold its 2026 Annual Meeting of Shareholders at 11:30 a.m. on Wednesday, May 20, 2026 at the Virginia Beach Convention Center, 1000 19th Street in Virginia Beach, Virginia.

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, Towne Vacations, and Towne Trust Company, N.A.. With total assets of \$19.69 billion as of December 31, 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 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 past and future acquisitions, including our recent mergers with Old Point Financial Corporation and Dogwood State Bank, to the extent that that process may take longer or be more difficult, time-consuming, or costly to accomplish than expected; deposit attrition, operating costs, customer losses, and business disruption associated with recently completed acquisitions, including reputational risk and adverse effects on relationships with employees, customers or other business partners, that may be greater than expected; costs or difficulties related to the integration of the businesses that we have acquired that may be greater than expected; expected growth opportunities or cost savings associated with recently completed acquisitions that may not be fully realized or realized within the expected time frame; the diversion of management's attention and time from ongoing business operations and opportunities on merger and integration related matters; the introduction of new lines of business or new products and services; cybersecurity threats or attacks, whether directed at us or at vendors or other third parties with which we interact, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; competitors that may have greater financial resources and develop products that enable them to compete more successfully; changes in business conditions; and 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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TOWNEBANK
Selected Financial Highlights (unaudited)
(dollars in thousands, except per share data)

	Three Months Ended				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Income and Performance Ratios:					
Total revenue	\$ 219,943	\$ 222,584	\$ 210,093	\$ 183,096	\$ 175,546
Net income	40,850	44,612	41,319	44,009	40,067
Net income available to common shareholders	40,630	44,295	40,887	43,714	39,967
Net income per common share - diluted	0.51	0.58	0.54	0.58	0.53
Book value per common share	30.67	30.27	29.41	29.00	28.33
Book value per share - tangible ^(non-GAAP)	21.93	21.49	21.80	22.17	21.44
Return on average assets	0.82 %	0.94 %	0.91 %	1.03 %	0.92 %
Return on average assets - tangible ^(non-GAAP)	0.94 %	1.05 %	1.01 %	1.12 %	1.00 %
Return on average equity	6.67 %	7.72 %	7.52 %	8.21 %	7.40 %
Return on average equity - tangible ^(non-GAAP)	10.32 %	11.39 %	10.94 %	11.39 %	10.36 %
Return on average common equity	6.69 %	7.75 %	7.54 %	8.27 %	7.46 %
Return on average common equity - tangible ^(non-GAAP)	10.36 %	11.45 %	10.99 %	11.50 %	10.46 %
Noninterest income as a percentage of total revenue	27.73 %	33.98 %	34.69 %	34.20 %	32.75 %
Regulatory Capital Ratios (1):					
Common equity tier 1	11.34 %	11.18 %	11.77 %	12.75 %	12.77 %
Tier 1	11.39 %	11.23 %	11.82 %	12.87 %	12.89 %
Total	14.14 %	13.98 %	14.49 %	15.65 %	15.68 %
Tier 1 leverage ratio	9.36 %	9.84 %	9.93 %	10.61 %	10.36 %
Asset Quality:					
Allowance for credit losses on loans to nonperforming loans	12.57x	19.38x	16.81x	19.15x	16.69x
Allowance for credit losses on loans to period end loans	1.10 %	1.11 %	1.09 %	1.08 %	1.08 %
Nonperforming loans to period end loans	0.09 %	0.06 %	0.06 %	0.06 %	0.06 %
Nonperforming assets to period end assets	0.07 %	0.05 %	0.05 %	0.04 %	0.05 %
Net charge-offs (recoveries) to average loans (annualized)	0.06 %	0.01 %	— %	0.02 %	0.01 %
Net charge-offs (recoveries)	\$ 1,948	\$ 254	\$ 19	\$ 626	\$ 382
Nonperforming loans	\$ 11,726	\$ 7,698	\$ 7,982	\$ 6,586	\$ 7,424
Former bank premises	879	885	—	—	—
Foreclosed property	1,754	1,798	1,306	786	443
Total nonperforming assets	<u>\$ 14,359</u>	<u>\$ 10,381</u>	<u>\$ 9,288</u>	<u>\$ 7,372</u>	<u>\$ 7,867</u>
Loans past due 90 days and still accruing interest	\$ 890	\$ 1,863	\$ 210	\$ 15	\$ 1,264
Allowance for credit losses on loans	\$ 147,343	\$ 149,175	\$ 134,187	\$ 126,131	\$ 123,923
Mortgage Banking:					
Loans originated, mortgage	\$ 504,732	\$ 491,921	\$ 494,108	\$ 300,699	\$ 385,238
Loans originated, joint venture	118,597	144,440	177,359	144,495	180,188
Total loans originated	<u>\$ 623,329</u>	<u>\$ 636,361</u>	<u>\$ 671,467</u>	<u>\$ 445,194</u>	<u>\$ 565,426</u>
Number of loans originated	1,551	1,679	1,750	1,181	1,489
Number of originators	161	169	166	161	160
Purchase %	82.23 %	91.84 %	92.37 %	89.94 %	89.46 %
Loans sold	\$ 652,853	\$ 657,822	\$ 596,009	\$ 475,518	\$ 629,120
Rate lock asset	\$ 1,145	\$ 2,213	\$ 2,186	\$ 1,880	\$ 1,150
Gross realized gain on sales and fees as a % of loans originated	3.19 %	3.32 %	3.13 %	3.18 %	3.25 %
Other Ratios:					
Net interest margin	3.56 %	3.48 %	3.38 %	3.14 %	2.99 %
Net interest margin-fully tax equivalent ^(non-GAAP)	3.58 %	3.50 %	3.40 %	3.17 %	3.02 %
Average earning assets/total average assets	89.96 %	90.03 %	90.23 %	90.32 %	90.57 %
Average loans/average deposits	80.57 %	80.92 %	81.09 %	80.01 %	78.71 %
Average noninterest deposits/total average deposits	31.28 %	31.30 %	30.88 %	29.68 %	30.14 %
Period end equity/period end total assets	12.34 %	12.18 %	12.19 %	12.58 %	12.46 %
Efficiency ratio ^(non-GAAP)	73.37 %	67.08 %	69.82 %	70.41 %	70.92 %

(1) Regulatory capital ratios are preliminary.

TOWNEBANK
Selected Data (unaudited)
(dollars in thousands)

Investment Securities

	% Change				
	Q4 2025	Q4 2024	Q3 2025	Q4 25 vs. Q4 24	Q4 25 vs. Q3 25
<i>Available-for-sale securities, at fair value</i>					
U.S. agency securities	\$ 365,644	\$ 293,917	\$ 364,889	24.40 %	0.21 %
U.S. Treasury notes	83,631	28,429	83,246	194.17 %	0.46 %
Municipal securities	494,380	439,115	478,711	12.59 %	3.27 %
Trust preferred and other corporate securities	142,994	95,279	143,291	50.08 %	(0.21)%
Mortgage-backed securities issued by GSEs	1,624,747	1,497,951	1,599,812	8.46 %	1.56 %
Allowance for credit losses	(1,207)	(1,326)	(1,350)	(8.97)%	(10.59)%
Total	<u>\$ 2,710,189</u>	<u>\$ 2,353,365</u>	<u>\$ 2,668,599</u>	<u>15.16 %</u>	<u>1.56 %</u>
<i>Gross unrealized gains (losses) reflected in financial statements</i>					
Total gross unrealized gains	\$ 13,566	\$ 2,572	\$ 10,741	427.45 %	26.30 %
Total gross unrealized losses	(86,632)	(157,851)	(98,606)	(45.12)%	(12.14)%
Net unrealized gains (losses) and other adjustments on AFS securities	\$ (73,066)	\$ (155,279)	\$ (87,865)	(52.95)%	(16.84)%
<i>Held-to-maturity securities, at amortized cost</i>					
U.S. agency securities	\$ 48,252	\$ 102,622	\$ 68,140	(52.98)%	(29.19)%
U.S. Treasury notes	95,783	96,710	96,017	(0.96)%	(0.24)%
Municipal securities	5,464	5,366	5,439	1.83 %	0.46 %
Trust preferred corporate securities	2,068	2,121	2,081	(2.50)%	(0.62)%
Mortgage-backed securities issued by GSEs	5,130	5,533	5,166	(7.28)%	(0.70)%
Allowance for credit losses	(65)	(77)	(65)	(15.58)%	— %
Total	<u>\$ 156,632</u>	<u>\$ 212,275</u>	<u>\$ 176,778</u>	<u>(26.21)%</u>	<u>(11.40)%</u>
Total gross unrealized gains	\$ 253	\$ 178	\$ 283	42.13 %	(10.60)%
Total gross unrealized losses	(2,681)	(8,647)	(3,746)	N/M	(28.43)%
Net unrealized gains (losses) on HTM securities	\$ (2,428)	\$ (8,469)	\$ (3,463)	(71.33)%	(29.89)%
Total unrealized (losses) gains on AFS and HTM securities	<u>\$ (75,494)</u>	<u>\$ (163,748)</u>	<u>\$ (91,328)</u>	<u>(53.90)%</u>	<u>(17.34)%</u>

Loans Held For Investment

	% Change				
	Q4 2025	Q4 2024	Q3 2025	Q4 25 vs. Q4 24	Q4 25 vs. Q3 25
Real estate - construction and development					
Commercial real estate - owner occupied	\$ 1,266,242	\$ 1,082,161	\$ 1,239,372	17.01 %	2.17 %
Commercial real estate - non owner occupied	1,932,015	1,628,731	1,910,050	18.62 %	1.15 %
Real estate - multifamily	3,777,350	3,196,665	3,808,755	18.17 %	(0.82)%
Residential 1-4 family	858,212	801,079	920,254	7.13 %	(6.74)%
HELOC	2,181,949	1,891,470	2,189,417	15.36 %	(0.34)%
Commercial and industrial business (C&I)	583,725	410,594	556,386	42.17 %	4.91 %
Government	1,455,455	1,280,394	1,452,133	13.67 %	0.23 %
Indirect	507,586	513,039	504,543	(1.06)%	0.60 %
Consumer loans and other	672,401	567,245	697,606	18.54 %	(3.61)%
Total	<u>\$ 13,335,804</u>	<u>\$ 11,459,055</u>	<u>\$ 13,379,033</u>	<u>16.38 %</u>	<u>(0.32)%</u>

Deposits

	% Change				
	Q4 2025	Q4 2024	Q3 2025	Q4 25 vs. Q4 24	Q4 25 vs. Q3 25
Noninterest-bearing demand					
Interest-bearing:					
Demand and money market accounts	\$ 5,073,157	\$ 4,253,053	\$ 5,139,488	19.28 %	(1.29)%
Savings	8,390,884	7,329,669	8,273,987	14.48 %	1.41 %
Certificates of deposits	332,752	311,841	331,168	6.71 %	0.48 %
Total	<u>\$ 16,509,117</u>	<u>\$ 14,437,298</u>	<u>\$ 16,530,935</u>	<u>14.35 %</u>	<u>(0.13)%</u>

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

	Three Months Ended December 31, 2025			Three Months Ended September 30, 2025			Three Months Ended December 31, 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)	\$13,352,669	\$ 190,556	5.66%	\$12,662,595	\$ 180,361	5.65%	\$11,455,253	\$ 155,710	5.41%
Taxable investment securities	2,687,834	24,255	3.61%	2,627,476	23,203	3.53%	2,421,253	20,722	3.42%
Tax-exempt investment securities	199,472	2,385	4.78%	176,193	1,913	4.34%	176,266	1,832	4.16%
Total securities	2,887,306	26,640	3.69%	2,803,669	25,116	3.58%	2,597,519	22,554	3.47%
Interest-bearing deposits	1,301,770	11,825	3.60%	1,096,909	10,597	3.83%	1,451,121	15,796	4.33%
Mortgage loans held for sale	187,911	2,794	5.95%	204,949	3,351	6.54%	209,315	3,088	5.90%
Total earning assets	17,729,656	231,815	5.19%	16,768,122	219,425	5.19 %	15,713,208	197,148	4.99%
Less: allowance for credit losses	(149,047)			(139,408)			(123,068)		
Total nonearning assets	2,126,757			1,995,385			1,758,988		
Total assets	\$19,707,366			\$18,624,099			\$17,349,128		
Liabilities and Equity:									
Interest-bearing deposits									
Demand and money market	\$ 8,266,287	\$ 42,226	2.03%	\$ 7,791,983	\$ 43,015	2.19%	\$ 7,157,076	\$ 43,894	2.44%
Savings	331,959	626	0.75%	332,403	684	0.82%	315,414	777	0.98%
Certificates of deposit	2,789,603	26,125	3.72%	2,626,140	25,444	3.84%	2,694,236	31,214	4.61%
Total interest-bearing deposits	11,387,849	68,977	2.40%	10,750,526	69,143	2.55%	10,166,726	75,885	2.97%
Borrowings	81,148	(36)	(0.17)%	49,111	(212)	(1.69)%	36,708	(151)	(1.61)%
Subordinated debt, net	283,601	2,764	3.90%	267,755	2,461	3.68%	257,667	2,261	3.51%
Total interest-bearing liabilities	11,752,598	71,705	2.42%	11,067,392	71,392	2.56%	10,461,101	77,995	2.97%
Demand deposits	5,184,356			4,898,006			4,386,911		
Other noninterest-bearing liabilities	352,753			378,717			353,005		
Total liabilities	17,289,707			16,344,115			15,201,017		
Shareholders' equity	2,417,659			2,279,984			2,148,111		
Total liabilities and equity	\$19,707,366			\$18,624,099			\$17,349,128		
Net interest income (tax-equivalent basis) (4)	\$ 160,110			\$ 148,033			\$ 119,153		
Reconciliation of Non-GAAP Financial Measures									
Tax-equivalent basis adjustment	(1,146)			(1,081)			(1,096)		
Net interest income (GAAP)	\$ 158,964			\$ 146,952			\$ 118,057		
Interest rate spread (2)(4)		2.77%			2.63%			2.02%	
Interest expense as a percent of average earning assets		1.60%			1.69%			1.97%	
Net interest margin (tax-equivalent basis) (3)(4)		3.58%			3.50%			3.02%	
Total cost of deposits		1.65%			1.75%			2.07%	

(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)

	Year Ended December 31,					
	2025			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)	\$12,467,388	\$ 694,504	5.57%	\$11,431,451	\$ 619,505	5.42%
Taxable investment securities	2,598,519	92,120	3.55%	2,401,605	82,049	3.42%
Tax-exempt investment securities	181,008	7,960	4.40%	165,806	6,588	3.97%
Total securities	2,779,527	100,080	3.60%	2,567,411	88,637	3.45%
Interest-bearing deposits	1,161,118	44,464	3.83%	1,257,373	59,791	4.76%
Mortgage loans held for sale	182,457	11,568	6.34%	175,207	10,995	6.28%
Total earning assets	16,590,490	850,616	5.13%	15,431,442	778,928	5.05%
Less: allowance for credit losses	(136,216)			(125,643)		
Total nonearning assets	1,953,254			1,750,922		
Total assets	<u><u>\$18,407,528</u></u>			<u><u>\$17,056,721</u></u>		
Liabilities and Equity:						
Interest-bearing deposits						
Demand and money market	\$ 7,734,850	\$ 167,901	2.17%	\$ 6,950,210	\$ 188,936	2.72%
Savings	328,637	2,728	0.83%	319,369	3,345	1.05%
Certificates of deposit	2,629,798	102,776	3.91%	2,679,468	126,143	4.71%
Total interest-bearing deposits	10,693,285	273,405	2.56%	9,949,047	318,424	3.20%
Borrowings	48,809	(890)	(1.80)%	95,448	4,529	4.67%
Subordinated debt, net	271,024	10,138	3.74%	256,489	8,970	3.50%
Total interest-bearing liabilities	11,013,118	282,653	2.57%	10,300,984	331,923	3.22%
Demand deposits	4,764,057			4,296,372		
Other noninterest-bearing liabilities	368,102			374,372		
Total liabilities	16,145,277			14,971,728		
Shareholders' equity	2,262,251			2,084,993		
Total liabilities and equity	<u><u>\$18,407,528</u></u>			<u><u>\$17,056,721</u></u>		
Net interest income (tax-equivalent basis) (4)		\$ 567,963			\$ 447,005	
Reconciliation of Non-GAAP Financial Measures						
Tax-equivalent basis adjustment		(4,356)			(4,400)	
Net interest income (GAAP)		<u><u>\$ 563,607</u></u>			<u><u>\$ 442,605</u></u>	
Interest rate spread (2)(4)			2.56%			1.83%
Interest expense as a percent of average earning assets			1.70%			2.15%
Net interest margin (tax-equivalent basis) (3)(4)			3.42%			2.90%
Total cost of deposits			1.77%			2.24%

(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 per share data)

	2025 (unaudited)	2024 (audited)
ASSETS		
Cash and due from banks	\$ 129,941	\$ 108,750
Interest-bearing deposits at FRB	1,097,155	1,127,878
Interest-bearing deposits in financial institutions	123,553	102,847
Total Cash and Cash Equivalents	1,350,649	1,339,475
Securities available for sale, at fair value (amortized cost of \$2,784,462 and \$2,509,970, and allowance for credit losses of \$1,207 and \$1,326 at December 31, 2025 and December 31, 2024, respectively)	2,710,189	2,353,365
Securities held to maturity, at amortized cost (fair value \$154,269 and \$203,883 at December 31, 2025 and December 31, 2024, respectively)	156,697	212,352
Less: allowance for credit losses	(65)	(77)
Securities held to maturity, net of allowance for credit losses	156,632	212,275
Other equity securities	12,219	12,100
FHLB stock	16,341	12,136
Total Securities	2,895,381	2,589,876
Mortgage loans held for sale	154,444	200,460
Loans, net of unearned income and deferred costs	13,335,804	11,459,055
Less: allowance for credit losses	(147,343)	(123,923)
Net Loans	13,188,461	11,335,132
Premises and equipment, net	430,987	368,876
Goodwill	594,080	457,619
Other intangible assets, net	96,528	60,171
BOLI	337,425	279,802
Other assets	639,386	606,910
TOTAL ASSETS	\$ 19,687,341	\$ 17,238,321
LIABILITIES AND EQUITY		
Deposits:		
Noninterest-bearing demand	\$ 5,073,157	\$ 4,253,053
Interest-bearing:		
Demand and money market accounts	8,390,884	7,329,669
Savings	332,752	311,841
Certificates of deposit	2,712,324	2,542,735
Total Deposits	16,509,117	14,437,298
Advances from the FHLB	52,452	3,218
Subordinated debt, net	283,870	260,001
Repurchase agreements and other borrowings	34,817	33,683
Total Borrowings	371,139	296,902
Other liabilities	378,076	357,063
TOTAL LIABILITIES	17,258,332	15,091,263
Preferred stock, authorized and unissued shares - 2,000,000	—	—
Common stock, \$1.667 par: Authorized shares - 150,000,000		
Issued and outstanding shares 78,964,038 in 2025 and 75,255,205 in 2024	131,633	125,455
Capital surplus	1,254,776	1,122,147
Retained earnings	1,087,343	1,000,072
Common stock issued to deferred compensation trust, at cost		
1,086,290 shares in 2025 and 1,046,121 shares in 2024	(23,293)	(21,868)
Deferred compensation trust	23,293	21,868
Accumulated other comprehensive income (loss)	(51,685)	(116,045)
TOTAL SHAREHOLDERS' EQUITY	2,422,067	2,131,629
Noncontrolling interest	6,942	15,429
TOTAL EQUITY	2,429,009	2,147,058
TOTAL LIABILITIES AND EQUITY	\$ 19,687,341	\$ 17,238,321

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(audited)
INTEREST INCOME:				
Loans, including fees	\$ 189,824	\$ 154,933	\$ 691,529	\$ 616,248
Investment securities	26,226	22,236	98,699	87,494
Interest-bearing deposits in financial institutions and federal funds sold	11,825	15,796	44,464	59,791
Mortgage loans held for sale	2,794	3,087	11,568	10,995
Total interest income	230,669	196,052	846,260	774,528
INTEREST EXPENSE:				
Deposits	68,977	75,885	273,405	318,424
Advances from the FHLB	532	26	939	3,435
Subordinated debt, net	2,764	2,261	10,138	8,970
Repurchase agreements and other borrowings	(568)	(177)	(1,829)	1,094
Total interest expense	71,705	77,995	282,653	331,923
Net interest income	158,964	118,057	563,607	442,605
PROVISION FOR CREDIT LOSSES				
Net interest income after provision for credit losses	(169)	1,606	23,937	(548)
	159,133	116,451	539,670	443,153
NONINTEREST INCOME:				
Residential mortgage banking income, net	11,538	11,272	48,584	46,957
Insurance commissions and related income, net	23,120	23,265	101,013	98,562
Property management income, net	8,412	6,572	57,620	50,028
Service charges on deposit accounts	4,638	3,289	15,663	12,838
Credit card merchant fees, net	1,808	1,486	7,208	6,529
Investment commissions, net	3,386	3,195	13,318	10,953
BOLI	2,898	4,478	8,919	11,444
Other income	5,166	3,932	19,779	13,296
Net gain on investment securities	13	—	6	74
Total noninterest income	60,979	57,489	272,110	250,681
NONINTEREST EXPENSE:				
Salaries and employee benefits	85,088	74,399	317,492	289,248
Occupancy	11,367	9,819	40,479	38,309
Furniture and equipment	5,315	4,850	19,751	18,619
Amortization - intangibles	5,347	3,095	16,778	12,769
Software expense	6,986	6,870	27,633	26,816
Data processing	4,236	3,788	17,210	17,011
Professional fees	2,931	3,446	11,122	15,134
Advertising and marketing	3,668	3,359	15,127	15,627
FDIC and Other Insurance	3,429	2,534	12,324	11,821
Acquisition Related Expenses	18,256	268	55,227	1,342
Other expenses	20,003	15,013	68,421	57,220
Total noninterest expense	166,626	127,441	601,564	503,916
Income before income tax expense and noncontrolling interest	53,486	46,499	210,216	189,918
Provision for income tax	12,636	6,432	39,425	27,545
Net income	\$ 40,850	\$ 40,067	\$ 170,791	\$ 162,373
Net (income) loss attributable to noncontrolling interest	(220)	(100)	(1,265)	(1,017)
Net income attributable to TowneBank	\$ 40,630	\$ 39,967	\$ 169,526	\$ 161,356
Per common share information				
Basic earnings	\$ 0.52	\$ 0.53	\$ 2.22	\$ 2.15
Diluted earnings	\$ 0.51	\$ 0.53	\$ 2.21	\$ 2.15
Cash dividends declared	\$ 0.27	\$ 0.25	\$ 1.06	\$ 1.00

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	December 31, 2025 (unaudited)	September 30, 2025 (unaudited)	June 30, 2025 (unaudited)	March 31, 2025 (unaudited)	December 31, 2024 (audited)
ASSETS					
Cash and due from banks	\$ 129,941	\$ 152,647	\$ 149,462	\$ 126,526	\$ 108,750
Interest-bearing deposits at FRB	1,097,155	974,514	838,315	1,090,555	1,127,878
Federal funds sold and interest-bearing deposits in financial institutions	123,553	122,819	123,911	100,249	102,847
Total Cash and Cash Equivalents	1,350,649	1,249,980	1,111,688	1,317,330	1,339,475
Securities available for sale	2,710,189	2,668,599	2,553,975	2,470,171	2,353,365
Securities held to maturity	156,697	176,843	201,932	202,018	212,352
Less: allowance for credit losses	(65)	(65)	(67)	(68)	(77)
Securities held to maturity, net of allowance for credit losses	156,632	176,778	201,865	201,950	212,275
Other equity securities	12,219	12,420	12,248	12,223	12,100
FHLB stock	16,341	16,341	13,428	12,425	12,136
Total Securities	2,895,381	2,874,138	2,781,516	2,696,769	2,589,876
Mortgage loans held for sale	154,444	212,507	238,742	168,510	200,460
Loans, net of unearned income and deferred costs	13,335,804	13,379,033	12,359,673	11,652,746	11,459,055
Less: allowance for credit losses	(147,343)	(149,175)	(134,187)	(126,131)	(123,923)
Net Loans	13,188,461	13,229,858	12,225,486	11,526,615	11,335,132
Premises and equipment, net	430,987	422,134	392,056	373,111	368,876
Goodwill	594,080	591,691	499,709	457,619	457,619
Other intangible assets, net	96,528	101,875	74,186	57,145	60,171
BOLI	337,425	334,527	295,434	280,344	279,802
Other assets	639,386	657,731	632,382	618,990	606,910
TOTAL ASSETS	\$ 19,687,341	\$ 19,674,441	\$ 18,251,199	\$ 17,496,433	\$ 17,238,321
LIABILITIES AND EQUITY					
Deposits:					
Noninterest-bearing demand	\$ 5,073,157	\$ 5,139,488	\$ 4,754,340	\$ 4,313,553	\$ 4,253,053
Interest-bearing:					
Demand and money market accounts	8,390,884	8,273,987	7,654,317	7,463,355	7,329,669
Savings	332,752	331,168	332,108	312,151	311,841
Certificates of deposit	2,712,324	2,786,292	2,587,951	2,519,489	2,542,735
Total Deposits	16,509,117	16,530,935	15,328,716	14,608,548	14,437,298
Advances from the FHLB	52,452	52,646	12,838	3,029	3,218
Subordinated debt, net	283,870	283,847	260,430	260,198	260,001
Repurchase agreements and other borrowings	34,817	25,740	20,847	20,875	33,683
Total Borrowings	371,139	362,233	294,115	284,102	296,902
Other liabilities	378,076	384,321	402,823	402,252	357,063
TOTAL LIABILITIES	17,258,332	17,277,489	16,025,654	15,294,902	15,091,263
Preferred stock	—	—	—	—	—
Common stock, \$1.667 par value	131,633	131,574	125,728	125,679	125,455
Capital surplus	1,254,776	1,253,666	1,131,132	1,123,330	1,122,147
Retained earnings	1,087,343	1,067,578	1,044,191	1,024,937	1,000,072
Common stock issued to deferred compensation trust, at cost	(23,293)	(24,130)	(23,977)	(21,969)	(21,868)
Deferred compensation trust	23,293	24,130	23,977	21,969	21,868
Accumulated other comprehensive income (loss)	(51,685)	(63,370)	(83,103)	(87,869)	(116,045)
TOTAL SHAREHOLDERS' EQUITY	2,422,067	2,389,448	2,217,948	2,186,077	2,131,629
Noncontrolling interest	6,942	7,504	7,597	15,454	15,429
TOTAL EQUITY	2,429,009	2,396,952	2,225,545	2,201,531	2,147,058
TOTAL LIABILITIES AND EQUITY	\$ 19,687,341	\$ 19,674,441	\$ 18,251,199	\$ 17,496,433	\$ 17,238,321

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	Three Months Ended				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
INTEREST INCOME:					
Loans, including fees	\$ 189,824	\$ 179,612	\$ 169,772	\$ 152,322	\$ 154,933
Investment securities	26,226	24,784	24,850	22,839	22,236
Interest-bearing deposits in financial institutions and federal funds sold	11,825	10,597	10,241	11,801	15,796
Mortgage loans held for sale	2,794	3,351	2,770	2,653	3,087
Total interest income	230,669	218,344	207,633	189,615	196,052
INTEREST EXPENSE:					
Deposits	68,977	69,143	68,152	67,133	75,885
Advances from the FHLB	532	258	124	25	26
Subordinated debt, net	2,764	2,461	2,609	2,304	2,261
Repurchase agreements and other borrowings	(568)	(470)	(465)	(325)	(177)
Total interest expense	71,705	71,392	70,420	69,137	77,995
Net interest income	158,964	146,952	137,213	120,478	118,057
PROVISION FOR CREDIT LOSSES					
Net interest income after provision for credit losses	(169)	15,276	6,410	2,420	1,606
	159,133	131,676	130,803	118,058	116,451
NONINTEREST INCOME:					
Residential mortgage banking income, net	11,538	13,123	13,561	10,361	11,272
Insurance commissions and related income, net	23,120	25,791	25,677	26,424	23,265
Property management income, net	8,412	20,449	18,207	10,553	6,572
Service charges on deposit accounts	4,638	4,056	3,642	3,327	3,289
Credit card merchant fees, net	1,808	1,909	1,794	1,697	1,486
Investment commissions, net	3,386	3,699	3,158	3,075	3,195
BOLI	2,898	2,157	1,992	1,872	4,478
Other income	5,166	4,456	4,849	5,310	3,932
Net gain/(loss) on investment securities	13	(7)	—	—	—
Total noninterest income	60,979	75,633	72,880	62,619	57,489
NONINTEREST EXPENSE:					
Salaries and employee benefits	85,088	78,964	78,362	75,078	74,399
Occupancy	11,367	9,988	9,791	9,333	9,819
Furniture and equipment	5,315	5,044	4,770	4,621	4,850
Amortization - intangibles	5,347	4,427	3,979	3,026	3,095
Software	6,986	7,518	6,835	6,293	6,870
Data processing	4,236	4,630	4,510	3,835	3,788
Professional fees	2,931	2,999	2,539	2,653	3,446
Advertising and marketing	3,668	3,759	3,228	4,472	3,359
Other expenses	41,688	36,409	36,651	21,225	17,815
Total noninterest expense	166,626	153,738	150,665	130,536	127,441
Income before income tax expense and noncontrolling interest	53,486	53,571	53,018	50,141	46,499
Provision for income tax	12,636	8,959	11,699	6,132	6,432
Net income	\$ 40,850	\$ 44,612	\$ 41,319	\$ 44,009	\$ 40,067
Net (income) loss attributable to noncontrolling interest	(220)	(317)	(432)	(295)	(100)
Net income attributable to TowneBank	\$ 40,630	\$ 44,295	\$ 40,887	\$ 43,714	\$ 39,967
Per common share information					
Basic earnings	\$ 0.52	\$ 0.58	\$ 0.54	\$ 0.58	\$ 0.53
Diluted earnings	\$ 0.51	\$ 0.58	\$ 0.54	\$ 0.58	\$ 0.53
Basic weighted average shares outstanding	78,805,687	76,417,605	75,240,678	75,149,668	75,034,688
Diluted weighted average shares outstanding	79,109,745	76,763,640	75,540,822	75,527,713	75,318,578
Cash dividends declared	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.25	\$ 0.25

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	Three Months Ended			Year Ended		Increase/(Decrease)	
	December 31,		September 30, 2025	December 31,		2025 over 2024 Amount	Percent
	2025	2024		2025	2024		
Revenue							
Net interest income	\$ 157,931	\$ 117,137	\$ 145,746	\$ 559,585	\$ 439,417	\$ 120,168	27.35 %
Service charges on deposit accounts	4,638	3,289	4,056	15,663	12,838	2,825	22.00 %
Credit card merchant fees	1,808	1,486	1,909	7,208	6,529	679	10.40 %
Investment income, net	3,386	3,195	3,933	13,318	10,953	2,365	21.59 %
Other income	6,130	6,456	4,632	23,240	19,551	3,689	18.87 %
Subtotal	15,962	14,426	14,530	59,429	49,871	9,558	19.17 %
Net gain/(loss) on investment securities	13	—	(7)	6	74	(68)	(91.89)%
Total noninterest income	15,975	14,426	14,523	59,435	49,945	9,490	19.00 %
Total revenue	173,906	131,563	160,269	619,020	489,362	129,658	26.50 %
Provision for credit losses	49	1,525	15,148	23,776	(665)	24,441	3,675.34 %
Expenses							
Salaries and employee benefits	58,669	50,130	53,053	214,256	190,391	23,865	12.53 %
Occupancy	9,003	7,362	7,571	30,896	28,579	2,317	8.11 %
Furniture and equipment	4,604	4,087	4,302	16,795	15,423	1,372	8.90 %
Amortization of intangible assets	3,357	1,027	2,417	8,724	4,378	4,346	99.27 %
Software	4,615	4,548	5,096	18,160	17,358	802	4.62 %
Data processing	3,273	2,581	2,853	11,574	10,503	1,071	10.20 %
Accounting and professional fees	2,422	2,648	2,514	8,880	12,576	(3,696)	(29.39)%
Advertising and marketing	2,426	1,985	2,167	9,373	8,743	630	7.21 %
FDIC and other insurance	3,089	2,243	2,672	11,028	10,719	309	2.88 %
Acquisition related	18,010	268	17,761	53,447	875	52,572	n/m
Other expenses	16,399	11,317	13,272	52,916	42,032	10,884	25.89 %
Total expenses	125,867	88,196	113,678	436,049	341,577	94,472	27.66 %
Income before income tax, corporate allocation and noncontrolling interest	47,990	41,842	31,443	159,195	148,450	10,745	7.24 %
Corporate allocation	1,449	1,172	1,544	5,924	4,696	1,228	26.15 %
Income before income tax provision and noncontrolling interest	49,439	43,014	32,987	165,119	153,146	11,973	7.82 %
Provision for income tax	11,525	5,275	3,881	27,900	18,006	9,894	54.95 %
Net income	37,914	37,739	29,106	137,219	135,140	2,079	1.54 %
Noncontrolling interest	(73)	(63)	(112)	(267)	(29)	(238)	n/m
Net income attributable to TowneBank	\$ 37,841	\$ 37,676	\$ 28,994	\$ 136,952	\$ 135,111	\$ 1,841	1.36 %
Efficiency ratio (non-GAAP)	70.45 %	66.26 %	69.42 %	69.26 %	68.92 %		

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

	Three Months Ended			Year Ended		Increase/(Decrease)	
	December 31,		September 30,	December 31,		2025 over 2024	Amount
	2025	2024	2025	2025	2024	Amount	
Revenue							
Residential mortgage banking income, net	\$ 12,170	\$ 11,580	\$ 13,724	\$ 50,558	\$ 48,586	\$ 1,972	4.06 %
Income (loss) from unconsolidated subsidiary	18	68	107	250	216	34	15.74 %
Net interest and other income	1,272	1,661	1,414	4,891	4,564	327	7.16 %
Total revenue	13,460	13,309	15,245	55,699	53,366	2,333	4.37 %
Provision for credit losses	(218)	81	128	161	117	\$ 44	37.61 %
Expenses							
Salaries and employee benefits	7,776	6,712	7,574	29,696	26,684	3,012	11.29 %
Occupancy	908	981	956	3,900	4,079	(179)	(4.39)%
Furniture and equipment	170	158	151	667	636	31	4.87 %
Amortization of intangible assets	—	—	—	—	288	(288)	(100.00)%
Software	798	719	800	3,114	3,127	(13)	(0.42)%
Data processing	186	194	209	755	717	38	5.30 %
Accounting and professional fees	163	252	117	663	847	(184)	(21.72)%
Advertising and marketing	448	406	500	1,757	1,643	114	6.94 %
FDIC and other insurance	129	112	128	470	399	71	17.79 %
Acquisition related	246	—	53	1,780	—	1,780	100.00 %
Other expenses	2,293	2,652	2,466	9,952	9,738	214	2.20 %
Total expenses	13,117	12,186	12,954	52,754	48,158	4,596	9.54 %
Income (loss) before income tax, corporate allocation, and noncontrolling interest	561	1,042	2,163	2,784	5,091	(2,307)	(45.32)%
Corporate allocation	(450)	(437)	(502)	(1,821)	(1,759)	(62)	(3.52)%
Income (loss) before income tax provision and noncontrolling interest	111	605	1,661	963	3,332	(2,369)	(71.10)%
Provision for income tax	1	122	319	39	619	(580)	(93.70)%
Net income (loss)	110	483	1,342	924	2,713	(1,789)	(65.94)%
Noncontrolling interest	(147)	(156)	(205)	(778)	(967)	189	19.54 %
Net income (loss) attributable to TowneBank	\$ (37)	\$ 327	\$ 1,137	\$ 146	\$ 1,746	\$ (1,600)	(91.64)%
Efficiency ratio (non-GAAP)	97.45 %	91.56 %	84.97 %	94.71 %	89.70 %		

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

	Three Months Ended			Year Ended		Increase/(Decrease)	
	December 31,		September 30,	December 31,		2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Revenue							
Property management fees, net	\$ 8,412	\$ 6,572	\$ 20,449	\$ 57,620	\$ 50,028	\$ 7,592	15.18 %
Net interest and other income	69	3	44	150	107	43	40.19 %
Total revenue	8,481	6,575	20,493	57,770	50,135	7,635	15.23 %
Expenses							
Salaries and employee benefits	5,099	4,796	5,516	21,313	21,737	(424)	(1.95)%
Occupancy	665	640	677	2,530	2,561	(31)	(1.21)%
Furniture and equipment	405	435	431	1,628	1,751	(123)	(7.02)%
Amortization of intangible assets	637	637	637	2,547	2,443	104	4.26 %
Software	754	939	885	3,377	3,434	(57)	(1.66)%
Data processing	674	897	1,428	4,385	5,334	(949)	(17.79)%
Accounting and professional fees	63	304	92	517	930	(413)	(44.41)%
Advertising and marketing	621	808	941	3,203	4,558	(1,355)	(29.73)%
FDIC and other insurance	75	70	60	314	239	75	31.38 %
Acquisition related	—	—	—	—	466	(466)	(100.00)%
Other expenses	100	464	(756)	2,383	2,560	(177)	(6.91)%
Total expenses	9,093	9,990	9,911	42,197	46,013	(3,816)	(8.29)%
Income (loss) before income tax, corporate allocation, and noncontrolling interest	(612)	(3,415)	10,582	15,573	4,122	11,451	277.80 %
Corporate allocation	(297)	—	(329)	(1,262)	—	(1,262)	n/m
Income (loss) before income tax provision and noncontrolling interest	(909)	(3,415)	10,253	14,311	4,122	10,189	247.19 %
Provision for income tax	(100)	(578)	2,524	3,811	1,397	2,414	172.80 %
Net income (loss)	(809)	(2,837)	7,729	10,500	2,725	7,775	285.32 %
Noncontrolling interest	—	119	—	(220)	(21)	(199)	(947.62)%
Net income (loss) attributable to TowneBank	\$ (809)	\$ (2,718)	\$ 7,729	\$ 10,280	\$ 2,704	\$ 7,576	280.18 %
Efficiency ratio (non-GAAP)	99.71 %	142.25 %	45.25 %	68.63 %	86.91 %		

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	Three Months Ended			Year Ended		Increase/(Decrease)	
	December 31,		September 30,	December 31,		2025 over 2024	
	2025	2024	2025	2025	2024	Amount	Percent
Commission and fee income							
Property and casualty	\$ 20,785	\$ 20,576	\$ 24,030	\$ 91,444	\$ 86,679	\$ 4,765	5.50 %
Employee benefits	4,888	4,335	4,925	19,134	18,047	1,087	6.02 %
Specialized benefit services	—	1	—	—	10	(10)	(100.00)%
Total commissions and fees	25,673	24,912	28,955	110,578	104,736	5,842	5.58 %
Contingency and bonus revenue	2,536	2,924	2,556	11,746	13,110	(1,364)	(10.40)%
Other income	131	221	10	149	263	(114)	(43.35)%
Total revenue	28,340	28,057	31,521	122,473	118,109	4,364	3.69 %
Employee commission expense	4,244	3,958	4,943	19,245	17,686	1,559	8.81 %
Revenue, net of commission expense	24,096	24,099	26,578	103,228	100,423	2,805	2.79 %
Expenses							
Salaries and employee benefits	13,544	12,761	12,821	52,227	50,436	1,791	3.55 %
Occupancy	791	836	784	3,153	3,090	63	2.04 %
Furniture and equipment	136	170	160	661	809	(148)	(18.29)%
Amortization of intangible assets	1,353	1,431	1,373	5,507	5,660	(153)	(2.70)%
Software	819	663	737	2,982	2,897	85	2.93 %
Data processing	103	117	140	496	457	39	8.53 %
Accounting and professional fees	283	241	276	1,062	781	281	35.98 %
Advertising and marketing	173	160	151	794	683	111	16.25 %
FDIC and other insurance	136	109	142	512	464	48	10.34 %
Acquisition related	—	—	—	—	1	(1)	(100.00)%
Other expenses	1,211	581	611	3,170	2,890	280	9.69 %
Total operating expenses	18,549	17,069	17,195	70,564	68,168	2,396	3.51 %
Income before income tax and noncontrolling interest	5,547	7,030	9,383	32,664	32,255	409	1.27 %
Corporate allocation	(702)	(735)	(713)	(2,841)	(2,937)	96	3.27 %
Income (loss) before income tax, corporate allocation, and noncontrolling interest	4,845	6,295	8,670	29,823	29,318	505	1.72 %
Provision for income tax expense	1,210	1,613	2,235	7,675	7,523	152	2.02 %
Net income	3,635	4,682	6,435	22,148	21,795	353	1.62 %
Noncontrolling interest	—	—	—	—	—	—	N/M
Net income attributable to TowneBank	\$ 3,635	\$ 4,682	\$ 6,435	\$ 22,148	\$ 21,795	\$ 353	1.62 %
Provision for income tax	1,210	1,613	2,235	7,675	7,523	152	2.02 %
Depreciation, amortization and interest expense	1,450	1,549	1,481	5,947	6,181	(234)	(3.79)%
EBITDA (non-GAAP)	\$ 6,295	\$ 7,844	\$ 10,151	\$ 35,770	\$ 35,499	\$ 271	0.76 %
Efficiency ratio (non-GAAP)	71.74 %	65.48 %	59.53 %	63.10 %	62.39 %		

TOWNEBANK
Reconciliation of Non-GAAP Financial Measures:

	Three Months Ended			Twelve Months Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Return on average assets (GAAP)	0.82 %	0.94 %	0.92 %	0.92 %	0.95 %
Impact of excluding average goodwill and other intangibles and amortization	0.12 %	0.11 %	0.08 %	0.11 %	0.09 %
Return on average tangible assets (non-GAAP)	0.94 %	1.05 %	1.00 %	1.03 %	1.04 %
Return on average equity (GAAP)	6.67 %	7.72 %	7.40 %	7.50 %	7.75 %
Impact of excluding average goodwill and other intangibles and amortization	3.65 %	3.67 %	2.96 %	3.50 %	3.24 %
Return on average tangible equity (non-GAAP)	10.32 %	11.39 %	10.36 %	11.00 %	10.99 %
Return on average common equity (GAAP)	6.69 %	7.75 %	7.46 %	7.53 %	7.81 %
Impact of excluding average goodwill and other intangibles and amortization	3.67 %	3.70 %	3.00 %	3.53 %	3.30 %
Return on average tangible common equity (non-GAAP)	10.36 %	11.45 %	10.46 %	11.06 %	11.11 %
Book value (GAAP)	\$ 30.67	\$ 30.27	\$ 28.33	\$ 30.67	\$ 28.33
Impact of excluding average goodwill and other intangibles and amortization	(8.74)	(8.78)	(6.89)	(8.74)	(6.89)
Tangible book value (non-GAAP)	\$ 21.93	\$ 21.49	\$ 21.44	\$ 21.93	\$ 21.44
Efficiency ratio (GAAP)	75.76 %	69.07 %	72.60 %	71.98 %	72.69 %
Impact of exclusions	(2.39)%	(1.99)%	(1.68)%	(1.83)%	(1.81)%
Efficiency ratio (non-GAAP)	73.37 %	67.08 %	70.92 %	70.15 %	70.88 %
Average assets (GAAP)	\$ 19,707,366	\$ 18,624,099	\$ 17,349,128	\$ 18,407,528	\$ 17,056,721
Less: average goodwill and intangible assets	692,972	611,836	519,691	597,703	522,419
Average tangible assets (non-GAAP)	\$ 19,014,394	\$ 18,012,263	\$ 16,829,437	\$ 17,809,825	\$ 16,534,302
Average equity (GAAP)	\$ 2,417,659	\$ 2,279,984	\$ 2,148,111	\$ 2,262,251	\$ 2,084,993
Less: average goodwill and intangible assets	692,972	611,836	519,691	597,703	522,419
Average tangible equity (non-GAAP)	\$ 1,724,687	\$ 1,668,148	\$ 1,628,420	\$ 1,664,548	\$ 1,562,574
Average common equity (GAAP)	\$ 2,410,954	\$ 2,272,509	\$ 2,131,778	\$ 2,252,777	\$ 2,068,671
Less: average goodwill and intangible assets	692,972	611,836	519,691	597,703	522,419
Average tangible common equity (non-GAAP)	\$ 1,717,982	\$ 1,660,673	\$ 1,612,087	\$ 1,655,074	\$ 1,546,252
Net income (GAAP)	\$ 40,630	\$ 44,295	\$ 39,967	\$ 169,526	\$ 161,356
Amortization of intangibles, net of tax	4,224	3,497	2,445	13,255	10,088
Tangible net income (non-GAAP)	\$ 44,854	\$ 47,792	\$ 42,412	\$ 182,781	\$ 171,444
Total revenue (GAAP)	\$ 219,943	\$ 222,584	\$ 175,546	\$ 835,717	\$ 693,286
Net (gain) loss on investment securities/equity investments	(138)	7	(218)	(2,131)	(312)
Total revenue for efficiency calculation (non-GAAP)	\$ 219,805	\$ 222,591	\$ 175,328	\$ 833,586	\$ 692,974
Noninterest expense (GAAP)	\$ 166,626	\$ 153,738	\$ 127,441	\$ 601,564	\$ 503,916
Less: Amortization of intangibles	5,347	4,427	3,095	16,778	12,769
Noninterest expense net of amortization (non-GAAP)	\$ 161,279	\$ 149,311	\$ 124,346	\$ 584,786	\$ 491,147

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
	\$ 40,630	\$ 44,295	\$ 40,887	\$ 43,714	\$ 39,967
Net income (GAAP)					
Plus: Acquisition-related expenses, net of tax	14,659	14,996	15,291	389	250
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)
Total adjustments, net of taxes	14,659	24,474	22,503	389	151
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	\$ 55,289	\$ 68,769	\$ 63,390	\$ 44,103	\$ 40,118
Annualized interest impact of Series IV Notes, net of tax	42	42	42	42	—
Core net income for diluted EPS (non-GAAP)	\$ 55,331	\$ 68,811	\$ 63,432	\$ 44,145	\$ 40,118
Weighted average diluted shares	79,109,745	76,763,640	75,540,822	75,527,713	75,318,578
Diluted EPS (GAAP)	\$ 0.51	\$ 0.58	\$ 0.54	\$ 0.58	\$ 0.53
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	\$ 0.70	\$ 0.90	\$ 0.84	\$ 0.58	\$ 0.53
Average assets	\$ 19,707,366	\$ 18,624,099	\$ 18,056,980	\$ 17,211,862	\$ 17,349,128
Average tangible equity	\$ 1,724,687	\$ 1,668,148	\$ 1,621,072	\$ 1,643,353	\$ 1,628,420
Average common tangible equity	\$ 1,717,982	\$ 1,660,673	\$ 1,613,437	\$ 1,627,145	\$ 1,612,087
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.11 %	1.46 %	1.41 %	1.04 %	0.92 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	13.69 %	17.23 %	16.53 %	11.48 %	10.39 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	13.74 %	17.31 %	16.61 %	11.60 %	10.50 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	65.07 %	59.08 %	60.90 %	70.18 %	70.77 %

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.

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

	Year Ended	
	December 31, 2025	December 31, 2024
Net income (GAAP)	\$ 169,526	\$ 161,356
Adjustments		
Plus: Acquisition-related expenses, net of tax	45,335	1,292
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	—	(115)
Total adjustments, net of taxes	<u>62,025</u>	<u>1,888</u>
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	<u>231,551</u>	<u>163,244</u>
Annualized interest impact of Series IV Notes, net of tax	<u>\$ 168</u>	<u>\$ —</u>
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	<u><u>\$ 231,719</u></u>	<u><u>\$ 163,244</u></u>
Weighted average diluted shares	76,751,858	75,169,699
Diluted EPS (GAAP)	\$ 2.21	\$ 2.15
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	\$ 3.02	\$ 2.17
Average assets	\$ 18,407,528	\$ 17,056,721
Average tangible equity	\$ 1,664,548	\$ 1,562,574
Average tangible common equity	\$ 1,655,074	\$ 1,546,252
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.26 %	0.96 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	14.73 %	11.11 %
Return on average tangible common equity, excluding certain items affecting comparability (non-GAAP)	14.82 %	11.23 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	63.53 %	70.68 %

Property management income and net income have been revised in all periods to reflect a change in the timing of revenue recognition. This revision did not have a material impact on annual earnings.