TowneBank

News Release

FOR IMMEDIATE RELEASE

TOWNEBANK REPORTS SECOND QUARTER 2026 EARNINGS

Suffolk, VA., July 22, 2026 - TowneBank (the "Company" or "Towne") (NASDAQ: TOWN) today reported earnings for the quarter ended June 30, 2026 of $193.19 million, or $2.09 per diluted share, compared to $40.89 million, or $0.54 per diluted share, for the quarter ended June 30, 2025. Excluding certain items affecting comparability, core earnings (non-GAAP) were $72.01 million, or $0.78 per diluted share, in the current quarter compared to $63.39 million, or $0.84 per diluted share, for the quarter ended June 30, 2025.

"Our second quarter results demonstrate the strength and resilience of our Main Street Banking model. We continued to expand margin, increase noninterest-bearing deposit balances, and uphold our disciplined approach to credit risk management. Additionally, the sale of Towne Vacations generated a gain of nearly $200 million, significantly enhancing our capital levels and tangible book value. We are pleased by the early results of our strategic growth initiatives in the Carolinas and remain focused on expanding our Insurance business through both organic growth and selective acquisition opportunities," said G. Robert Aston, Jr., Executive Chairman.

<u>Highlights for Second Quarter 2026:</u>

- Total deposits were $18.71 billion, an increase of 1.26%, or $233.17 million, compared to March 31, 2026.
- Noninterest-bearing deposits increased $245.55 million, or 4.39%, compared to the linked quarter driven by growth in commercial deposits.
- Loans held for investment were $15.17 billion, a decrease of $91.49 million, or 0.60%, compared to March 31, 2026.
- Total revenues were $444.27 million, an increase of $234.17 million, or 111.46%, compared to second quarter 2025. Noninterest income increased $186.27 million, driven by a $198.55 million gain on the sale of our Resort Property Management segment. Net interest income increased

$47.90 million, as higher loan volumes and loan yields drove an improvement in interest income while cost of deposits decreased by 25 basis points.

- Annualized return on common shareholders' equity was 25.72% compared to 7.54% in second quarter 2025. Excluding certain items affecting comparability, annualized return on common shareholders' equity (non-GAAP) was 9.59% compared to 11.69% in second quarter 2025.
- Annualized return on average tangible common shareholders' equity (non-GAAP) was 37.76% compared to 10.99% in second quarter 2025. Excluding certain items affecting comparability, annualized return on average tangible common shareholders' equity (non-GAAP) was 14.63% compared to 16.61% in second quarter 2025.
- Net interest margin was 3.68% for the quarter and tax-equivalent net interest margin (non-GAAP) was 3.70%, including purchase accounting accretion of 11 basis points, compared to the prior year quarter net interest margin of 3.38% and tax-equivalent net interest margin (non-GAAP) of 3.40%, including purchase accounting accretion of 6 basis points.
- Certain events related to the sale of our Resort Property Management segment impacted earnings and earnings-related ratios in the quarter. These events consisted of a pre-tax gain on the sale for $198.55 million, a special charitable foundation contribution of $25.00 million, and merger and acquisition related expenses of $8.68 million. Additionally, TowneBank paid a special dividend of $0.70 per common share, representing approximately 32% of the gain on the sale of the Resort Property Management segment before taxes and deal costs.
- We expect net interest income to be impacted by net purchase accounting accretion income of $6.56 million and $10.31 million in the remainder of 2026 and 2027, respectively.
- The effective tax rate was 23.72% in the quarter compared to 22.25% in second quarter 2025 and 18.19% in the linked quarter. The change in the effective rate from second quarter 2026 compared to 2025 and the linked quarter was due to the increase in state tax expense related to the sale of the Resort Property Management business.

"I’m highly encouraged with the early success of our talent acquisition strategy across the Carolinas. Since the beginning of the year, we have added 24 experienced Towne Bankers, including four market executives, eight private and commercial bankers, and two treasury sales officers. These strategic hires are helping us build meaningful momentum and deepen our presence in some of the nation's most dynamic and attractive banking markets," stated William I. Foster III, President and Chief Executive Officer.

Quarterly Net Interest Income:

- Net interest income was $185.12 million in second quarter 2026 compared to $137.21 million for the quarter ended June 30, 2025, driven by a combination of volume increases and improvement in rates.
- Average interest-earning assets totaled $20.19 billion at June 30, 2026, compared to $19.61 billion in the linked quarter, an increase of 2.94%.
- On an average basis, loans held for investment, with a yield of 5.69%, represented 75.50% of earning assets at June 30, 2026 compared to 5.67% and 76.65% in the linked quarter. Average loans held for investment had a yield of 5.56% and represented 75.52% of earning assets at June 30, 2025.
- The cost of interest-bearing deposits was 2.24% for the quarter ended June 30, 2026, compared to 2.33% in the linked quarter and 2.61% in second quarter 2025. Interest expense on deposits increased $3.33 million, or 4.88%, from the prior year quarter as higher volume outpaced decreases in rate.
- Our total cost of deposits decreased to 1.55% from 1.63% for the linked quarter and 1.80% for the quarter ended June 30, 2025 due to lower interest-bearing deposit rates.
- Average interest-bearing liabilities totaled $13.26 billion, an increase of $105.95 million, or 0.81%, from the linked quarter. Total borrowings decreased $62.24 million compared to the linked quarter, due to repayment of a portion of debt assumed in the Dogwood State Bank ("Dogwood") acquisition.

Quarterly Provision for Credit Losses:

- The quarterly provision for credit losses was $625 thousand compared to $6.41 million in the prior year quarter and $344 thousand in the linked quarter.
- The allowance for credit losses on loans increased $651 thousand in second quarter 2026, compared to the linked quarter.
- Net loan charge-offs were $5.76 million in the quarter, $1.69 million in the linked quarter, and $19 thousand in the prior year quarter. The increase in charge-offs was driven primarily by acquired indirect and SBA loans.
- The ratio of net charge-offs to average loans on an annualized basis was 0.15% in second quarter 2026, 0.05% in the linked quarter, and less than 0.01% in second quarter 2025.
- The allowance for credit losses on loans represented 1.32% of total loans at June 30, 2026, compared to 1.31% at March 31, 2026, and 1.09% at June 30, 2025. Our June 30, 2026 allowance

for credit losses is further broken down into community banking which represented 1.20% of total loans and government guaranteed lending which represented 0.12% of total loans.

- The allowance for credit losses on loans was 6.16 times nonperforming loans compared to 16.81 times at June 30, 2025 and 6.08 times at March 31, 2026.

Quarterly Noninterest Income:

- Total noninterest income was $259.15 million compared to $72.88 million in 2025, an increase of $186.27 million, or 255.58%.
- The gain on sale of our Resort Property Management segment included in noninterest income was $198.55 million. As a result of the sale, there was no operating income to report from this segment in second quarter 2026 compared to second quarter 2025 income of $18.21 million.
- Government guaranteed lending income, net was $1.99 million in second quarter 2026 and represented a new noninterest income source in 2026 related to the acquisition of Dogwood.
- Residential mortgage banking income was $12.54 million compared to $13.56 million in second quarter 2025 driven by margin compression. Loan volume increased to $734.65 million in second quarter 2026 from $671.47 million in second quarter 2025. Residential purchase activity was 91.58% of production volume in second quarter 2026 compared to 92.37% in second quarter 2025.
- Gross margins on residential mortgage sales were 2.97%, a decrease of 12 basis points from 3.09% in the linked quarter and 16 basis points from 3.13% in second quarter 2025.

Quarterly Noninterest Expense:

- Total noninterest expense was $189.94 million compared to $150.67 million in 2025, an increase of $39.28 million, or 26.07%. This increase was primarily attributable to a special charitable foundation contribution and growth in salaries and employee benefits.
- An increase in banking personnel related to the Dogwood and Old Point Financial Corporation acquisitions represented $8.62 million of the $10.37 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 mid-September 2025 and performance-based incentives.

Consolidated Balance Sheet Highlights:

- Total assets were $22.62 billion for the quarter ended June 30, 2026, a $258.25 million increase compared to $22.36 billion at March 31, 2026.
- Loans held for investment decreased $91.49 million, or 0.60%, compared to the linked quarter, but

increased $218 million in our Carolina markets.

- Mortgage loans held for sale increased $36.86 million, or 15.44%, compared to prior year and $103.87 million, or 60.48%, compared to the linked quarter, driven by higher production volume.
- Government guaranteed loans held for sale increased $28.42 million over the linked quarter. This loan activity was included in the acquisition of Dogwood and is new to TowneBank in 2026.
- Total deposits increased $233.17 million, or 1.26%, compared to the linked quarter, driven by demand deposit growth.
- Noninterest-bearing deposits increased $245.55 million, or 4.39%, compared to the linked quarter.
- The Company repaid a portion of acquired FHLB borrowings in the quarter, contributing to a $62.24 million, or 12.15%, decrease in borrowings compared to the linked quarter.

Investment Securities:

- Total investment securities were $3.10 billion compared to $3.03 billion at March 31, 2026 and $2.78 billion at June 30, 2025. The weighted average duration of the portfolio at June 30, 2026 was 3.6 years. The carrying value of the available-for-sale debt securities portfolio included net unrealized losses of $85.14 million at June 30, 2026, compared to $81.40 million at March 31, 2026 and $113.14 million at June 30, 2025, with the changes in fair value marks due to the change in interest rates.

Loans and Asset Quality:

- Total loans held for investment were $15.17 billion at June 30, 2026 and $15.26 billion at March 31, 2026.
- Nonperforming assets, which consists of nonperforming loans, foreclosed property, and former bank premises, were $48.31 million, or 0.21% of total assets, compared to $51.11 million, or 0.23%, at the linked quarter end, and $9.29 million, or 0.05%, at June 30, 2025. Former bank premises of $10.57 million have executed purchase agreements or purchase agreements under review that are expected to close by November 2026.
- Nonperforming loans were 0.21% of period end loans at June 30, 2026, and in the linked quarter, compared to 0.06% at June 30, 2025. The increase over prior year was primarily driven by loans acquired in the Dogwood transaction.
- Foreclosed property and former bank premises totaled $15.88 million at June 30, 2026, and consisted of $505 thousand in other real estate owned, $1.32 million in repossessed autos, and $14.06 million in acquisition-related former bank premises. Foreclosed property and former bank

premises totaled totaled $18.36 million at March 31, 2026, and consisted of $505 thousand in other real estate owned, $1.53 million in repossessed autos, and $16.32 million in acquisition-related former bank premises.

Deposits and Borrowings:

- Total deposits were $18.71 billion compared to $18.48 billion at March 31, 2026, an increase of $233.17 million, or 5.06% on an annualized basis from the linked quarter.
- The ratio of period end loans held for investment to deposits was 81.06% compared to 82.58% at March 31, 2026, and 80.63% at June 30, 2025.
- Noninterest-bearing deposits were 31.22% of total deposits at June 30, 2026 compared to 30.29% at March 31, 2026 and 31.02% at June 30, 2025. Noninterest-bearing deposits increased $245.55 million, or 4.39%, compared to the linked quarter.
- Total borrowings were $450.24 million compared to $512.48 million at March 31, 2026, a decrease of $62.24 million, or 12.15%.

Capital:

- Book value per common share was $32.40 compared to $31.31 at March 31, 2026 and $29.41 at June 30, 2025.
- Tangible book value per common share (non-GAAP) was $22.60 compared to $21.49 at March 31, 2026 and $21.80 at June 30, 2025.

About TowneBank:

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

Today, TowneBank operates over 70 banking offices throughout Hampton Roads and Central Virginia, Eastern and Central North Carolina, the Greenville and upstate region of South Carolina, and Charleston, South Carolina – serving as a local leader in promoting the social, cultural, and economic growth in each community. Towne offers a competitive array of business and personal banking solutions, delivered with only the highest ethical standards. Experienced local bankers providing a higher level of expertise and personal attention with local decision-making are key to the TowneBank strategy. TowneBank has grown its capabilities beyond banking to provide expertise through its affiliated companies that include Towne Wealth Management, Towne Insurance Agency, Towne Benefits, TowneBank Mortgage, TowneBank Commercial Mortgage, Berkshire Hathaway HomeServices RW Towne Realty, Towne 1031 Exchange, and Towne Trust Company, N.A. With total assets of $22.62 billion as of June 30, 2026, TowneBank is one of the largest banks headquartered in Virginia.

Non-GAAP Financial Measures:

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

Forward-Looking Statements:

This press release contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and its management regarding future events, many of which, by their nature, are inherently uncertain. Forward-looking statements may be identified by the use of such words as: "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional terms, such as "will," "would," "should," "could," "may," "likely," "probably," or "possibly." These statements may address issues that involve significant risks, uncertainties, estimates, and assumptions made by management. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, competitive pressures in the banking industry that may increase significantly; changes in the interest rate environment that may reduce margins and/or the volumes and values of loans made or held as well as the value of other financial assets held; an unforeseen outflow of cash or deposits or an inability to access the capital markets, which could jeopardize our overall liquidity or capitalization; changes in the creditworthiness of customers and the possible impairment of the collectability of loans; insufficiency of our allowance for credit losses due to market conditions, inflation, changing interest rates or other factors; adverse developments in the financial industry generally, 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 recently completed acquisitions, including our 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; changes in the securities market; and changes in our local economy with regard to our market area, including any adverse impact of actual and proposed cuts to federal spending, including defense, security and military spending, on the economy. Any forward-looking statements made by us or on our behalf speak only as of the date they are made or as of the date indicated, and we do not undertake any obligation to update forward-looking statements as a result of new information, future events, or otherwise. For additional information on factors that could materially influence forward-looking statements included in this report, see the "Risk Factors" in TowneBank's Annual Report on Form 10-K for the year ended December 31, 2025 and related disclosures in other filings that have been, or will be, filed by TowneBank with the Federal Deposit Insurance Corporation.

Media contact:
G. Robert Aston, Jr., Executive Chairman, 757-638-6780
William I. Foster III, President and Chief Executive Officer, 757-417-6482

Investor contact:
William B. Littreal, Chief Financial Officer, 757-638-6813

TOWNEBANK

Selected Financial Highlights (unaudited)

(dollars in thousands, except per share data)

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Income and Performance Ratios:					
Total revenue	$ 444,266	$ 246,447	$ 219,943	$ 222,584	$ 210,093
Net income	193,618	41,101	40,850	44,612	41,319
Net income available to common shareholders	193,186	40,993	40,630	44,295	40,887
Net income per common share - diluted	2.09	0.45	0.51	0.58	0.54
Book value per common share	32.40	31.31	30.67	30.27	29.41
Book value per common share - tangible (non-GAAP)	22.60	21.49	21.93	21.49	21.80
Return on average assets	3.45 %	0.76 %	0.82 %	0.94 %	0.91 %
Return on average assets - tangible (non-GAAP)	3.68 %	0.89 %	0.94 %	1.05 %	1.01 %
Return on average equity	25.66 %	5.84 %	6.67 %	7.72 %	7.52 %
Return on average equity - tangible (non-GAAP)	37.63 %	9.55 %	10.32 %	11.39 %	10.94 %
Return on average common equity	25.72 %	5.85 %	6.69 %	7.75 %	7.54 %
Return on average common equity - tangible (non-GAAP)	37.76 %	9.58 %	10.36 %	11.45 %	10.99 %
Noninterest income as a percentage of total revenue	58.33 %	29.83 %	27.73 %	33.98 %	34.69 %
Regulatory Capital Ratios (1):					
Common equity tier 1	12.16 %	11.43 %	11.34 %	11.18 %	11.77 %
Tier 1	12.20 %	11.47 %	11.39 %	11.23 %	11.82 %
Total	14.58 %	13.87 %	14.14 %	13.98 %	14.49 %
Tier 1 leverage ratio	10.00 %	9.75 %	9.36 %	9.84 %	9.93 %
Asset Quality:					
Allowance for credit losses on loans to nonperforming loans	6.16x	6.08x	12.57x	19.38x	16.81x
Allowance for credit losses on loans to period end loans	1.32 %	1.31 %	1.10 %	1.11 %	1.09 %
Nonperforming loans to period end loans	0.21 %	0.21 %	0.09 %	0.06 %	0.06 %
Nonperforming assets to period end assets	0.21 %	0.23 %	0.07 %	0.05 %	0.05 %
Net charge-offs (recoveries) to average loans (annualized)	0.15 %	0.05 %	0.06 %	0.01 %	— %
Net charge-offs (recoveries)	$ 5,756	$ 1,690	$ 1,948	$ 255	$ 19
Nonperforming loans	$ 32,430	$ 32,751	$ 11,726	$ 7,698	$ 7,982
Former bank premises	14,061	16,323	879	885	—
Foreclosed property	1,823	2,037	1,754	1,798	1,306
Total nonperforming assets	$ 48,314	$ 51,111	$ 14,359	$ 10,381	$ 9,288
Loans past due 90 days and still accruing interest	$ 1,095	$ 2,487	$ 890	$ 1,863	$ 210
Allowance for credit losses on loans	$ 199,918	$ 199,267	$ 147,343	$ 149,175	$ 134,187
Mortgage Banking:					
Loans originated, mortgage	$ 597,622	$ 469,323	$ 504,732	$ 491,921	$ 494,108
Loans originated, joint venture	137,028	106,027	118,597	144,440	177,359
Total loans originated	$ 734,651	$ 575,350	$ 623,329	$ 636,361	$ 671,467
Number of loans originated	1,827	1,423	1,551	1,679	1,750
Number of originators	168	162	161	169	166
Purchase %	91.58 %	77.57 %	82.23 %	91.84 %	92.37 %
Loans sold	$ 597,947	$ 527,428	$ 652,853	$ 657,822	$ 596,009
Rate lock asset	$ 1,831	$ 2,003	$ 1,145	$ 2,213	$ 2,186
Gross realized gain on sales and fees as a % of loans originated	2.97 %	3.09 %	3.19 %	3.32 %	3.13 %
Other Ratios:					
Net interest margin	3.68 %	3.58 %	3.56 %	3.48 %	3.38 %
Net interest margin-fully tax-equivalent (non-GAAP)	3.70 %	3.60 %	3.58 %	3.50 %	3.40 %
Average earning assets/total average assets	89.78 %	89.60 %	89.96 %	90.03 %	90.23 %
Average loans/average deposits	82.40 %	83.22 %	80.57 %	80.92 %	81.09 %
Average noninterest deposits/total average deposits	30.78 %	30.24 %	31.28 %	31.30 %	30.88 %
Period end equity/period end total assets	13.27 %	12.96 %	12.34 %	12.18 %	12.19 %
Efficiency ratio (non-GAAP)	74.91 %	76.96 %	73.37 %	67.08 %	69.82 %

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

TOWNEBANK

Selected Data (unaudited)

(dollars in thousands)

Investment Securities				% Change	
	Q2	**Q2**	**Q1**	**Q2 26 vs.**	**Q2 26 vs.**
Available-for-sale securities, at fair value	**2026**	**2025**	**2026**	**Q2 25**	**Q1 26**
U.S. agency securities	$ 402,738	$ 345,808	$ 386,157	16.46 %	4.29 %
U.S. Treasury notes	176,393	78,746	83,396	124.00 %	111.51 %
Municipal securities	540,924	438,490	535,652	23.36 %	0.98 %
Trust preferred and other corporate securities	164,040	115,126	161,453	42.49 %	1.60 %
Mortgage-backed securities issued by GSEs and GNMA	1,657,895	1,577,325	1,697,124	5.11 %	(2.31)%
Allowance for credit losses	(1,028)	(1,520)	(1,355)	(32.37)%	(24.13)%
Total	$ 2,940,962	$ 2,553,975	$ 2,862,427	15.15 %	2.74 %
Gross unrealized gains (losses) reflected in financial statements					
Total gross unrealized gains	$ 9,072	$ 6,048	$ 9,894	50.00 %	(8.31)%
Total gross unrealized losses	(94,212)	(119,186)	(91,293)	(20.95)%	3.20 %
Net unrealized gains (losses) and other adjustments on AFS securities	$ (85,140)	$ (113,138)	$ (81,399)	(24.75)%	4.60 %
Held-to-maturity securities, at amortized cost					
U.S. agency securities	$ 18,403	$ 92,973	$ 18,339	(80.21)%	0.35 %
U.S. Treasury notes	95,317	96,250	95,551	(0.97)%	(0.24)%
Municipal securities	5,515	5,414	5,490	1.87 %	0.46 %
Trust preferred corporate securities	2,041	2,094	2,054	(2.53)%	(0.63)%
Mortgage-backed securities issued by GSEs	5,057	5,201	5,093	(2.77)%	(0.71)%
Allowance for credit losses	(32)	(67)	(33)	(52.24)%	(3.03)%
Total	$ 126,301	$ 201,865	$ 126,494	(37.43)%	(0.15)%
Total gross unrealized gains	$ 195	$ 214	$ 196	(8.88)%	(0.51)%
Total gross unrealized losses	(1,931)	(5,148)	(2,314)	(62.49)%	(16.55)%
Net unrealized gains (losses) in HTM securities	$ (1,736)	$ (4,934)	$ (2,118)	(64.82)%	(18.04)%
Total unrealized gains (losses) on AFS and HTM securities	$ (86,876)	$ (118,072)	$ (83,517)	(26.42)%	4.02 %

				% Change	
Loans Held For Investment	**Q2**	**Q2**	**Q1**	**Q2 26 vs.**	**Q2 26 vs.**
Community Banking:	**2026**	**2025**	**2026**	**Q2 25**	**Q1 26**
CRE - construction and development	$ 1,308,080	$ 1,072,625	$ 1,450,284	21.95 %	(9.81)%
CRE - owner occupied	2,401,402	1,815,900	2,359,542	32.24 %	1.77 %
CRE - non-owner occupied	4,317,091	3,557,175	4,284,890	21.36 %	0.75 %
CRE - multifamily	865,154	887,083	894,653	(2.47)%	(3.30)%
Residential 1-4 family	2,326,019	1,997,395	2,334,199	16.45 %	(0.35)%
HELOC	682,941	480,610	674,293	42.10 %	1.28 %
Commercial and industrial business (C&I)	1,615,241	1,370,564	1,619,980	17.85 %	(0.29)%
Government	524,444	510,902	499,769	2.65 %	4.94 %
Indirect	690,321	579,041	693,811	19.22 %	(0.50)%
Consumer loans and other	222,970	88,378	219,057	152.29 %	1.79 %
Total Community Banking	$ 14,953,663	$ 12,359,673	$ 15,030,478	20.99 %	(0.51)%
Government Guaranteed Lending:					
Real estate - construction and development	12,846	—	28,840	N/M	(55.46)%
Commercial real estate - owner occupied	94,943	—	88,072	N/M	7.80 %
Commercial and industrial business (C&I)	108,216	—	113,770	N/M	(4.88)%
Consumer loans and other	7	—	—	N/M	N/M
Total Government Guaranteed Lending	$ 216,012	$ —	$ 230,682	N/M	(6.36)%
Total Loans Held for Investment	$ 15,169,675	$ 12,359,673	$ 15,261,160	22.74 %	(0.60)%

TOWNEBANK

Selected Data (unaudited)

(dollars in thousands)

Deposits	**Q2 2026**	**Q2 2025**	**Q1 2026**	**% Change Q2 26 vs. Q2 25**	**% Change Q2 26 vs. Q1 26**
Noninterest-bearing demand deposits	$ 5,842,944	$ 4,754,340	$ 5,597,395	22.90 %	4.39 %
Interest-bearing:					
Demand and money market accounts	9,468,690	7,654,317	9,293,443	23.70 %	1.89 %
Savings	436,751	332,108	457,028	31.51 %	(4.44)%
Certificates of deposits	2,965,060	2,587,951	3,132,406	14.57 %	(5.34)%
Total	18,713,445	15,328,716	18,480,272	22.08 %	1.26 %

Acquisition Summary - Day 1 Balances	**Total Acquired 2025-2026**	**2026 Dogwood (1)**	**2025 Old Point (2)**	**2025 Village (3)**
Total securities	$ 478,408	$ 190,976	$ 211,877	$ 75,555
Loans held for sale	40,596	36,981	—	3,615
Loans held for investment	3,438,268	1,905,599	956,429	576,240
Core deposit intangibles	82,900	30,490	31,390	21,020
Total assets	4,492,136	2,343,049	1,403,159	745,928
Noninterest-bearing demand deposits	1,089,093	544,484	306,066	238,543
Interest-bearing deposits	2,690,894	1,387,029	904,915	398,950
Total deposits	3,779,987	1,931,513	1,210,981	637,493
Advances from the FHLB	205,000	155,000	40,000	10,000
Subordinated debt, net	39,693	—	25,274	14,419
Total liabilities	4,071,303	2,118,357	1,284,531	668,415
Goodwill	$ 368,990	$ 233,269	$ 92,729	$ 42,992
Initial allowance for credit losses on loans held for investment	65,406	59,492	4,223	1,691
Initial provision for credit losses (4)	17,504	—	11,449	6,055

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

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

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

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

	Three Months Ended June 30, 2026 (1)	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Net charge-offs:					
Community bank	$ 451	$ (284)	$ 1,159	$ (116)	$ (418)
Indirect	4,002	414	789	371	437
Government guaranteed lending	1,303	1,560	—	—	—
Total	$ 5,756	$ 1,690	$ 1,948	$ 255	$ 19
Non-performing loans:					
Community bank	$ 24,616	$ 22,380	$ 10,275	$ 6,629	$ 6,912
Indirect	970	2,731	1,451	1,069	1,070
Government guaranteed lending	6,844	7,640	—	—	—
Total	$ 32,430	$ 32,751	$ 11,726	$ 7,698	$ 7,982

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

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

	Three Months Ended June 30, 2026			Three Months Ended March 31, 2026			Three Months Ended June 30, 2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)
Assets:									
Loans (net of unearned income and deferred costs)	$ 15,241,959	$216,044	5.69 %	$ 15,032,919	$210,226	5.67 %	$ 12,304,172	$170,520	5.56 %
Taxable investment securities	2,808,164	25,687	3.66 %	2,805,229	25,181	3.59 %	2,598,093	23,361	3.60 %
Tax-exempt investment securities	275,487	3,083	4.48 %	245,092	2,625	4.28 %	172,083	1,802	4.19 %
Total securities	3,083,651	28,770	3.73 %	3,050,321	27,806	3.65 %	2,770,176	25,163	3.63 %
Interest-bearing deposits	1,659,332	14,023	3.39 %	1,388,016	11,459	3.35 %	1,045,727	10,241	3.93 %
Loans held for sale	203,978	3,076	6.03 %	140,438	2,077	5.92 %	172,102	2,770	6.44 %
Total earning assets	20,188,920	261,913	5.20 %	19,611,694	251,568	5.20 %	16,292,177	208,694	5.14 %
Less: allowance for loan losses	(202,001)			(179,029)			(131,837)		
Total nonearning assets	2,499,032			2,455,700			1,896,640		
Total assets	$ 22,485,951			$ 21,888,365			$ 18,056,980		
Liabilities and Equity:									
Interest-bearing deposits									
Demand and money market	$ 9,279,980	$ 44,758	1.93 %	$ 9,081,281	$ 44,822	2.00 %	$ 7,590,290	$ 42,054	2.22 %
Savings	446,151	619	0.56 %	421,240	613	0.59 %	337,807	704	0.84 %
Certificates of deposit	3,076,803	26,104	3.40 %	3,097,422	27,073	3.54 %	2,560,313	25,394	3.98 %
Total interest-bearing deposits	12,802,934	71,481	2.24 %	12,599,943	72,508	2.33 %	10,488,410	68,152	2.61 %
Borrowings	175,152	1,309	2.96 %	272,569	2,199	3.23 %	34,799	(341)	(3.88)%
Subordinated debt, net	284,404	2,736	3.85 %	284,025	2,750	3.87 %	272,448	2,609	3.83 %
Total interest-bearing liabilities	13,262,490	75,526	2.28 %	13,156,537	77,457	2.39 %	10,795,657	70,420	2.62 %
Demand deposits	5,693,724			5,463,137			4,685,835		
Other noninterest-bearing liabilities	510,177			419,807			387,166		
Total liabilities	19,466,391			19,039,481			15,868,658		
Shareholders' equity	3,019,560			2,848,884			2,188,322		
Total liabilities and equity	$ 22,485,951			$ 21,888,365			$ 18,056,980		
Net interest income (tax-equivalent basis) (4)		$186,387			$174,111			$138,274	
Reconciliation of Non-GAAP Financial Measures									
Tax-equivalent basis adjustment		(1,270)			(1,169)			(1,061)	
Net interest income (GAAP)		$185,117			$172,942			$137,213	
Interest rate spread (2)(4)			2.92 %			2.81 %			2.52 %
Interest expense as a percent of average earning assets			1.50 %			1.60 %			1.73 %
Net interest margin (tax-equivalent basis) (3)(4)			3.70 %			3.60 %			3.40 %
Total cost of deposits			1.55 %			1.63 %			1.80 %

(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)

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)
Assets:						
Loans (net of unearned income and deferred costs)	$ 15,138,015	$426,269	5.68 %	$ 11,918,188	$323,586	5.48 %
Taxable investment securities	2,806,705	50,869	3.62 %	2,538,402	44,662	3.52 %
Tax-exempt investment securities	260,373	5,708	4.38 %	174,071	3,663	4.21 %
Total securities	3,067,078	56,577	3.69 %	2,712,473	48,325	3.56 %
Interest-bearing deposits	1,524,424	25,483	3.37 %	1,122,263	22,042	3.96 %
Loans held for sale	172,384	5,153	5.98 %	168,251	5,423	6.45 %
Total earning assets	19,901,901	513,482	5.20 %	15,921,175	399,376	5.06 %
Less: allowance for loan losses	(190,578)			(128,072)		
Total nonearning assets	2,477,485			1,843,652		
Total assets	$ 22,188,808			$ 17,636,755		
Liabilities and Equity:						
Interest-bearing deposits						
Demand and money market	$ 9,181,179	$ 89,578	1.97 %	$ 7,435,687	$ 82,659	2.24 %
Savings	433,765	1,232	0.57 %	325,033	1,419	0.88 %
Certificates of deposit	3,087,055	53,178	3.47 %	2,550,430	51,207	4.05 %
Total interest-bearing deposits	12,701,999	143,988	2.29 %	10,311,150	135,285	2.65 %
Borrowings	223,592	3,508	3.12 %	32,217	(642)	(3.96)%
Subordinated debt, net	284,215	5,486	3.86 %	266,293	4,913	3.69 %
Total interest-bearing liabilities	13,209,806	152,982	2.34 %	10,609,660	139,556	2.65 %
Demand deposits	5,579,068			4,482,341		
Other noninterest-bearing liabilities	465,240			370,508		
Total liabilities	19,254,114			15,462,509		
Shareholders' equity	2,934,694			2,174,246		
Total liabilities and equity	$ 22,188,808			$ 17,636,755		
Net interest income (tax-equivalent basis)(4)		$360,500			$259,820	
Reconciliation of Non-GAAP Financial Measures						
Tax-equivalent basis adjustment		(2,440)			(2,129)	
Net interest income (GAAP)		$358,060			$257,691	
Interest rate spread (2)(4)			2.86 %			2.41 %
Interest expense as a percent of average earning assets			1.55 %			1.77 %
Net interest margin (tax-equivalent basis) (3)(4)			3.65 %			3.29 %
Total cost of deposits			1.59 %			1.84 %

(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)

	June 30, 2026	December 31, 2025
ASSETS	(unaudited)	(audited)
Cash and due from banks	$ 158,770	$ 129,941
Interest-bearing deposits at FRB	1,546,624	1,097,155
Interest-bearing deposits in financial institutions	110,086	123,553
Total Cash and Cash Equivalents	1,815,480	1,350,649
Securities available for sale, at fair value (amortized cost of $3,027,130 and $2,784,462, and allowance for credit losses of $1,028 and $1,207 at June 30, 2026 and December 31, 2025, respectively)	2,940,962	2,710,189
Securities held to maturity, at amortized cost (fair value of $124,597 and $154,269 at June 30, 2026 and December 31, 2025, respectively)	126,333	156,697
Less: allowance for credit losses	(32)	(65)
Securities held to maturity, net of allowance for credit losses	126,301	156,632
Other equity securities	15,907	12,219
FHLB stock	21,550	16,341
Total Securities	3,104,720	2,895,381
Mortgage loans held for sale	275,602	154,444
Government guaranteed loans held for sale	33,915	—
Loans, net of unearned income and deferred costs	15,169,675	13,335,804
Less: allowance for credit losses on loans	(199,918)	(147,343)
Net Loans	14,969,757	13,188,461
Premises and equipment, net	444,807	430,987
Goodwill	808,644	594,080
Other intangible assets, net	96,765	96,528
BOLI	387,841	337,425
Other assets	679,428	639,386
TOTAL ASSETS	$ 22,616,959	$ 19,687,341
LIABILITIES AND EQUITY		
Deposits:		
Noninterest-bearing demand	$ 5,842,944	$ 5,073,157
Interest-bearing:		
Demand and money market accounts	9,468,690	8,390,884
Savings	436,751	332,752
Certificates of deposit	2,965,060	2,712,324
Total Deposits	18,713,445	16,509,117
Advances from the FHLB	127,060	52,452
Subordinated debt, net	284,207	283,870
Repurchase agreements and other borrowings	38,971	34,817
Total Borrowings	450,238	371,139
Other liabilities	451,756	378,076
TOTAL LIABILITIES	19,615,439	17,258,332
Preferred stock, authorized and unissued shares - 2,000,000	—	—
Common stock, $1.667 par value: 150,000,000 shares authorized; 92,433,645 and 78,964,038 shares issued at June 30, 2026 and December 31, 2025, respectively	154,087	131,633
Capital surplus	1,695,607	1,254,776
Retained earnings	1,206,036	1,087,343
Common stock issued to deferred compensation trust, at cost: 1,137,994 and 1,086,290 shares at June 30, 2026 and December 31, 2025, respectively	(24,986)	(23,293)
Deferred compensation trust	24,986	23,293
Accumulated other comprehensive income (loss)	(61,247)	(51,685)
TOTAL SHAREHOLDERS’ EQUITY	2,994,483	2,422,067
Noncontrolling interest	7,037	6,942
TOTAL EQUITY	3,001,520	2,429,009
TOTAL LIABILITIES AND EQUITY	$ 22,616,959	$ 19,687,341

TOWNEBANK

Consolidated Statements of Income (unaudited)

(dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
INTEREST INCOME:				
Loans, including fees	$ 215,308	$ 169,772	$ 424,820	$ 322,093
Investment securities	28,236	24,850	55,586	47,689
Interest-bearing deposits in financial institutions and federal funds sold	14,023	10,241	25,483	22,042
Mortgage loans held for sale	3,076	2,770	5,153	5,423
Total interest income	260,643	207,633	511,042	397,247
INTEREST EXPENSE:				
Deposits	71,481	68,152	143,988	135,285
Advances from the FHLB	1,671	124	4,096	149
Subordinated debt, net	2,736	2,609	5,486	4,913
Repurchase agreements and other borrowings	(362)	(465)	(588)	(791)
Total interest expense	75,526	70,420	152,982	139,556
Net interest income	185,117	137,213	358,060	257,691
PROVISION FOR CREDIT LOSSES	625	6,410	969	8,830
Net interest income after provision for credit losses	184,492	130,803	357,091	248,861
NONINTEREST INCOME:				
Residential mortgage banking income, net	12,537	13,561	24,271	23,922
Insurance commissions and related income, net	25,294	25,677	51,328	52,102
Property management income, net	—	18,207	12,440	28,759
Service charges on deposit accounts	4,747	3,642	9,389	6,969
Credit card merchant fees, net	2,145	1,794	4,064	3,491
Investment income, net	3,795	3,158	7,515	6,233
BOLI	2,760	1,992	5,779	3,864
Government guaranteed lending income, net	1,994	—	6,195	—
Gain on sale of equity investment	198,550	—	198,550	2,000
Other income	7,327	4,849	12,997	8,158
Net gain on investment securities	—	—	126	—
Total noninterest income	259,149	72,880	332,654	135,498
NONINTEREST EXPENSE:				
Salaries and employee benefits	88,730	78,362	181,909	153,440
Occupancy	11,793	9,791	23,798	19,124
Furniture and equipment	5,347	4,770	11,246	9,392
Amortization - intangibles	5,866	3,979	12,187	7,005
Software	7,475	6,835	15,873	13,128
Data processing	3,492	4,510	8,423	8,344
Professional fees	3,164	2,539	6,417	5,192
Advertising and marketing	3,210	3,228	8,887	7,701
FDIC and other insurance	4,285	3,032	7,179	5,893
Acquisition related expenses	11,212	18,737	42,897	19,157
Other expenses	45,369	14,882	67,013	32,825
Total noninterest expense	189,943	150,665	385,829	281,201
Income before income tax expense and noncontrolling interest	253,698	53,018	303,916	103,158
Provision for income tax expense	60,080	11,699	69,197	17,831
Net Income	193,618	41,319	234,719	85,327
Net income attributable to noncontrolling interest	(432)	(432)	(540)	(727)
Net income attributable to TowneBank	$ 193,186	$ 40,887	$ 234,179	$ 84,600
Per common share information				
Basic earnings	$ 2.10	$ 0.54	$ 2.56	$ 1.13
Diluted earnings	$ 2.09	$ 0.54	$ 2.56	$ 1.12
Cash dividends declared	$ 0.98	$ 0.27	$ 1.25	$ 0.52

TOWNEBANK

Consolidated Balance Sheets - Five Quarter Trend

(dollars in thousands, except share data)

	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
ASSETS	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)
Cash and due from banks	$ 158,770	$ 95,472	$ 129,941	$ 152,647	$ 149,462
Interest-bearing deposits at FRB	1,546,624	1,346,573	1,097,155	974,514	838,315
Interest-bearing deposits in financial institutions	110,086	119,922	123,553	122,819	123,911
Total Cash and Cash Equivalents	1,815,480	1,561,967	1,350,649	1,249,980	1,111,688
Securities available for sale	2,940,962	2,862,427	2,710,189	2,668,599	2,553,975
Securities held to maturity	126,333	126,527	156,697	176,843	201,932
Less: allowance for credit losses	(32)	(33)	(65)	(65)	(67)
Securities held to maturity, net of allowance for credit losses	126,301	126,494	156,632	176,778	201,865
Other equity securities	15,907	15,463	12,219	12,420	12,248
FHLB stock	21,550	24,985	16,341	16,341	13,428
Total Securities	3,104,720	3,029,369	2,895,381	2,874,138	2,781,516
Mortgage loans held for sale	275,602	171,735	154,444	212,507	238,742
Government guaranteed loans held for sale	33,915	5,498	—	—	—
Loans, net of unearned income and deferred costs	15,169,675	15,261,160	13,335,804	13,379,033	12,359,673
Less: allowance for credit losses	(199,918)	(199,267)	(147,343)	(149,175)	(134,187)
Net Loans	14,969,757	15,061,893	13,188,461	13,229,858	12,225,486
Premises and equipment, net	444,807	438,792	430,987	422,134	392,056
Goodwill	808,644	804,143	594,080	591,691	499,709
Other intangible assets, net	96,765	102,631	96,528	101,875	74,186
BOLI	387,841	385,087	337,425	334,527	295,434
Other assets	679,428	694,197	639,386	657,731	632,382
Assets held for sale	—	103,396	—	—	—
TOTAL ASSETS	$ 22,616,959	$ 22,358,708	$ 19,687,341	$ 19,674,441	$ 18,251,199
LIABILITIES AND EQUITY					
Deposits:					
Noninterest-bearing demand	$ 5,842,944	$ 5,597,395	$ 5,073,157	$ 5,139,488	$ 4,754,340
Interest-bearing:					
Demand and money market accounts	9,468,690	9,293,443	8,390,884	8,273,987	7,654,317
Savings	436,751	457,028	332,752	331,168	332,108
Certificates of deposit	2,965,060	3,132,406	2,712,324	2,786,292	2,587,951
Total Deposits	18,713,445	18,480,272	16,509,117	16,530,935	15,328,716
Advances from the FHLB	127,060	197,257	52,452	52,646	12,838
Subordinated debt, net	284,207	284,236	283,870	283,847	260,430
Repurchase agreements and other borrowings	38,971	30,988	34,817	25,740	20,847
Total Borrowings	450,238	512,481	371,139	362,233	294,115
Other liabilities	451,756	414,979	378,076	384,321	402,823
Liabilities held for sale	—	52,460	—	—	—
TOTAL LIABILITIES	19,615,439	19,460,192	17,258,332	17,277,489	16,025,654
TOTAL SHAREHOLDERS' EQUITY	2,994,483	2,891,688	2,422,067	2,389,448	2,217,948
Noncontrolling interest	7,037	6,828	6,942	7,504	7,597
TOTAL EQUITY	3,001,520	2,898,516	2,429,009	2,396,952	2,225,545
TOTAL LIABILITIES AND EQUITY	$ 22,616,959	$ 22,358,708	$ 19,687,341	$ 19,674,441	$ 18,251,199

TOWNEBANK

Consolidated Statements of Income - Five Quarter Trend (unaudited)

(dollars in thousands, except share data)

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
INTEREST INCOME:					
Loans, including fees	$ 215,308	$ 209,512	$ 189,824	$ 179,612	$ 169,772
Investment securities	28,236	27,351	26,226	24,784	24,850
Interest-bearing deposits in financial institutions and federal funds sold	14,023	11,459	11,825	10,597	10,241
Mortgage loans held for sale	3,076	2,077	2,794	3,351	2,770
Total interest income	260,643	250,399	230,669	218,344	207,633
INTEREST EXPENSE:					
Deposits	71,481	72,508	68,977	69,143	68,152
Advances from the FHLB	1,671	2,425	532	258	124
Subordinated debt, net	2,736	2,750	2,764	2,461	2,609
Repurchase agreements and other borrowings	(362)	(226)	(568)	(470)	(465)
Total interest expense	75,526	77,457	71,705	71,392	70,420
Net interest income	185,117	172,942	158,964	146,952	137,213
PROVISION FOR CREDIT LOSSES	625	344	(169)	15,276	6,410
Net interest income after provision for credit losses	184,492	172,598	159,133	131,676	130,803
NONINTEREST INCOME:					
Residential mortgage banking income, net	12,537	11,734	11,538	13,123	13,561
Insurance commissions and related income, net	25,294	26,034	23,120	25,791	25,677
Property management income, net	—	12,440	8,412	20,449	18,207
Service charges on deposit accounts	4,747	4,642	4,638	4,056	3,642
Credit card merchant fees, net	2,145	1,919	1,808	1,909	1,794
Investment income, net	3,795	3,720	3,386	3,699	3,158
BOLI	2,760	3,019	2,898	2,157	1,992
Government guaranteed lending income, net	1,994	4,201	—	—	—
Gain on sale of equity investment	198,550	—	—	—	—
Other income	7,327	5,670	5,166	4,456	4,849
Net gain (loss) on investment securities	—	126	13	(7)	—
Total noninterest income	259,149	73,505	60,979	75,633	72,880
NONINTEREST EXPENSE:					
Salaries and employee benefits	88,730	93,179	85,088	78,964	78,362
Occupancy	11,793	12,005	11,367	9,988	9,791
Furniture and equipment	5,347	5,899	5,315	5,044	4,770
Amortization - intangibles	5,866	6,321	5,347	4,427	3,979
Software	7,475	8,398	6,986	7,518	6,835
Data processing	3,492	4,931	4,236	4,630	4,510
Professional fees	3,164	3,253	2,931	2,999	2,539
Advertising and marketing	3,210	5,677	3,668	3,759	3,228
Other expenses	60,866	56,223	41,688	36,409	36,651
Total noninterest expense	189,943	195,886	166,626	153,738	150,665
Income before income tax expense and noncontrolling interest	253,698	50,217	53,486	53,571	53,018
Provision for income tax expense	60,080	9,116	12,636	8,959	11,699
Net Income	193,618	41,101	40,850	44,612	41,319
Net income attributable to noncontrolling interest	(432)	(108)	(220)	(317)	(432)
Net income attributable to TowneBank	$ 193,186	$ 40,993	$ 40,630	$ 44,295	$ 40,887
Per common share information					
Basic earnings	$ 2.10	$ 0.45	$ 0.52	$ 0.58	$ 0.54
Diluted earnings	$ 2.09	$ 0.45	$ 0.51	$ 0.58	$ 0.54
Basic weighted average shares outstanding	92,165,341	90,433,283	78,805,687	76,417,605	75,240,678
Diluted weighted average shares outstanding	92,463,558	90,775,117	79,109,745	76,763,640	75,540,822
Cash dividends declared	$ 0.98	$ 0.27	$ 0.27	$ 0.27	$ 0.27

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

	Three Months Ended			Six Months Ended		Increase/(Decrease)	
	June 30,		March 31,	June 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Revenue							
Net interest income	$ 183,847	$ 136,325	$ 171,988	$ 355,837	$ 255,909	$ 99,928	39.05 %
Service charges on deposit accounts	4,747	3,642	4,642	9,389	6,969	2,420	34.73 %
Credit card merchant fees	2,145	1,794	1,919	4,064	3,491	573	16.41 %
Investment income, net	3,795	3,158	3,720	7,515	6,233	1,282	20.57 %
Government guaranteed lending income, net	1,994	—	4,201	6,195	—	6,195	N/M
Gain on sale of equity investment	198,550	—	—	198,550	2,000	196,550	N/M
Other income	8,334	5,750	7,393	15,727	10,244	5,483	53.52 %
Subtotal	219,565	14,344	21,875	241,440	28,937	212,503	734.36 %
Net gain/(loss) on investment securities	—	—	126	126	—	126	N/M
Total noninterest income	219,565	14,344	22,001	241,566	28,937	212,629	734.80 %
Total revenue	403,412	150,669	193,989	597,403	284,846	312,557	109.73 %
Provision for credit losses	688	6,212	505	1,194	8,579	(7,385)	(86.08)%
Expenses							
Salaries and employee benefits	67,192	52,850	66,135	133,327	102,534	30,793	30.03 %
Occupancy	10,073	7,342	9,731	19,804	14,321	5,483	38.29 %
Furniture and equipment	5,064	4,081	5,214	10,277	7,889	2,388	30.27 %
Amortization of intangible assets	4,603	1,969	4,554	9,157	2,951	6,206	210.30 %
Software	5,898	4,427	5,914	11,813	8,449	3,364	39.82 %
Data processing	3,196	2,840	3,805	7,000	5,448	1,552	28.49 %
Accounting and professional fees	2,727	1,934	2,764	5,491	3,944	1,547	39.22 %
Advertising and marketing	2,636	1,883	4,236	6,872	4,780	2,092	43.77 %
FDIC and other insurance	3,964	2,676	2,487	6,451	5,267	1,184	22.48 %
Acquisition related	11,212	17,256	31,683	42,895	17,676	25,219	142.67 %
Other expenses	41,916	11,276	18,150	60,066	23,246	36,820	158.39 %
Total expenses	158,481	108,534	154,673	313,153	196,505	116,648	59.36 %
Income before income tax, corporate allocation and noncontrolling interest	244,243	35,923	38,811	283,056	79,762	203,294	254.88 %
Corporate allocation	1,136	1,535	1,431	2,567	2,931	(364)	(12.42)%
Income before income tax provision and noncontrolling interest	245,379	37,458	40,242	285,623	82,693	202,930	245.40 %
Provision for income tax expense	58,021	7,814	6,537	64,560	12,495	52,065	416.69 %
Net income	187,358	29,644	33,705	221,063	70,198	150,865	214.91 %
Noncontrolling interest	(127)	(124)	11	(116)	(82)	(34)	41.46 %
Net income attributable to TowneBank	$ 187,231	$ 29,520	$ 33,716	$ 220,947	$ 70,116	$ 150,831	215.12 %
Efficiency ratio (non-GAAP)	38.14 %	70.73 %	77.44 %	50.90 %	67.95 %	(17.05)%	(25.09)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	75.11 %	70.73 %	77.44 %	76.24 %	68.43 %	7.81 %	11.41 %

TOWNEBANK

Mortgage Segment Financial Information (unaudited)

(dollars in thousands)

	Three Months Ended			Six Months Ended		Increase/(Decrease)	
	June 30,		March 31,	June 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Revenue							
Residential mortgage brokerage income, net	$ 13,392	$ 14,083	$ 12,498	$ 25,890	$ 24,664	$ 1,226	4.97 %
Income from unconsolidated subsidiary	119	83	34	152	125	27	21.60 %
Net interest and other income	1,484	1,095	1,170	2,653	2,205	448	20.32 %
Total revenue	14,995	15,261	13,702	28,695	26,994	1,701	6.30 %
Provision for credit losses	(63)	198	(161)	(225)	251	(476)	(189.64)%
Expenses							
Salaries and employee benefits	8,011	7,315	7,945	15,956	14,346	1,610	11.22 %
Occupancy	950	1,098	866	1,815	2,036	(221)	(10.85)%
Furniture and equipment	140	151	176	316	346	(30)	(8.67)%
Software	754	790	786	1,540	1,517	23	1.52 %
Data processing	169	198	144	314	360	(46)	(12.78)%
Accounting and professional fees	166	157	133	298	383	(85)	(22.19)%
Advertising and marketing	352	420	418	769	809	(40)	(4.94)%
FDIC and other insurance	163	117	149	312	213	99	46.48 %
Acquisition related	—	1,481	—	—	1,481	(1,481)	100.00 %
Other expenses	2,700	2,728	2,330	5,031	5,191	(160)	(3.08)%
Total expenses	13,405	14,455	12,947	26,351	26,682	(331)	(1.24)%
Income before income tax, corporate allocation and noncontrolling interest	1,653	608	916	2,569	61	2,508	4,111.48 %
Corporate allocation	(531)	(519)	(416)	(947)	(869)	(78)	8.98 %
Income before income tax provision and noncontrolling interest	1,122	89	500	1,622	(808)	2,430	(300.74)%
Provision for income tax expense	226	(41)	87	312	(281)	593	(211.03)%
Net income	896	130	413	1,310	(527)	1,837	(348.58)%
Noncontrolling interest	(305)	(308)	(119)	(424)	(425)	1	0.24 %
Net income attributable to TowneBank	$ 591	$ (178)	$ 294	$ 886	$ (952)	$ 1,838	(193.07)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	89.40 %	94.72 %	94.49 %	91.83 %	98.84 %	(7.01)%	(7.09)%

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

	Three Months Ended			Six Months Ended		Increase/(Decrease)	
	June 30,		March 31,	June 30,		YTD 2026 over 2025	
	2026	2025	2026	2026	2025	Amount	Percent
Commission and fee income							
Property and casualty	$ 23,068	$ 23,306	$ 22,450	$ 45,519	$ 46,629	$ (1,110)	(2.38)%
Employee benefits	4,940	4,596	4,876	9,815	9,320	495	5.31 %
Total commissions and fees	28,008	27,902	27,326	55,334	55,949	(615)	(1.10)%
Contingency and bonus revenue	2,828	3,034	3,730	6,559	6,654	(95)	(1.43)%
Other income	5	4	12	17	8	9	112.50 %
Total revenue	30,841	30,940	31,068	61,910	62,611	(701)	(1.12)%
Employee commission expense	4,982	5,008	4,753	9,735	10,058	(323)	(3.21)%
Revenue, net of commission expense	25,859	25,932	26,315	52,175	52,553	(378)	(0.72)%
Salaries and employee benefits	13,527	12,947	14,018	27,545	25,862	1,683	6.51 %
Occupancy	770	777	781	1,552	1,578	(26)	(1.65)%
Furniture and equipment	143	153	174	318	366	(48)	(13.11)%
Amortization of intangible assets	1,263	1,373	1,342	2,605	2,781	(176)	(6.33)%
Software	823	741	850	1,672	1,426	246	17.25 %
Data processing	127	133	105	231	253	(22)	(8.70)%
Accounting and professional fees	271	212	246	518	503	15	2.98 %
Advertising and marketing	222	175	202	425	471	(46)	(9.77)%
FDIC and other insurance	158	126	140	298	233	65	27.90 %
Other expenses	753	451	675	1,427	1,348	79	5.86 %
Total operating expenses	18,057	17,088	18,533	36,591	34,821	1,770	5.08 %
Income before income tax, corporate allocation and noncontrolling interest	7,802	8,844	7,782	15,584	17,732	(2,148)	(12.11)%
Corporate allocation	(605)	(700)	(725)	(1,330)	(1,426)	96	6.73 %
Income before income tax provision and noncontrolling interest	7,197	8,144	7,057	14,254	16,306	(2,052)	(12.58)%
Provision for income tax expense	1,833	2,098	1,811	3,644	4,229	(585)	(13.83)%
Net income	5,364	6,046	5,246	10,610	12,077	(1,467)	(12.15)%
Noncontrolling interest	—	—	—	—	—	—	— %
Net income attributable to TowneBank	$ 5,364	$ 6,046	$ 5,246	$ 10,610	$ 12,077	$ (1,467)	(12.15)%
Provision for income taxes	1,833	2,098	1,811	3,644	4,229	(585)	(13.83)%
Depreciation, amortization and interest expense	1,342	1,489	1,429	2,771	3,016	(245)	(8.12)%
EBITDA (non-GAAP)	$ 8,539	$ 9,633	$ 8,486	$ 17,025	$ 19,322	$ (2,297)	(11.89)%
Efficiency ratio (non-GAAP)	64.94 %	60.60 %	65.33 %	65.14 %	60.97 %	4.17 %	6.84 %

TOWNEBANK

Resort Property Management Segment Financial Information (unaudited)

(dollars in thousands)

	Three Months Ended			Six Months Ended		Increase/(Decrease)	
	June 30,		March 31,	June 30,		YTD 2026 over 2025	
	2026 (1)	2025	2026	2026	2025	Amount	Percent
Revenue							
Property management fees, net	$ —	$ 18,207	$ 12,440	12,440	28,759	(16,319)	(56.74)%
Net interest and other income	—	24	1	1	37	(36)	(97.30)%
Total revenue	—	18,231	12,441	12,441	28,796	(16,355)	(56.80)%
Expenses							
Salaries and employee benefits	—	5,250	5,081	5,081	10,698	(5,617)	(52.51)%
Occupancy	—	574	627	627	1,189	(562)	(47.27)%
Furniture and equipment	—	385	335	335	791	(456)	(57.65)%
Amortization of intangible assets	—	637	425	425	1,273	(848)	(66.61)%
Software	—	877	848	848	1,736	(888)	(51.15)%
Data processing	—	1,339	878	878	2,283	(1,405)	(61.54)%
Accounting and professional fees	—	236	110	110	362	(252)	(69.61)%
Advertising and marketing	—	750	821	821	1,641	(820)	(49.97)%
FDIC and other insurance	—	113	118	118	180	(62)	(34.44)%
Acquisition related	—	—	2	2	—	2	N/M
Other expenses	—	427	489	489	3,040	(2,551)	(83.91)%
Total expenses	—	10,588	9,734	9,734	23,193	(13,459)	(58.03)%
Income before income tax, corporate allocation and noncontrolling interest	—	7,643	2,707	2,707	5,603	(2,896)	(51.69)%
Corporate allocation	—	(316)	(290)	(290)	(636)	346	54.40 %
Income before income tax provision and noncontrolling interest	—	7,327	2,417	2,417	4,967	(2,550)	(51.34)%
Provision for income tax expense	—	1,828	681	681	1,388	(707)	(50.94)%
Net income	—	5,499	1,736	1,736	3,579	(1,843)	(51.49)%
Noncontrolling interest	—	—	—	—	(220)	220	100.00 %
Net income attributable to TowneBank	$ —	$ 5,499	$ 1,736	$ 1,736	$ 3,359	$ (1,623)	(48.32)%
Efficiency ratio excluding gain on equity investment (non-GAAP)	N/M	54.58 %	74.83 %	74.83 %	76.12 %	(1.29)%	(1.69)%

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

TOWNEBANK

Reconciliation of Non-GAAP Financial Measures

(dollars in thousands)

	Three Months Ended			Six Months Ended	
	June 30, 2026	June 30, 2025	March 31, 2026	June 30, 2026	June 30, 2025
Return on average assets (GAAP)	3.45 %	0.91 %	0.76 %	2.13 %	0.97 %
Impact of excluding average goodwill and other intangibles and amortization	0.23 %	0.10 %	0.13 %	0.18 %	0.09 %
Return on average tangible assets (non-GAAP)	3.68 %	1.01 %	0.89 %	2.31 %	1.06 %
Return on average equity (GAAP)	25.66 %	7.52 %	5.84 %	16.09 %	7.86 %
Impact of excluding average goodwill and other intangibles and amortization	11.97 %	3.42 %	3.71 %	8.12 %	3.30 %
Return on average tangible equity (non-GAAP)	37.63 %	10.94 %	9.55 %	24.21 %	11.16 %
Return on average common equity (GAAP)	25.72 %	7.54 %	5.85 %	16.13 %	7.90 %
Impact of excluding average goodwill and other intangibles and amortization	12.04 %	3.45 %	3.73 %	8.16 %	3.35 %
Return on average tangible common equity (non-GAAP)	37.76 %	10.99 %	9.58 %	24.29 %	11.25 %
Book value (GAAP)	$ 32.40	$ 29.41	$ 31.31	$ 32.40	$ 29.41
Impact of excluding average goodwill and other intangibles and amortization	(9.80)	(7.61)	(9.82)	(9.80)	(7.61)
Tangible book value (non-GAAP)	$ 22.60	$ 21.80	$ 21.49	$ 22.60	$ 21.80
Efficiency ratio (GAAP)	42.75 %	71.71 %	79.48 %	55.86 %	71.52 %
Impact of exclusions	32.16 %	(1.89)%	(2.52)%	20.08 %	(1.43)%
Efficiency ratio (non-GAAP)	74.91 %	69.82 %	76.96 %	75.94 %	70.09 %
Average assets (GAAP)	$ 22,485,951	$ 18,056,980	$21,888,365	$ 22,188,808	$ 17,636,755
Less: average goodwill and intangible assets	911,261	567,250	896,106	903,725	542,095
Average tangible assets (non-GAAP)	$ 21,574,690	$ 17,489,730	$20,992,259	$ 21,285,083	$ 17,094,660
Average equity (GAAP)	$ 3,019,560	$ 2,188,322	$ 2,848,884	$ 2,934,694	$ 2,174,246
Less: average goodwill and intangible assets	911,261	567,250	896,106	903,725	542,095
Average tangible equity (non-GAAP)	$ 2,108,299	$ 1,621,072	$ 1,952,778	$ 2,030,969	$ 1,632,151
Average common equity (GAAP)	$ 3,012,709	$ 2,180,687	$ 2,842,105	$ 2,927,879	$ 2,162,348
Less: average goodwill and intangible assets	911,261	567,250	896,106	903,725	542,095
Average tangible common equity (non-GAAP)	$ 2,101,448	$ 1,613,437	$ 1,945,999	$ 2,024,154	$ 1,620,253
Net income (GAAP)	$ 193,186	$ 40,887	$ 40,993	$ 234,179	$ 84,600
Amortization of intangibles, net of tax	4,634	3,143	4,994	9,628	5,534
Tangible net income (non-GAAP)	$ 197,820	$ 44,030	$ 45,987	$ 243,807	$ 90,134
Total revenue (GAAP)	$ 444,266	$ 210,093	$ 246,447	$ 690,714	$ 393,189
Net (gain)/loss on investment securities/equity investments	(198,550)	—	(126)	(198,676)	(2,000)
Total revenue for efficiency calculation (non-GAAP)	$ 245,716	$ 210,093	$ 246,321	$ 492,038	$ 391,189
Noninterest expense (GAAP)	$ 189,943	$ 150,665	$ 195,886	$ 385,829	$ 281,201
Less: amortization of intangibles	5,866	3,979	6,321	12,187	7,005
Noninterest expense net of amortization (non-GAAP)	$ 184,077	$ 146,686	$ 189,565	$ 373,642	$ 274,196

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**				
	June 30, 2026	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Net income available to common shareholders (GAAP)	$ 193,186	$ 40,993	$ 40,630	$ 44,295	$ 40,887
Adjustments					
Plus: Acquisition-related expenses, net of tax	8,983	25,736	14,659	14,996	15,291
Plus: Special contribution, net of tax	19,750	—	—	—	—
Plus: Initial provision for acquired loans, net of tax	—	—	—	9,478	4,926
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	(149,905)	—	—	—	—
Total adjustments, net of taxes	(121,172)	25,736	14,659	24,474	22,503
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	$ 72,014	$ 66,729	$ 55,289	$ 68,769	$ 63,390
Annualized interest impact of Series IV Notes, net of tax	41	42	42	42	42
Core net income for diluted EPS (non-GAAP)	$ 72,055	$ 66,771	$ 55,331	$ 68,811	$ 63,432
Weighted average diluted shares	92,463,558	90,775,117	79,109,745	76,763,640	75,540,822
Diluted EPS (GAAP)	$ 2.09	$ 0.45	$ 0.51	$ 0.58	$ 0.54
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	$ 0.78	$ 0.74	$ 0.70	$ 0.90	$ 0.84
Average assets	$ 22,485,951	$ 21,888,365	$ 19,707,366	$ 18,624,097	$ 18,056,980
Average tangible equity	$ 2,108,299	$ 1,952,778	$ 1,724,687	$ 1,668,148	$ 1,621,072
Average tangible common equity	$ 2,101,448	$ 1,945,999	$ 1,717,982	$ 1,660,673	$ 1,613,437
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.28 %	1.24 %	1.11 %	1.46 %	1.41 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	14.58 %	14.90 %	13.69 %	17.23 %	16.53 %
Return on average common equity, excluding certain items affecting comparability (non-GAAP)	9.59 %	9.52 %	9.10 %	12.03 %	11.69 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	14.63 %	14.95 %	13.74 %	17.31 %	16.61 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	62.56 %	66.66 %	67.50 %	61.06 %	62.79 %

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	**Six Months Ended**	
	June 30, 2026	**June 30, 2025**
Net income available to common shareholders (GAAP)	$ 234,179	$ 84,600
Adjustments		
Plus: Acquisition-related expenses, net of tax	34,719	15,680
Plus: Special contribution, net of tax	19,750	—
Plus: Initial provision for acquired loans, net of tax	—	4,926
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	(149,905)	—
Total adjustments, net of taxes	(95,436)	22,892
Core operating earnings, excluding certain items affecting comparability (non-GAAP)	$ 138,743	$ 107,492
Annualized interest impact of Series IV Notes, net of tax	83	84
Core net income for diluted EPS (non-GAAP)	$ 138,826	$ 107,576
Weighted average diluted shares	91,616,241	75,535,484
Diluted EPS (GAAP)	$ 2.56	$ 1.12
Diluted EPS, excluding certain items affecting comparability (non-GAAP)	$ 1.52	$ 1.42
Average assets	$ 22,188,808	$ 17,636,755
Average tangible equity	$ 2,030,969	$ 1,632,151
Average tangible common equity	$ 2,024,154	$ 1,620,253
Return on average assets, excluding certain items affecting comparability (non-GAAP)	1.26 %	1.23 %
Return on average tangible equity, excluding certain items affecting comparability (non-GAAP)	14.73 %	14.00 %
Return on average common equity, excluding certain items affecting comparability (non-GAAP)	9.56 %	10.04 %
Return on average common tangible equity, excluding certain items affecting comparability (non-GAAP)	14.78 %	14.10 %
Efficiency ratio, excluding certain items affecting comparability (non-GAAP)	64.62 %	66.99 %