



News Release

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FOR IMMEDIATE RELEASE

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TOWNEBANK ANNOUNCES COMPLETION OF DOGWOOD STATE BANK MERGER

Suffolk, VA – Hampton Roads-based TowneBank (NASDAQ: TOWN) announced today the completion of its merger with Raleigh-based Dogwood State Bank (“Dogwood”). The merger substantially enhances TowneBank’s strategic journey down the fast-growing Interstate 85 corridor from Richmond, Virginia, and into Greenville and the upstate region of South Carolina. The merger also strengthens TowneBank’s position in key North Carolina markets, including Raleigh, Charlotte, Greensboro-Winston Salem, and Greenville. In addition, the merger expands the bank’s footprint along the Eastern North Carolina coast from the Outer Banks to include Morehead City, Wilmington, and Fayetteville, together with a new location in historic Charleston, South Carolina. A location in Elizabethton, Tennessee, a city near the Tri-Cities area of Johnson City, Kingsport, and Bristol, rounds out the expansion. The merger was announced on August 19, 2025, and received overwhelming support at the special meeting of Dogwood shareholders held in December 2025.

Following the merger, which was effective on January 12, 2026, Dogwood locations will operate as “Dogwood State Bank, a Division of TowneBank” until November 2026, when the core systems and operations of Dogwood are scheduled to be converted into those of TowneBank.

Steven W. Jones, the former chief executive officer of Dogwood, will continue in a key leadership role with the combined company and join TowneBank as President of the Carolinas, serving as a member of the TowneBank Corporate Management Group. Mr. Jones and George (Robin) Perkins, a former director of Dogwood, were appointed to the TowneBank Board of Directors, effective January 12, 2026.

“We are honored to welcome Steve and his talented teammates to our Towne family. Their efforts to build Dogwood into an excellent, high-performing bank are truly impressive,” said TowneBank executive chairman G. Robert Aston, Jr. “We look forward to working with them to take our Main Street Bank forward in our existing and new fast-growing markets in North and South Carolina.”

“Dogwood has highly respected bankers with deep expertise,” said TowneBank president and chief executive officer William I. Foster III. “We are excited to add Dogwood’s seasoned SBA lending team that will significantly enhance our small business lending capabilities throughout our footprint and in other select markets.”

Jones added, “When it came to forming a partnership to continue the legacy of Dogwood, TowneBank demonstrated values that naturally aligned with ours. We are excited to combine our resources into one dedicated financial institution that celebrates the power of local banking.”

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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 on 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, LLC, Towne Vacations, and Towne Trust Company, N.A. With the addition of Dogwood, TowneBank will have total pro forma assets of approximately \$22 billion as of September 30, 2025, making it one of the largest banks headquartered in Virginia.