



Joint Press Release

TOWNEBANK EXPANDS CAROLINAS PRESENCE THROUGH AGREEMENT TO ACQUIRE DOGWOOD STATE BANK

Suffolk, Va. and Raleigh, N.C. (August 19, 2025) – Hampton Roads based TowneBank (NASDAQ: TOWN) and Raleigh based Dogwood State Bank (OTCQX: DSBX) (“Dogwood”), today announced the signing of a definitive merger agreement pursuant to which TowneBank will acquire Dogwood State Bank. The proposed transaction substantially enhances TowneBank’s strategic journey down the fast-growing Interstate 85 corridor from Richmond, Virginia to Greenville and the upstate region of South Carolina. The bank’s current market position will be expanded in Raleigh, Greensboro-Winston Salem, Greenville, and Charlotte, North Carolina. Additionally, the merger will increase the bank’s footprint along the Eastern North Carolina coast from the Outer Banks to also include Morehead City, Greenville, Fayetteville, and Wilmington along with a new location in beautiful and historic Charleston, South Carolina.

Pro forma for TowneBank’s pending acquisition of Old Point Financial Corporation (expected to close September 1, 2025) and the proposed acquisition of Dogwood, the combined company would have total assets of approximately \$22 billion, loans of approximately \$16 billion and deposits of approximately \$19 billion at close of the transactions. TowneBank expects the acquisition of Dogwood to be approximately 8.0% accretive to 2027E earnings per share with fully phased-in cost savings on a GAAP basis.

Under the terms of the merger agreement, common shareholders of Dogwood will receive a fixed exchange ratio of 0.700 shares of TowneBank common stock for each outstanding share of Dogwood common stock. This implies a deal value per share of \$25.04 or approximately \$476.2 million based on TowneBank’s 15-day average closing stock price of \$35.77 on August 18, 2025.

Steve Jones, Chief Executive Officer of Dogwood, will continue in a key leadership role within the combined company and will join TowneBank as President of its North Carolina and South Carolina banking operations, and be a member of the TowneBank Corporate Management team.

“It has been my pleasure to know Steve for a number of years and we have always admired the great job he and his team have done building Dogwood State Bank. We are excited to have Steve and his talented teammates join hands and hearts with our Towne family to take our Main Street Bank forward in the fast-growing North Carolina and South Carolina markets,” said G. Robert Aston, Jr., Executive Chairman of TowneBank.

“In addition, we are extremely pleased to welcome current Dogwood State Bank director, Robin Perkins, CEO of Spinners Capital, into our TowneBank family as a member of our TowneBank Corporate Board of Directors effective upon consummation of the merger.”

Steve Jones, CEO of Dogwood, stated, “Today marks an exciting new chapter for our company. After thoughtful consideration, we have agreed to join forces with TowneBank, whose vision and values align closely with our own. This partnership will bring new opportunities for our customers, employees, and shareholders, while building to the legacy we’ve created at Dogwood. I am incredibly proud of what our team has achieved and confident this transition will position us for continued success.”

In consideration of the transaction, extensive due diligence was performed by the management teams of TowneBank and Dogwood. The definitive agreement was approved by the boards of directors of TowneBank and Dogwood. The transaction is expected to close in early 2026 and is subject to customary conditions, including regulatory approval, as well as the approval of Dogwood’s shareholders.

Raymond James & Associates, Inc. served as the financial advisor and Wachtell, Lipton, Rosen & Katz served as legal counsel to TowneBank in the transaction. Piper Sandler & Co. served as the financial advisor and Williams Mullen served as legal counsel to Dogwood in the transaction.

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 55 banking offices throughout Hampton Roads and Central Virginia, as well as Northeastern and Central North Carolina – serving as a local leader in promoting the social, cultural, and economic growth in each community. Towne offers a competitive array of business and personal banking solutions, delivered with only the highest ethical standards. Experienced local bankers providing a higher level of expertise and personal attention with local decision-making are key to the TowneBank strategy. TowneBank has grown its capabilities beyond banking to provide expertise through its affiliated companies that include Towne Wealth Management, Towne Insurance Agency, Towne Benefits, TowneBank Mortgage, TowneBank Commercial Mortgage, Berkshire Hathaway HomeServices RW Towne Realty, Towne 1031 Exchange, and Towne Vacations. With total assets of \$18.26 billion as of June 30, 2025, TowneBank is one of the largest banks headquartered in Virginia.

About Dogwood:

Dogwood State Bank is a state-chartered community bank headquartered in Raleigh, North Carolina, with approximately \$2.4 billion in total assets as of June 30, 2025. Dogwood provides a wide range of banking products and services through its online offerings and seventeen branch offices in North Carolina, South Carolina, and Eastern Tennessee. Dogwood also specializes in providing lending services to small businesses through its Dogwood State Bank Small Business Lending division. Dogwood is focused on becoming the bank for businesses, business owners, professionals, and their

employees and redefining what it means to Bank Local. By leveraging leadership, investing in technology, and committing to personalized, superior customer service, Dogwood is changing the landscape of community banking.

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Cautionary Note Regarding Forward-Looking Statements

This communication 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 Dogwood and their respective management teams regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of TowneBank and Dogwood. 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, including statements about (i) the benefits of the transaction, including future financial and operating results, cost savings, enhancement to revenue and accretion to reported earnings that may be realized from the transaction and (ii) TowneBank’s and Dogwood’s plans, objectives, expectations and intentions and other statements contained in this communication that are not historical facts. In addition, these forward-looking statements are subject to various risks, uncertainties, estimates and assumptions with respect to future business strategies and decisions that are subject to change and difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Although TowneBank’s and Dogwood’s respective management teams believe that estimates and assumptions on which forward-looking statements are based are reasonable, such estimates and assumptions are inherently uncertain. As a result, actual results may differ materially from the anticipated results discussed in these forward-looking statements because of possible uncertainties.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the business of Dogwood may not be successfully integrated into TowneBank, or such integration may take longer, be more difficult, time-consuming or costly to accomplish than expected; (2) the expected growth opportunities or cost savings from the transaction may not be fully realized or may take longer to realize than expected; (3) deposit attrition, operating costs, customer losses and business disruption following the transaction, including adverse effects on relationships with employees and customers, may be greater than expected; (4) the possibility that the transaction does not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined

company or the expected benefits of the transaction); (5) the outcome of any legal proceedings that may be instituted against TowneBank or Dogwood; (6) the occurrence of any event, change, or other circumstance that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between TowneBank and Dogwood; (7) reputational risk and potential adverse reactions of TowneBank's or Dogwood's customers, employees or other business partners, including those resulting from the announcement or completion of the transaction; (8) the dilution caused by TowneBank's issuance of additional shares of its capital stock in connection with the transaction; (9) the diversion of management's attention and time from ongoing business operations and opportunities on merger-related matters; (10) economic, legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which TowneBank and Dogwood are engaged; (11) competitive pressures in the banking industry that may increase significantly; (12) 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; (13) an unforeseen outflow of cash or deposits or an inability to access the capital markets, which could jeopardize TowneBank's or Dogwood's overall liquidity or capitalization; (14) changes in the creditworthiness of customers and the possible impairment of the collectability of loans; (15) insufficiency of TowneBank's or Dogwood's allowance for credit losses due to market conditions, inflation, changing interest rates or other factors; (16) adverse developments in the financial industry generally, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; (17) 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; (18) weather-related or natural disasters, acts of war or terrorism, public health events, or similar events; (19) cybersecurity threats or attacks, whether directed at TowneBank or Dogwood or at vendors or other third parties with which TowneBank or Dogwood interact; (20) the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; (21) changes in business conditions; (22) changes in the securities market; and (23) changes in the local economies with regard to TowneBank's and Dogwood's respective market areas.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in TowneBank's reports filed with the Federal Deposit Insurance Corporation ("FDIC"). TowneBank and Dogwood undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Important Information and Where to Find It

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities of TowneBank or a solicitation of any vote or approval. Dogwood will deliver a definitive proxy statement/offering circular to its shareholders seeking approval of the merger and related matters. In addition, TowneBank may file other relevant documents concerning the proposed merger with the FDIC. Before making any voting or investment decision, investors and security holders are urged to read the proxy statement/offering circular and any other relevant documents to be filed with the FDIC in connection with the proposed transaction because they contain important information about TowneBank, Dogwood, and the proposed merger.

Shareholders are also urged to carefully review TowneBank's public filings with the FDIC, including, but not limited to, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements. Free copies of filings containing information about TowneBank may be obtained after their filing at the FDIC's website (<https://www.fdic.gov>). The documents described above also may be obtained by directing a request by telephone or mail to TowneBank, 6001 Harbour View Boulevard, Suffolk, Virginia 23435, Attention: Investor Relations (telephone: (757) 638-6794), or by accessing TowneBank's website at <https://townebank.com> under "Investor Relations." In addition, free copies of the definitive proxy statement/offering circular, when available, may be obtained by directing a request by telephone or mail to Dogwood State Bank, 5401 Six Forks Road, Raleigh, North Carolina, Attention: David Therit (telephone: (919) 609-2602) or by accessing Dogwood's website at <https://www.dogwoodstatebank.com> under "Connect - Investor Relations." The information on TowneBank's website and Dogwood's website is not, and shall not be deemed to be, a part of this press release or incorporated into other filings TowneBank makes with the FDIC.

Participants in the Solicitation

TowneBank, Dogwood, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Dogwood in connection with the proposed merger. Information about the directors and executive officers of Dogwood and TowneBank and other persons who may be deemed participants in the solicitation, including their interests in the merger, will be included in the proxy statement/offering circular when it becomes available. Additional information about the directors and executive officers of TowneBank can be found in TowneBank's proxy statement in connection with its annual meeting of shareholders, filed with the FDIC on April 2, 2025. Additional information about the directors and executive officers of Dogwood can be found in Dogwood's proxy statement in connection with its annual meeting of shareholders, as sent previously to Dogwood's shareholders on or about May 9, 2025.