

RESEARCH UPDATE

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Market Statistics in USD

Price	\$ 40.24
52 week Range	\$25.17 - \$41.70
Daily Vol (3-mo. average)	63,719
Market Cap (M)	\$ 558.9
Shares Outstanding: (M)	13.9
Float (M)	12.65246
Public Ownership	31.7%
Institutional Ownership	59.3%

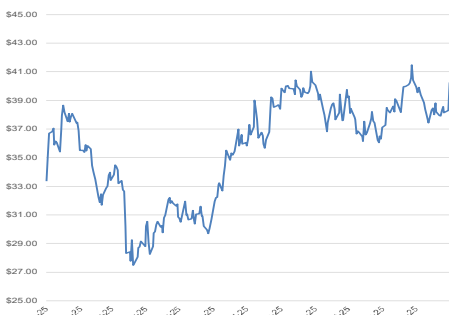
Financial Summary in USD

Cash (M)	\$ 181.2
Cash/Share	\$ 13.05
Debt (M)	\$ 140.1
Equity (M)	\$ 531.0
Equity/Share	\$ 38.47
Book Value/Share	\$ 33.47
Tangible Book Value/Share	\$ 32.12

FYE: Dec **2025** **2026E** **2027E**

(all figures in M, except per share information)

Int. Income	\$ 354.0	\$ 421.3	\$ 462.7
Chng%	32.8%	19.0%	9.8%
Net Income	\$ 61.5	\$ 73.0	\$ 88.9
EPS (Diluted)	\$ 3.79	\$ 4.00	\$ 4.72
NIM	4.06%	3.92%	3.91%
P/E	10.6x	10.1x	8.5x



COMPANY DESCRIPTION

Third Coast Bancshares, Inc. is a commercially focused bank founded in 2008 with its headquarters in Humble, TX. Third Coast provides a variety of banking and lending services between the cities of Dallas, Houston, and San Antonio. The Company serves institutions, businesses, individuals, and families in 5 markets with 19 branch locations across Eastern Texas. The Company now trades on the NYSE and NYSE Texas as of September of 2025 under the ticker symbol TCBX.

THIRD COAST BANCSHARES, INC. (NYSE: TCBX)

Company Summary

Financial Results: For 4Q25, Third Coast reported net income of \$17.9M, compared to \$18.1M in 3Q25 and \$13.7M in 4Q24, equal to basic and diluted EPS of \$1.21 and \$1.02, respectively. The modest Q/Q decline was primarily driven by merger-related legal/professional expenses and higher salaries/benefits, partially offset by higher NII and an increase in non-margin loan fees. We anticipate the Company will continue prioritizing operational efficiency, though near-term expense levels may remain somewhat noisy through the early stages of Keystone's integration.

Merger Announcement: In 3Q25, the Company announced a definitive agreement to acquire Keystone Bancshares in a stock-and-cash deal valued at ~\$123 million, with the combined franchise expected to exceed \$4.9 billion in Loans and \$5.3 billion in Deposits at close. It is notable that this transaction is still in progress and continues along the expected schedule with our understanding that it will be completed in 1Q26. The acquisition expands the Company's presence in greater Austin area and is supported by strong underwriting leading to a high quality credit portfolio. Management has cited cost synergies and near-term EPS accretion with an estimated ~1.5-year TBV earn-back. Overall, we believe this transaction is accretive and positions the Company well for future growth.

Interest Income and Expenses: TCBX reported a net interest margin of 4.10% for the quarter, which is flat from 4.10% in 3Q25. We note that this remains elevated compared to the median comps NIM of 3.63%. Year over year NIM increased significantly from 3.71%.

Deposits and Loans: The Company's gross loan portfolio continued to expand, increasing to \$4.39B at quarter-end, while deposits rose to \$4.63B. Credit quality remains solid, with management noting Q/Q improvement in nonperforming loans and an allowance for credit losses representing ~1.0% of total loans at year-end. Lastly, quarter-end book value per share and tangible book value per share increased to \$33.47 and \$32.12, respectively.

Financial Ratios: Return on average assets was 1.36% for 4Q25, compared to 1.41% in 3Q25, while the efficiency ratio was 57.90% versus 53.03% last quarter, reflecting the impact of merger-related and personnel costs. ROAE was 14.42% in 4Q25, down modestly from 15.14% in 3Q25, though still indicative of strong underlying profitability. The Bank currently has \$181.2M in cash, equal to \$13.05 per share or approximately 32% of the stock price.

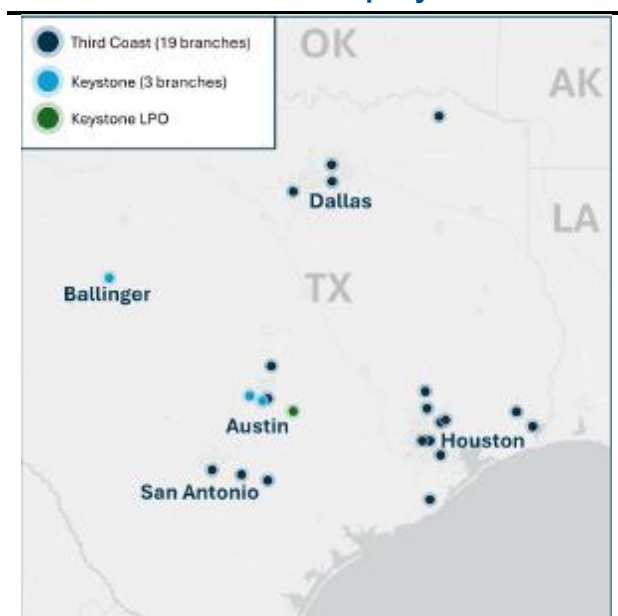
Growth Initiatives: Management continues to execute on balance-sheet optimization and organic growth while advancing M&A. As previously mentioned, TCBX announced a definitive agreement to acquire Keystone Bancshares valued at approximately \$123M. We expect management to remain selectively acquisitive. In addition, TCBX transferred its listing to the NYSE and NYSE Texas to enhance visibility and liquidity for shareholders.

Valuation: We use a comp analysis on P/E and P/TBV to frame our valuation of TCBX. Using a forward P/E range of 9.0x to 10.0x with a mid-point of 9.5x on FY26 estimates results in a valuation range of \$42.44 to \$47.15 with a mid-point of \$44.80. Using a P/TBV range of 1.4x to 1.5x with a mid-point of 1.4x results in a valuation range of \$43.36 to \$46.57 with a mid-point of \$44.97.

Business Overview

Third Coast Bancshares, Inc. (“the Company”, “the Bank”, “TCBX”, or “Third Coast”) is a commercially focused bank founded in 2008 with its headquarters in Humble, TX. Third Coast provides a variety of banking and lending services between the cities of Dallas, Houston, and San Antonio. The Company serves institutions, businesses, individuals, and families with 19 branch locations (pro forma 22 locations) across Eastern Texas. The Bank began trading on the Nasdaq exchange in November of 2021 under the ticker symbol TCBX.

Exhibit 1: Pro Forma Company Locations



Source: Company Reports

The Bank is primarily involved in the business of attracting deposits in the Bank’s market areas. The Bank grows by investing these deposits, as well as other sources of funds, in loans that are secured by commercial and residential real estate, business assets, and personal guarantees. Third Coast has kept itself competitive by offering competitively low rates, maintaining a strong team-oriented culture, and organic growth stemming from customer attentiveness.

Third Coast further diversifies its revenue base through several specialty lending verticals such as SBA loans and working capital solutions loans. These revenue streams fall under the Noninterest Income category along with service charges and fees on deposit gains, earnings from bank owned life insurance, and derivative fees. While these lines make up a proportionally small amount of the income when compared to interest income, we are encouraged by the Bank’s ability

to further serve customers, which we believe strengthens customer relations.

The Bank’s performance is tied to its three markets. These markets are broken out further below, with one additional branch in Detroit, TX which is approximately 120 miles northeast of Dallas, TX:

Dallas-Fort Worth Market – The Company has three branches in the Dallas-Fort Worth market, with one location in the North Dallas area, one in Plano, and one in Fort Worth. The DFW Market is the largest in Texas and the fourth largest in the U.S. and boasts the sixth largest GDP in the nation. This area hosts approximately 3.6m working professionals and is among the top ranked areas for job growth in the nation.

Greater Houston Market – The Company has ten branches in the Greater Houston market, including eight branches located in the Houston MSA and two branches in the neighboring Beaumont MSA. The Houston MSA is projected to grow by 7.6% over the next 5 years, which is more than double the nationwide projected growth. The Beaumont MSA is highlighted by an influx of industrial, infrastructure, and commercial projects as well as its strategic location along the gulf coast.

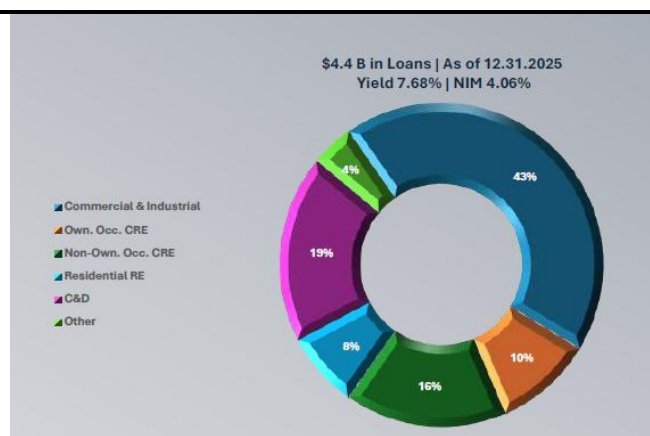
Austin-San Antonio Market – The Company has five branches in the Austin-San Antonio market, with one location in Georgetown, one in La Vernia, one in Nixon, one in De Novo, and one in San Antonio. The Austin MSA is projected to grow 8.5% through 2026 and was recently designated a top 10 global Technology Innovation Hub city by KPMG. San Antonio is projected for a population growth of 7.6% over the next 5 years.

Loan Portfolio

Third Coast's primary source of revenue is generated by providing loans to commercial and retail customers in the above-mentioned regions of Texas. TCBX primary lending activities originate from commercial and residential real estate lending. At 4Q25 end, Third Coast's gross loan portfolio was ~\$4.4B at a yield of 7.68%. The Bank's loan portfolio primarily consists of Commercial and Industrial loans.

Third Coast has a robust commitment to sound underwriting and comprehensive monitoring across its lending portfolio. At the community banking level this takes the form of reviewing and verifying compliance with loan covenants. At the corporate banking level, trend cards are kept on every borrower with over \$10.0M, which includes quarterly reviews on income statements and balance sheet metrics as well as applicable ratios. The team also holds quarterly meetings to review all borrowers.

Exhibit 2: Loan Portfolio



Source: Company Reports as of 12/31/2025

Deposits

Deposits are the primary source of funds for the Bank to use in its lending and investment activities. Third Coast's deposits come from individuals and businesses who reside in the Texas MSA's highlighted above. The Bank offers various deposits including:

- Checking
- Savings
- Money Market
- Individual Retirement Accounts
- CDs

Total deposits in 4Q25 were \$4.63B versus \$4.31B in 4Q24, increasing by approximately 7.3%.

Exhibit 3: Balance Sheet Growth



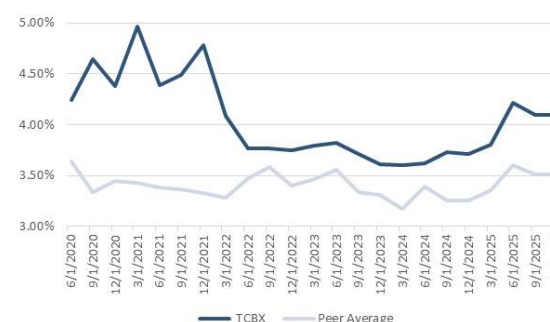
Source: Company Reports as of 12/31/2025

Profitability

Net interest margin (NIM) is a good indicator of how profitable banks are through their investments. Exhibit 4 provides TCBX's net interest margin trends relative to its peers since 1Q20.

We note that TCBX has maintained NIM outperformance compared to peers since COVID, and we expect this trend to continue. NIM has remained above 3.6% since 2Q22 despite the elevated rate environment. As of 4Q25 TCBX NIM was 4.10%, which continues to outpace its peers. We expect this strong NIM performance to be maintained, with the potential to increase in the event of a falling rate environment.

Exhibit 4: NIM Trends vs Peers



Source: CapIQ, Stonegate Models

We note that in 3Q23, TCBX experienced a spike in its efficiency ratio, which was impacted by a decision to reduce operating expenses and overhead costs leading to a significant one-time severance expense. This was a strategic decision by Third Coast to set the Bank up for future growth. Since this blip in 3Q23 we have seen both efficiency ratio and ROAA return to normal levels.

Exhibit 5: Profitability Trends



Source: Company Reports as of 12/31/2025

Growth Initiatives

While the Company has a focus on organic growth, the Bank has also shown a willingness and ability to grow externally. This was first displayed in 2020 when TCBX merged with Heritage Bancorp, Inc and has again been proven with the recent announcement of the Keystone Merger. Organic growth will be driven by strategic hires and the opening of new branches. We also expect TCBX to continue expanding products and services with further investment in technology to deliver quality customer experiences. This, in combination with the Bank's broad-based community values, is expected to grow core deposits.

Risks

Geographic concentration – Third Coast is concentrated in the state of Texas, which exposes it to risks associated with lack of geographic diversification. A local or regional economic downturn could adversely affect the Company's profitability.

Changes in interest rates – Third Coast's results depend on its net interest income; should the rates it earns on loans, securities and other interest-bearing assets fluctuate faster than the rates it is required to pay on deposits and borrowed funds, results would suffer.

Security of systems – Any material breaches in the security of Third Coast's banking systems could cause material losses for the Bank. Protecting sensitive consumer data is essential as is maintenance and backup of key financial and customer information.

Access to future capital – Should the Company incur significant loan losses, desire to execute acquisitions, or require additional funds for other operational purposes, the timing and terms of the capital may not be favorable given certain economic and/or market conditions.

External shocks – War, terrorism, other acts of violence or natural or manmade disasters such as a global pandemic may affect the markets in which the Company operates, the Company's customers, the Company's delivery of products and customer service, and could have a material adverse impact on our business, results of operations, or financial condition.

VALUATION SUMMARY

Third Coast's experienced management and service teams bring not only valuable industry knowledge, but also a unique grasp of the local economy and target demographics. This experience, coupled with the Company's operating ability, should allow it to take advantage of any opportunities that may present themselves.

Comparative Analysis

(all figures in M, except per share information)

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap (M)	Financial			EPS			P/E 2025	P/E 2026E	Valuation			Profitability		
				Assets (M)	BV/sh	TBV/sh	2025	2026E	2027E			P/E 2027E	P/BV	P/TBV	NIM	ROA	ROE
Amerant Bancorp Inc.	AMTB	\$ 21.60	\$ 890.56	\$ 10,410.2	\$ 22.92	\$ 22.45	NA	\$ 2.20	\$ 2.71	NA	9.8x	8.0x	0.9x	1.0x	3.9%	0.6%	6.3%
Bank First Corporation	BFC	\$ 135.68	\$ 1,522.06	\$ 4,420.4	\$ 63.87	\$ 44.30	NA	\$ 9.83	\$ 10.37	NA	13.8x	13.1x	2.1x	3.1x	3.9%	1.6%	11.6%
Business First Bancshares, Inc.	BFST	\$ 28.21	\$ 925.64	\$ 7,953.9	\$ 27.23	\$ 22.63	NA	\$ 3.01	\$ 3.23	NA	9.4x	8.7x	1.0x	1.2x	3.7%	1.1%	10.6%
Farmers National Banc Corp.	FMNB	\$ 13.87	\$ 522.25	\$ 5,235.6	\$ 12.38	\$ 7.44	NA	\$ 1.75	\$ 1.91	NA	7.9x	7.3x	1.1x	1.9x	3.0%	1.0%	11.0%
FS Bancorp, Inc.	FSBW	\$ 43.43	\$ 322.05	\$ 3,208.8	\$ 40.43	\$ 38.43	NA	\$ 4.54	\$ 4.89	NA	9.6x	8.9x	1.1x	1.1x	4.4%	1.1%	12.3%
Kearny Financial Corp.	KRNY	\$ 8.26	\$ 519.00	\$ 7,648.0	\$ 11.99	\$ 10.16	\$ 0.31	\$ 0.78	\$ 0.94	26.7x	10.6x	8.8x	0.7x	0.8x	2.1%	0.5%	5.1%
LCNB Corp.	LCNB	\$ 17.49	\$ 248.12	\$ 2,244.4	\$ 19.02	\$ 11.98	NA	\$ 1.69	\$ 1.77	NA	10.4x	9.9x	0.9x	1.5x	3.6%	1.2%	10.4%
Mercantile Bank Corporation	MBWM	\$ 53.55	\$ 920.05	\$ 6,835.2	\$ 42.19	\$ 36.78	\$ 4.01	\$ 5.43	\$ 5.92	13.3x	9.9x	9.0x	1.3x	1.5x	3.4%	1.4%	13.2%
Nicolet Bankshares, Inc.	NIC	\$ 144.96	\$ 2,126.12	\$ 9,185.1	\$ 85.75	\$ 59.68	\$ 7.66	\$ 10.94	\$ 14.36	18.9x	13.2x	10.1x	1.7x	2.4x	3.9%	1.8%	13.0%
Southern Missouri Bancorp, Inc.	SMBC	\$ 63.72	\$ 713.80	\$ 5,094.4	\$ 50.87	\$ 44.41	\$ 4.11	\$ 6.03	\$ 6.38	15.5x	10.6x	10.0x	1.3x	1.4x	NA	1.4%	12.9%
USCB Financial Holdings, Inc.	USCB	\$ 20.38	\$ 369.09	\$ 2,767.9	\$ 11.55	\$ 11.55	NA	\$ 2.07	\$ 2.37	NA	9.8x	8.6x	1.8x	1.8x	3.1%	1.3%	16.2%
Average				\$ 5,909.45	\$ 35.29	\$ 28.16	\$ 4.02	\$ 4.39	\$ 4.99	18.6x	10.5x	9.3x	1.3x	1.6x	3.50%	1.19%	11.15%
Median				\$ 5,235.58	\$ 27.23	\$ 22.63	\$ 4.06	\$ 3.01	\$ 3.23	17.2x	9.9x	8.9x	1.1x	1.5x	3.63%	1.22%	11.60%
Third Coast Bancshares, Inc.	TCBX	\$ 40.24	\$ 558.9	\$ 5,340.8	\$ 33.47	\$ 32.12	\$ 2.78	\$ 3.79	\$ 4.72	14.5x	10.6x	8.5x	1.2x	1.3x	4.10%	1.36%	14.42%

(1) Previous day's closing price

(2) Estimates are from Capital IQ

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Price / Earnings

Comparable companies are trading at an average of 9.3x FY27 P/E. We believe TCBX should trade in a forward P/E range of 9.0x to 10.0x with a mid-point of 9.5x. Using this range on our FY27 EPS estimate results in a valuation range of \$42.44 to \$47.15 with a mid-point of \$44.80.

		P/E		
2027 E		9.00x	9.50x	10.00x
EPS	\$	4.72	\$ 4.72	\$ 4.72
Valuation	\$	42.44	\$ 44.80	\$ 47.15

Price / Book Value

Third Coast is trading at 1.3x P/TBV vs. comps at 1.6x. We believe TCBX should trade in a price to tangible book value range of 1.4x to 1.5x with a mid-point of 1.4x. This maintains TCBX's earned premium to comps. Using this range on current book value per share results in a valuation range of \$43.36 to \$46.57 with a mid-point of \$44.97.

		P/BV		
		1.35x	1.40x	1.45x
BV/S		32.1	32.1	32.1
Valuation	\$	43.36	\$ 44.97	\$ 46.57

BALANCE SHEET

Third Coast Bancshares, Inc.
Consolidated Balance Sheets (\$M)
Fiscal Year End: December

ASSETS	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025
Total Cash and Cash Equivalents	327.0	371.3	320.2	217.8	332.0	332.0	310.9	268.0	286.5	411.8	411.8	498.3	253.9	270.5	421.2	421.2	329.4	119.0	123.0	181.2	181.2
Investment Securities Available for Sale	26.4	126.2	157.3	160.4	176.1	176.1	180.4	194.5	201.0	178.1	178.1	246.3	286.2	292.1	384.0	384.0	397.4	355.8	376.7	383.2	383.2
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206.1	206.0	192.0	192.0
Loans Held for Investment	2,049.4	2,424.6	2,722.5	2,943.7	3,077.2	3,077.2	3,177.4	3,297.0	3,521.9	3,601.8	3,601.8	3,708.0	3,719.9	3,850.1	3,926.1	3,926.1	3,947.6	4,039.7	4,122.6	4,350.8	4,350.8
Accrued Interest Receivable	10.2	12.6	12.6	16.2	18.3	18.3	19.0	19.6	22.8	23.1	23.1	25.8	27.5	26.1	25.8	25.8	26.8	27.7	29.5	29.2	29.2
Premises & Equipment, net	19.0	20.8	22.9	25.4	28.7	28.7	28.5	28.7	29.0	28.6	28.6	26.8	27.6	26.7	26.2	26.2	25.7	24.9	24.7	24.8	24.8
Other Real Estate Owned	1.7	1.7	-	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	8.4	8.4
Bank Owned Life Insurance	26.5	26.7	51.9	60.3	60.8	60.8	64.2	64.8	65.3	65.9	65.9	66.4	67.0	67.7	68.3	68.3	74.0	74.8	75.5	76.4	76.4
Nonmarketable Equity Securities, At Cost	7.5	11.3	15.2	27.1	14.6	14.6	14.8	20.7	15.8	16.0	16.0	16.1	16.1	24.3	16.0	16.0	16.0	18.8	26.2	16.4	16.4
Deferred Tax Asset, net	4.1	4.3	7.2	8.1	6.3	6.3	7.1	7.8	8.3	9.2	9.2	8.7	9.0	8.7	11.4	11.4	9.2	8.6	7.0	4.4	4.4
Derivatives Assets, net	0.4	-	-	-	9.2	9.2	8.8	9.4	10.9	8.8	8.8	11.0	7.8	5.8	6.5	6.5	3.1	3.1	2.8	2.5	2.5
Right of Use Assets - Operating Leases	-	-	-	-	17.9	17.9	19.3	21.8	21.2	21.4	21.4	20.7	20.9	20.4	19.9	19.9	19.4	18.8	17.7	17.1	17.1
Core Deposit Intangibles, net	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	0.9	-	-	-	-	-	-	-	-	-
Goodwill	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.9	18.9	18.8	18.8	18.8	18.8	18.7	18.7	18.7
Other Assets	7.6	21.4	28.9	38.3	12.9	12.9	10.0	12.2	13.9	12.3	12.3	13.2	18.8	15.9	17.7	17.7	29.4	27.6	31.1	35.3	35.3
Interest Bearing Time Deposits in Other Banks	0.1	0.1	0.1	0.1	-	-	-	-	-	-	-	-	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Loans Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	2,499.4	3,040.4	3,358.1	3,516.8	3,773.1	3,773.1	3,859.7	3,963.5	4,215.8	4,396.1	4,396.1	4,660.4	4,474.1	4,627.8	4,942.4	4,942.4	4,897.0	4,943.8	5,061.8	5,340.8	5,340.8
LIABILITIES AND SHAREHOLDERS' EQUITY																					
Non-Interest-Bearing	531.4	931.6	519.6	517.3	486.1	486.1	516.9	529.5	500.2	459.6	459.6	424.0	464.5	489.8	602.1	602.1	448.5	441.0	450.0	495.0	495.0
Interest Bearing	1,609.8	1,655.5	2,378.7	2,467.0	2,750.0	2,750.0	2,805.6	2,878.8	3,146.6	3,343.6	3,343.6	3,626.7	3,391.1	3,504.6	3,708.4	3,708.4	3,800.0	3,839.9	3,922.7	4,131.9	4,131.9
Total Deposits	2,141.2	2,587.2	2,898.3	2,984.3	3,236.1	3,236.1	3,322.5	3,408.3	3,646.8	3,803.1	3,803.1	4,050.7	3,855.6	3,994.4	4,310.5	4,310.5	4,248.5	4,280.9	4,372.7	4,626.9	4,626.9
Accrued Interest Payable	0.4	0.4	1.7	2.9	2.5	2.5	1.6	3.5	4.3	4.8	4.8	3.9	5.7	7.3	6.3	6.3	7.0	6.7	7.2	6.0	6.0
Derivative Liabilities	0.4	-	-	-	9.2	9.2	7.3	9.2	10.5	10.7	10.7	8.3	7.6	6.9	8.7	8.7	3.5	3.8	3.5	3.1	3.1
Lease Liability - Operating Leases	-	-	-	18.2	18.2	18.2	19.8	22.4	22.0	22.3	22.3	21.6	21.9	21.4	20.9	20.9	20.4	19.8	18.7	18.1	18.1
Other Liabilities	7.4	20.1	26.9	42.1	14.0	14.0	10.1	12.8	15.5	23.8	23.8	27.8	30.8	34.6	23.8	23.8	26.0	24.7	32.0	36.8	36.8
Line of Credit - Senior Debt	1.0	1.0	30.9	30.9	30.9	30.9	30.9	30.9	35.9	38.9	38.9	43.9	36.9	31.9	30.9	30.9	30.9	30.9	32.9	37.9	37.9
Notes Payable - Subordinated Debt, Net	-	80.5	80.4	80.3	80.3	80.3	80.4	80.5	80.5	80.6	80.6	80.6	80.7	80.7	80.8	80.8	80.8	80.9	80.9	81.0	81.0
FHLB Advances	50.0	50.0	18.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commitments and Contingencies, Esop-owned Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	2,200.4	2,739.2	3,056.1	3,140.5	3,391.4	3,391.4	3,472.6	3,567.5	3,815.5	3,984.1	3,984.1	4,236.8	4,039.1	4,177.2	4,481.7	4,481.7	4,417.2	4,447.7	4,548.0	4,809.7	4,809.7
Series A Convertible Non-Cumulative Preferred Stock	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Series B Convertible Perpetual Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Stock	13.5	13.5	13.5	13.6	13.6	13.6	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.8	13.8	13.9	13.9	14.0	14.0	14.0
Common Stock - Non-Voting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Paid in Capital	249.2	249.8	250.4	317.8	318.0	318.0	318.4	318.8	319.1	319.6	319.6	320.1	320.5	320.9	321.7	321.7	322.5	323.0	323.5	323.9	323.9
Retained Earnings	36.0	38.1	40.4	47.2	53.3	53.3	58.2	65.9	70.3	78.8	78.8	88.0	97.6	109.2	121.7	121.7	134.1	149.7	166.5	183.2	183.2
Accumulated Other Comprehensive Income	1.4	0.9	(1.3)	(1.2)	(2.1)	(2.1)	(2.1)	(1.4)	(1.7)	0.9	0.9	2.9	4.2	7.8	4.5	4.5	10.3	10.6	10.9	10.9	10.9
Treasury Stock, at Cost	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Esop-owned Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Consolidated Equity	299.0	301.2	302.0	376.4	381.8	381.8	387.0	395.9	400.3	412.0	412.0	423.6	435.0	450.5	460.7	460.7	479.8	496.1	513.8	531.0	531.0
Total Liabilities and Shareholders' Equity	2,499.4	3,040.4	3,358.1	3,516.8	3,773.1	3,773.1	3,859.7	3,963.5	4,215.8	4,396.1	4,396.1	4,660.4	4,474.1	4,627.8	4,942.4	4,942.4	4,897.0	4,943.8	5,061.8	5,340.7	5,340.7
Book Value Per Share	\$ 22.31	\$ 22.40	\$ 22.43	\$ 22.93	\$ 23.32	\$ 23.32	\$ 23.63	\$ 24.33	\$ 24.57	\$ 25.41	\$ 25.41	\$ 26.18	\$ 26.99	\$ 28.13	\$ 28.65	\$ 28.65	\$ 29.92	\$ 31.04	\$ 32.25	\$ 33.47	\$ 33.47
Return on Average Assets (%)	0.55%	0.32%	0.29%	0.78%	0.84%	0.58%	1.02%	0.96%	0.56%	0.90%	0.83%	0.95%	0.97%	1.14%	1.13%	1.13%	1.17%	1.38%	1.41%	1.36%	1.36%
Return on Average Equity (%)	6.70%	2.81%	3.01%	8.74%	7.69%	5.62%	10.28%	9.44%	5.19%	9.86%	8.45%	10.44%	10.53%	12.12%	12.66%	12.66%	12.41%	14.70%	15.14%	14.42%	14.42%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Third Coast Bancshares, Inc.

Consolidated Statements of Income (in \$M, except per share amounts)

Fiscal Year End: December

	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Interest income																			
Loans Including Fees	\$ 98.9	\$ 146.4	\$ 248.9	\$ 295.3	\$ 73.1	\$ 79.7	\$ 82.1	\$ 81.4	\$ 316.2	\$ 83.8	\$ 98.2	\$ 100.1	\$ 100.2	\$ 382.3	\$ 102.6	\$ 105.1	\$ 107.1	\$ 108.8	\$ 423.6
Investment Securities Available-For-Sale	1.0	3.9	8.3	17.1	5.7	5.5	6.3	6.5	24.0	6.4	6.4	6.6	6.6	26.0	6.8	7.0	7.1	7.3	28.2
Federal Funds Sold and Other	0.7	3.6	9.3	16.0	2.0	3.5	4.2	4.3	13.9	3.3	3.3	3.3	3.3	13.0	2.8	2.8	2.8	2.8	11.0
Total interest income	100.6	153.9	266.5	328.4	80.8	88.7	92.5	92.1	354.0	93.4	107.9	109.9	110.1	421.3	112.1	114.8	116.9	118.8	462.7
Interest expense																			
Deposit Accounts	8.5	30.7	115.0	159.7	36.2	37.5	39.0	37.5	150.3	39.9	46.4	46.2	46.0	178.5	46.7	47.1	48.5	48.9	191.1
FHLB Advances and Other Borrowings	1.5	6.8	12.0	7.9	1.7	1.8	2.6	2.4	8.5	2.5	2.5	2.5	2.5	10.0	2.8	2.8	2.8	2.8	11.0
Total Interest Expense	10.1	37.5	127.0	167.6	38.0	39.3	41.7	39.9	158.8	42.4	48.9	48.7	48.5	188.5	49.4	49.8	51.2	51.6	202.1
Net interest income	90.6	116.5	139.5	160.8	42.8	49.4	50.8	52.2	195.2	51.0	59.0	61.2	61.6	232.9	62.7	65.0	65.7	67.2	260.6
Provision for Credit Loss	9.9	12.2	6.3	5.7	0.5	2.1	2.8	2.2	7.6	2.2	2.5	2.4	2.5	9.6	2.4	2.5	2.5	2.6	10.0
Net interest income after loan losses	80.6	104.3	133.2	155.1	42.3	47.2	48.1	50.0	187.6	48.8	56.5	58.8	59.2	223.3	60.3	62.5	63.2	64.6	250.6
Non-interest income																			
Service charges	2.4	2.7	3.2	6.9	2.3	2.1	2.8	3.5	10.8	2.5	2.5	2.5	2.5	10.0	2.8	2.8	2.8	2.8	11.0
Earnings on Bank-Owned Life Insurance	0.4	1.3	2.1	2.5	0.7	0.7	0.8	0.8	3.0	0.7	0.7	0.7	0.7	2.6	0.7	0.7	0.7	0.7	2.6
Gain on Sale of Investment Securities	-	-	0.5	(0.0)	(0.2)	(0.1)	-	(0.3)	(0.6)	-	-	-	-	-	-	-	-	-	-
Gain on Sale of SBA Loans	0.6	1.0	0.4	0.0	0.0	0.0	-	-	0.1	-	-	-	-	-	-	-	-	-	-
Derivative Fee	0.8	1.3	0.8	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-interest income	4.9	7.2	8.2	10.6	3.1	2.7	3.6	4.3	13.7	3.2	3.2	3.2	3.2	12.6	3.4	3.4	3.4	3.4	13.6
Non-interest expense																			
Salaries and Employee Benefits	48.6	56.5	62.2	65.1	18.3	18.2	19.6	21.1	77.2	22.9	22.5	22.0	22.3	89.6	23.5	23.3	23.6	23.0	93.3
Occupancy and Equipment Expense	5.4	8.5	11.3	12.7	3.3	2.8	2.9	2.8	11.8	2.9	2.9	2.9	2.9	11.4	3.2	3.2	3.2	3.2	12.6
Legal and Professional	5.3	7.0	7.8	5.6	1.4	1.9	1.3	2.9	7.5	4.8	3.8	1.8	1.8	12.0	2.2	2.2	2.2	2.2	8.8
Data Processing and Network Expense	3.1	3.9	4.7	5.3	1.1	1.2	1.2	1.1	4.6	1.4	1.4	1.4	1.4	5.4	1.5	1.5	1.5	1.5	5.8
Total Non-interest Expense	71.0	88.3	99.8	104.3	28.1	28.8	28.9	32.7	118.5	36.6	35.3	32.8	33.0	137.6	35.6	35.3	35.6	35.0	141.5
Net income before income taxes	14.5	23.2	41.6	61.4	17.3	21.0	22.8	21.5	82.7	15.4	24.4	29.2	29.3	98.3	28.1	30.6	31.0	33.0	122.8
Provision for income taxes	3.1	4.5	8.2	13.7	3.8	4.3	4.8	3.6	16.5	3.1	4.9	5.8	5.9	19.7	6.2	6.7	6.8	7.3	27.0
Net income before income taxes	11.4	18.7	33.4	47.7	13.6	16.7	18.1	17.9	66.3	12.3	19.5	23.3	23.5	78.6	22.0	23.9	24.2	25.8	95.7
Preferred Stock Dividends Declared	-	1.4	4.7	4.7	1.2	1.2	1.2	1.2	4.8	0.9	1.4	1.7	1.7	5.6	1.6	1.7	1.7	1.8	6.8
Net income to Common	\$ 11.4	\$ 17.2	\$ 28.7	\$ 42.9	\$ 12.4	\$ 15.6	\$ 16.9	\$ 16.7	\$ 61.5	\$ 11.4	\$ 18.1	\$ 21.7	\$ 21.8	\$ 73.0	\$ 20.4	\$ 22.1	\$ 22.4	\$ 23.9	\$ 88.9
Basic EPS - GAAP	\$ 1.45	\$ 1.28	\$ 2.11	\$ 3.14	\$ 0.90	\$ 1.12	\$ 1.22	\$ 1.21	\$ 4.45	\$ 0.82	\$ 1.13	\$ 1.35	\$ 1.36	\$ 4.71	\$ 1.32	\$ 1.43	\$ 1.45	\$ 1.54	\$ 5.73
Diluted EPS - GAAP	\$ 1.41	\$ 1.25	\$ 2.07	\$ 2.78	\$ 0.78	\$ 0.96	\$ 1.03	\$ 1.02	\$ 3.79	\$ 0.69	\$ 0.96	\$ 1.15	\$ 1.16	\$ 4.00	\$ 1.08	\$ 1.17	\$ 1.19	\$ 1.27	\$ 4.72
Weighted average shares outstanding																			
Basic	7,861	13,465	13,583	13,657	13,777	13,837	13,860	13,889	13,841	13,993	15,994	15,998	16,002	15,497	15,501	15,505	15,509	15,512	15,507
Diluted	8,126	13,754	16,105	17,134	17,441	17,391	17,524	17,552	17,477	17,745	20,283	20,288	20,293	19,652	20,298	20,303	20,308	20,313	20,306

Margin Analysis

Net income margin	11.4%	11.2%	10.8%	13.1%	15.4%	17.6%	18.2%	18.1%	17.4%	12.2%	16.8%	19.7%	19.8%	17.3%	18.2%	19.3%	19.2%	20.1%	19.2%
Net Interest margin	4.65%	3.82%	3.73%	3.67%	3.80%	4.22%	4.10%	4.10%	4.06%	3.95%	4.13%	3.93%	3.92%	3.92%	3.95%	4.05%	4.05%	4.10%	3.91%
Interest Income %	4.8%	4.8%	6.9%	7.5%	7.4%	7.9%	8.0%	7.5%	7.3%	7.6%	7.7%	7.7%	7.6%	7.2%	7.6%	7.6%	7.6%	7.6%	7.4%
Interest Expense %	1.6%	3.8%	3.0%	3.7%	3.4%	3.5%	3.6%	3.2%	3.2%	3.4%	3.3%	3.3%	3.2%	3.1%	3.2%	3.2%	3.3%	3.3%	3.2%
Net Provision Ratio	11.0%	10.5%	4.5%	3.5%	1.1%	4.3%	5.4%	4.3%	3.9%	4.3%	4.3%	4.0%	4.0%	4.1%	3.9%	3.9%	3.9%	3.9%	3.9%
Tax %	21.1%	19.5%	19.7%	22.3%	21.7%	20.4%	20.9%	16.8%	19.9%	20.0%	20.0%	20.0%	20.0%	20.0%	22.0%	22.0%	22.0%	22.0%	22.0%

Growth Rate Y/Y

Interest and Dividend Income	31.0%	53.0%	73.1%	23.2%	2.4%	9.2%	11.8%	7.7%	7.8%	15.6%	21.7%	18.8%	19.6%	19.0%	20.1%	6.4%	6.4%	7.9%	9.8%
Interest expense	-33.9%	272.6%	238.8%	31.9%	-6.9%	-7.3%	-1.6%	-5.2%	-5.2%	11.6%	24.5%	16.9%	21.5%	18.7%	16.7%	1.9%	5.1%	6.5%	7.2%
Net Income Interest after loan losses	37.8%	29.3%	27.8%	16.4%	16.0%	27.8%	22.4%	18.1%	21.0%	15.3%	19.6%	22.2%	18.5%	19.0%	23.4%	10.6%	7.6%	9.2%	12.2%
Earnings Before Taxes	-8.7%	60.0%	79.6%	47.4%	34.0%	48.0%	40.4%	20.1%	34.9%	-11.2%	16.0%	27.7%	36.3%	18.8%	82.8%	25.3%	6.3%	12.7%	24.9%
Net Income	-8.8%	50.9%	66.3%	49.7%	35.0%	61.9%	45.6%	33.2%	43.4%	-7.9%	16.5%	28.4%	30.4%	18.6%	78.3%	22.1%	3.6%	9.8%	21.8%
Non Interest Income	68.9%	48.1%	13.6%	29.4%	32.6%	-8.2%	44.4%	48.3%	28.5%	1.4%	18.9%	-13.3%	-26.1%	-7.7%	7.9%	7.9%	7.9%	7.9%	7.9%
Non Interest Expense	56.0%	24.3%	13.0%	4.5%	8.5%	12.6%	13.1%	20.1%	13.6%	30.2%	22.2%	13.4%	0.9%	16.1%	-2.9%	0.1%	8.7%	6.1%	2.8%

Source: Company Reports, Stonegate Capital Partners estimates

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