

**RESEARCH UPDATE**

**Dave Storms, CFA**  
[dave@stonegateinc.com](mailto:dave@stonegateinc.com)

214-987-4121

**Market Statistics** in USD

<b>Price</b>	\$ 38.63
<b>52 week Range</b>	\$26.34 - \$43.84
<b>Daily Vol (3-mo. average)</b>	77,394
<b>Market Cap (M)</b>	\$ 572.3
<b>Shares Outstanding: (M)</b>	14.8
<b>Float (M)</b>	13.6
<b>Public Ownership</b>	38.5%
<b>Institutional Ownership</b>	52.6%

**Financial Summary** in USD

<b>Cash (M)</b>	\$ 431.3
<b>Cash/Share</b>	\$ 29.11
<b>Debt (M)</b>	\$ 161.1
<b>Equity (M)</b>	\$ 650.5
<b>Equity/Share</b>	\$ 44.09
<b>Book Value/Share</b>	\$ 35.28
<b>Tangible Book Value/Share</b>	\$ 31.97

<b>FYE: Dec</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>
-----------------	-------------	--------------	--------------

*(all figures in M, except per share information)*

<b>Int. Income</b>	\$ 354.0	\$ 415.4	\$ 451.0
<b>Chng%</b>	32.8%	17.3%	8.6%

<b>Net Income</b>	\$ 61.5	\$ 73.5	\$ 93.5
<b>EPS (Diluted)</b>	\$ 3.79	\$ 3.85	\$ 4.74

<b>NIM</b>	4.06%	3.90%	3.83%
<b>P/E</b>	10.2x	10.0x	8.1x


**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 1Q26, Third Coast reported net income of \$16.4M, or \$1.03/\$0.88 basic/diluted EPS, versus \$17.9M and \$1.21/\$1.02 in 4Q25. The linked-quarter decline was primarily driven by approximately \$3.3M of pre-tax Keystone-related merger expense, including elevated legal/professional fees and higher compensation tied to retention, sign-on, and discretionary bonuses. Even with that noise, profitability remained solid, with reported ROA of 1.08% and ROTCE of 12.23%; excluding merger expense, management indicated ROA would have been 1.25% and diluted EPS approximately \$1.02. In our view, that points to better underlying earnings power than the headline EPS decline alone suggests.

**Keystone Integration:** In 1Q26, the Company completed its merger with Keystone Bancshares on February 1, 2026, adding approximately \$812M of loans, \$1.0B of assets, and \$844.2M of deposits. The story now shifts from deal close to integration, execution, and realizing the earnings power of the larger platform. Importantly, management indicated loan pipelines remain robust and noted that most merger-related expense saves are still ahead, with the bulk expected to be realized in 2H26. In our view, that supports a constructive outlook on earnings progression as the Company begins to move beyond upfront integration costs.

**Interest Income, Deposits and Loans:** Net interest income increased 2.8% q/q and 25.3% y/y to \$53.6M as Keystone expanded interest earning assets and overall scale. NIM declined to 3.67% from 4.10% in 4Q25, reflecting merger related mix and the ~\$1.0M accrued-interest reversal, though funding costs improved, with average deposit costs down 17bps q/q to 3.17%. Gross loans increased to \$5.25B and deposits to \$5.72B, largely due to Keystone. Importantly, management noted ex-Keystone loan growth remained positive in 1Q, but that reported organic growth was partially masked by an unusual level of paydowns that came through earlier than expected. Management does not expect that headwind to persist, which supports a better underlying growth picture than headline loan growth alone may imply.

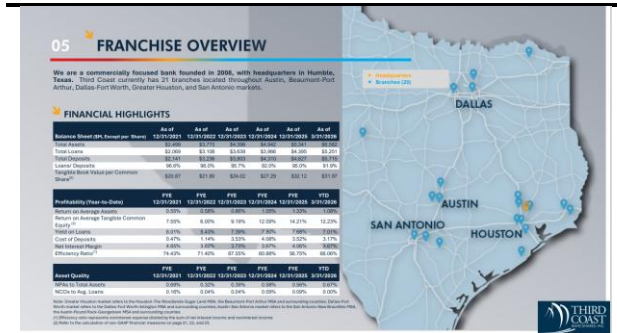
**Growth Initiatives:** With Keystone now closed, management appears focused on turning added scale into faster organic growth, broader fee generation, and improved funding diversification. The Company highlighted continued investment in the franchise, including seasoned corporate bankers in Houston and Dallas, the launch of an asset-based lending platform, and expansion of its public funds and correspondent banking teams. While these initiatives remain early, management believes they can strengthen pipelines, generate more than \$1M of monthly fee income at scale, and support quarterly loan growth of \$75M-\$125M. We think that framing is important, as it positions the post-merger story around execution and earnings capacity rather than simply balance-sheet growth.

**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 \$42.67 to \$47.41 with a mid-point of \$45.04. Using a P/TBV range of 1.4x to 1.5x with a mid-point of 1.4x results in a valuation range of \$43.16 to \$46.36 with a mid-point of \$44.76.

## 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 21 branch locations across the three largest metropolitan areas in 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 Banks ability to further serve customers, which we believe strengthens customer relations.

The Bank’s performance is tied to its four main metropolitan markets: Dallas, Houston, Austin, and San Antonio. Including one more location in Ballenger, Texas.

**Dallas-Fort Worth Market** – The Company has approximately four branches in the Dallas-Fort Worth-Arlington MSA. The DFW market is the largest MSA in Texas and the fourth largest in the U.S. and has been growing by approximately 322 residents per day. It also boasts the largest GDP in the state and the sixth largest in the nation, supporting a highly attractive backdrop for commercial banking growth.

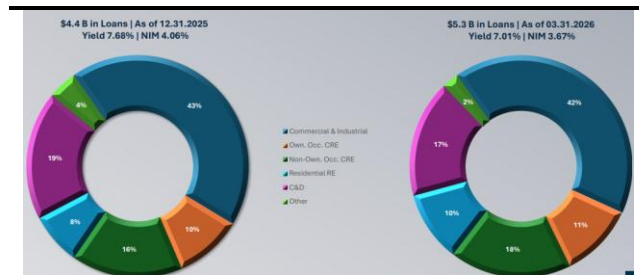
**Greater Houston Market** – The Company has approximately ten branches across the Houston-The Woodlands-Sugar Land and Beaumont-Port Arthur MSAs, including roughly 7 in Greater Houston and three in Beaumont-Port Arthur. Houston MSA is projected to grow approximately 7.6% over the next five years, ranking first among the nation’s 10 largest MSAs and more than double the nationwide projected growth. In our view, that scale, combined with Houston’s trade exposure and Beaumont-Port Arthur’s industrial and infrastructure activity, creates an attractive operating footprint for Third Coast.

**Austin-San Antonio Market** – The Company has approximately six branches across the Austin-Round Rock-Georgetown and San Antonio-New Braunfels MSAs, including roughly three in the Austin area and three in the San Antonio area. Austin MSA is projected to grow 8.5% through 2026, making it the fastest-growing large MSA in the country, while San Antonio also continues to benefit from favorable demographic expansion. We believe this Central Texas footprint provides Third Coast with meaningful exposure to some of the strongest long-term growth markets in the state.

### 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 ~ \$5.3B at a yield of 7.01%. The Bank’s loan portfolio primarily consists of Commercial and Industrial loans.

Exhibit 2: Loan Portfolio



Source: Company Reports as of 3/31/2026

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.

### 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 1Q26 were \$5.715B versus \$4.627B in 4Q25.

Exhibit 3: Balance Sheet Growth



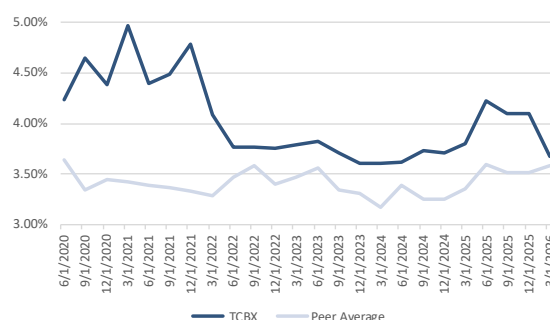
Source: Company Reports as of 3/31/2026

### 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 4Q26 TCBX NIM was 3.67%, 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 driven by a one-time severance expense tied to a strategic effort to reduce operating expenses and overhead and better position the Bank for future growth. Since then, underlying profitability has generally normalized, although reported efficiency rose again in 1Q26 due to Keystone-related merger and integration expenses. In our view, both periods reflect temporary, non-core cost actions rather than a change in the Company's underlying earnings profile.

**Exhibit 5: Profitability Trends**



Source: Company Reports as of 3/31/2026

### 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 completion 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 <sup>(1)</sup>	Mrkt Cap (M)	Financial			EPS			Valuation			Profitability				
				Assets (M)	BV/sh	TBV/sh	2025	2026E	2027E	P/E 2025	P/E 2026E	P/E 2027E	P/BV	P/TBV	NIM	ROA	ROE
Amerant Bancorp Inc.	AMTB	\$ 24.00	\$ 965.49	\$ 9,777.0	\$ 23.13	\$ 22.65	\$ 1.10	\$ 2.07	\$ 2.65	1.1x	11.6x	9.1x	1.0x	1.1x	NA	0.1%	1.1%
Bank First Corporation	BFC	\$ 141.83	\$ 1,588.73	\$ 6,069.0	\$ 73.05	\$ 47.04	\$ 5.60	\$ 9.66	\$ 10.43	5.6x	14.7x	13.6x	1.9x	3.0x	4.0%	1.5%	10.9%
Business First Bancshares, Inc.	BFST	\$ 28.53	\$ 932.71	\$ 8,214.7	\$ 25.22	\$ 21.07	\$ 2.40	\$ 3.01	\$ 3.28	2.4x	9.5x	8.7x	1.1x	1.4x	NA	1.1%	10.1%
Farmers National Banc Corp.	FMNB	\$ 13.94	\$ 825.46	\$ 7,175.5	\$ 12.95	\$ 12.95	\$ 1.15	\$ 1.61	\$ 1.79	1.1x	8.7x	7.8x	1.1x	1.1x	3.1%	1.0%	10.4%
FS Bancorp, Inc.	FSBW	\$ 41.00	\$ 303.34	\$ 3,203.5	\$ 42.42	\$ 40.61	\$ 3.37	\$ 4.23	\$ 5.08	3.4x	9.7x	8.1x	1.0x	1.0x	4.3%	1.0%	10.1%
Kearny Financial Corp.	KRNY	\$ 8.05	\$ 506.21	\$ 7,607.7	\$ 11.79	\$ 10.02	\$ 0.31	\$ 0.62	\$ 0.86	26.1x	13.0x	9.4x	0.7x	0.8x	NA	0.5%	5.3%
LCNB Corp.	LCNB	\$ 16.06	\$ 228.79	\$ 2,237.8	\$ 19.36	\$ 12.40	\$ 1.27	\$ 1.69	\$ 1.81	1.3x	9.5x	8.9x	0.8x	1.3x	NA	0.8%	6.5%
Mercantile Bank Corporation	MBWM	\$ 50.68	\$ 875.46	\$ 6,945.0	\$ 42.66	\$ 37.34	\$ 4.01	\$ 5.57	\$ 5.91	12.6x	9.1x	8.6x	1.2x	1.4x	3.6%	1.3%	12.4%
Nicolet Bankshares, Inc.	NIC	\$ 144.04	\$ 3,049.02	\$ 15,574.5	\$ 106.62	\$ 60.90	\$ 7.66	\$ 9.70	\$ 13.29	18.8x	14.8x	10.8x	1.4x	2.4x	4.0%	0.5%	3.5%
Southern Missouri Bancorp, Inc.	SMBC	\$ 67.59	\$ 750.81	\$ 5,141.5	\$ 51.94	\$ 45.48	\$ 4.11	\$ 6.19	\$ 6.68	16.5x	10.9x	10.1x	1.3x	1.5x	NA	1.4%	12.5%
USCB Financial Holdings, Inc.	USCB	\$ 19.47	\$ 355.47	\$ 2,791.5	\$ 11.97	\$ 11.97	\$ 1.14	\$ 2.02	\$ 2.24	1.1x	9.6x	8.7x	1.6x	1.6x	NA	0.2%	2.6%
<b>Average</b>				<b>\$ 6,794.34</b>	<b>\$ 38.28</b>	<b>\$ 29.31</b>	<b>\$ 2.92</b>	<b>\$ 4.21</b>	<b>\$ 4.91</b>	<b>8.2x</b>	<b>11.0x</b>	<b>9.4x</b>	<b>1.2x</b>	<b>1.5x</b>	<b>3.78%</b>	<b>0.86%</b>	<b>7.75%</b>
<b>Median</b>				<b>\$ 6,945.04</b>	<b>\$ 25.22</b>	<b>\$ 22.65</b>	<b>\$ 2.40</b>	<b>\$ 3.01</b>	<b>\$ 3.28</b>	<b>3.4x</b>	<b>9.7x</b>	<b>8.9x</b>	<b>1.1x</b>	<b>1.4x</b>	<b>3.96%</b>	<b>0.98%</b>	<b>10.08%</b>
<b>Third Coast Bancshares, Inc.</b>	<b>TCBX</b>	<b>\$ 38.63</b>	<b>\$ 572.3</b>	<b>\$ 6,582.1</b>	<b>\$ 35.28</b>	<b>\$ 31.97</b>	<b>\$ 2.78</b>	<b>\$ 3.79</b>	<b>\$ 4.74</b>	<b>13.9x</b>	<b>10.2x</b>	<b>8.1x</b>	<b>1.1x</b>	<b>1.2x</b>	<b>3.67%</b>	<b>1.08%</b>	<b>11.29%</b>

(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 9.4x 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 \$42.67 to \$47.41 with a mid-point of \$45.04.

	P/E		
<b>2027 E</b>	<b>9.00x</b>	<b>9.50x</b>	<b>10.00x</b>
EPS	\$ 4.74	\$ 4.74	\$ 4.74
Valuation	\$ 42.67	\$ 45.04	\$ 47.41

Price / Book Value

Third Coast is trading at 1.2x P/TBV vs. comps at 1.5x. 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 \$43.16 to \$46.36 with a mid-point of \$44.76.

	P/BV		
	<b>1.35x</b>	<b>1.40x</b>	<b>1.45x</b>
BV/S	32.0	32.0	32.0
Valuation	\$ 43.16	\$ 44.76	\$ 46.36

BALANCE SHEET

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

	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	Q1 Mar-26	
<b>ASSETS</b>																							
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	181.2	431.3
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	383.2	435.8
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206.1	206.0	192.0	192.0	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	4,350.8	5,200.0
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	29.2	31.4
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	24.8	40.6
Other Real Estate Owned	1.7	1.7	-	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	8.4	8.4	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	76.4	77.1
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	16.4	21.8
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	4.4	7.5
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	2.5	2.4
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	17.1	17.6
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	18.7	54.9
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	35.3	61.1
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	0.3	0.3
Loans Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>2,499.4</b>	<b>3,040.4</b>	<b>3,358.1</b>	<b>3,516.8</b>	<b>3,773.1</b>	<b>3,773.1</b>	<b>3,859.7</b>	<b>3,963.5</b>	<b>4,215.8</b>	<b>4,396.1</b>	<b>4,396.1</b>	<b>4,660.4</b>	<b>4,474.1</b>	<b>4,627.8</b>	<b>4,942.4</b>	<b>4,942.4</b>	<b>4,897.0</b>	<b>4,943.8</b>	<b>5,061.8</b>	<b>5,340.7</b>	<b>5,340.7</b>	<b>5,340.7</b>	<b>6,582.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>																							
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	495.0	577.2
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	4,131.9	5,137.9
<b>Total Deposits</b>	<b>2,141.2</b>	<b>2,587.2</b>	<b>2,898.3</b>	<b>2,984.3</b>	<b>3,236.1</b>	<b>3,236.1</b>	<b>3,322.5</b>	<b>3,408.3</b>	<b>3,646.8</b>	<b>3,803.1</b>	<b>3,803.1</b>	<b>4,050.7</b>	<b>3,855.6</b>	<b>3,994.4</b>	<b>4,310.5</b>	<b>4,310.5</b>	<b>4,248.5</b>	<b>4,280.9</b>	<b>4,372.7</b>	<b>4,626.9</b>	<b>4,626.9</b>	<b>4,626.9</b>	<b>5,715.1</b>
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	6.0	7.2
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	3.1	3.5
Lease Liability - Operating Leases	-	-	-	-	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	18.1	18.7
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	36.8	48.7
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	37.9	57.9
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	81.0	81.0
FHFB Advances	50.0	50.0	18.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commitments and Contingencies, Esop-owned Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,200.4</b>	<b>2,739.2</b>	<b>3,056.1</b>	<b>3,140.5</b>	<b>3,391.4</b>	<b>3,391.4</b>	<b>3,472.6</b>	<b>3,567.5</b>	<b>3,815.5</b>	<b>3,984.1</b>	<b>3,984.1</b>	<b>4,236.8</b>	<b>4,039.1</b>	<b>4,177.2</b>	<b>4,481.7</b>	<b>4,481.7</b>	<b>4,417.2</b>	<b>4,447.7</b>	<b>4,548.0</b>	<b>4,809.7</b>	<b>4,809.7</b>	<b>4,809.7</b>	<b>5,932.0</b>
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	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	14.0	16.6
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	323.9	428.8
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	198.4	
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	10.9	7.7
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)	(1.1)	(1.1)
Esop-owned Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Consolidated Equity</b>	<b>299.0</b>	<b>301.2</b>	<b>302.0</b>	<b>376.4</b>	<b>381.8</b>	<b>381.8</b>	<b>387.0</b>	<b>395.9</b>	<b>400.3</b>	<b>412.0</b>	<b>412.0</b>	<b>423.6</b>	<b>435.0</b>	<b>450.5</b>	<b>460.7</b>	<b>460.7</b>	<b>479.8</b>	<b>496.1</b>	<b>513.8</b>	<b>531.0</b>	<b>531.0</b>	<b>531.0</b>	<b>650.5</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,499.4</b>	<b>3,040.4</b>	<b>3,358.1</b>	<b>3,516.8</b>	<b>3,773.1</b>	<b>3,773.1</b>	<b>3,859.7</b>	<b>3,963.5</b>	<b>4,215.8</b>	<b>4,396.1</b>	<b>4,396.1</b>	<b>4,660.4</b>	<b>4,474.1</b>	<b>4,627.8</b>	<b>4,942.4</b>	<b>4,942.4</b>	<b>4,897.0</b>	<b>4,943.8</b>	<b>5,061.8</b>	<b>5,340.7</b>	<b>5,340.7</b>	<b>5,340.7</b>	<b>6,582.1</b>
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	\$ 33.47	\$ 35.28
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%	1.36%	1.08%
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%	14.42%	11.29%

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 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
<b>Interest income</b>																			
Loans Including Fees	\$ 98.9	\$ 146.4	\$ 248.9	\$ 295.3	\$ 73.1	\$ 79.7	\$ 82.1	\$ 81.4	\$ 316.2	\$ 85.9	\$ 91.5	\$ 94.7	\$ 97.9	\$ 370.0	\$ 98.0	\$ 100.9	\$ 102.4	\$ 104.3	\$ 405.7
Investment Securities Available-For-Sale	1.0	3.9	8.3	17.1	5.7	5.5	6.3	6.5	24.0	6.1	7.2	7.3	7.4	28.0	7.6	7.8	7.9	8.1	31.4
Federal Funds Sold and Other	0.7	3.6	9.3	16.0	2.0	3.5	4.2	4.3	13.9	5.4	4.0	4.0	4.0	17.4	3.5	3.5	3.5	3.5	14.0
<b>Total interest income</b>	<b>100.6</b>	<b>153.9</b>	<b>266.5</b>	<b>328.4</b>	<b>80.8</b>	<b>88.7</b>	<b>92.5</b>	<b>92.1</b>	<b>354.0</b>	<b>97.4</b>	<b>102.7</b>	<b>106.0</b>	<b>109.3</b>	<b>415.4</b>	<b>109.1</b>	<b>112.2</b>	<b>113.8</b>	<b>115.9</b>	<b>451.0</b>
<b>Interest expense</b>																			
Deposit Accounts	8.5	30.7	115.0	159.7	36.2	37.5	39.0	37.5	150.3	41.5	42.0	43.0	42.2	168.8	42.8	43.3	43.1	43.6	172.8
FHLB Advances and Other Borrowings	1.5	6.8	12.0	7.9	1.7	1.8	2.6	2.4	8.5	2.3	2.5	2.5	2.5	9.8	2.8	2.8	2.8	2.8	11.0
<b>Total Interest Expense</b>	<b>10.1</b>	<b>37.5</b>	<b>127.0</b>	<b>167.6</b>	<b>38.0</b>	<b>39.3</b>	<b>41.7</b>	<b>39.9</b>	<b>158.8</b>	<b>43.7</b>	<b>44.5</b>	<b>45.5</b>	<b>44.7</b>	<b>178.5</b>	<b>45.5</b>	<b>46.0</b>	<b>45.9</b>	<b>46.4</b>	<b>183.8</b>
<b>Net interest income</b>																			
Provision for Credit Loss	90.6	116.5	139.5	160.8	42.8	49.4	50.8	52.2	195.2	53.6	58.1	60.5	64.6	236.9	63.6	66.1	68.0	69.5	267.2
<b>Net interest income after loan losses</b>	<b>80.6</b>	<b>104.3</b>	<b>133.2</b>	<b>155.1</b>	<b>42.3</b>	<b>47.2</b>	<b>48.1</b>	<b>50.0</b>	<b>187.6</b>	<b>53.1</b>	<b>55.8</b>	<b>58.0</b>	<b>62.0</b>	<b>228.9</b>	<b>61.2</b>	<b>63.6</b>	<b>65.4</b>	<b>66.8</b>	<b>256.9</b>
<b>Non-interest income</b>																			
Service charges	2.4	2.7	3.2	6.9	2.3	2.1	2.8	3.5	10.8	3.2	2.5	2.5	2.5	10.7	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	0.8	0.8	0.8	0.8	3.0	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)	(0.0)	-	-	-	(0.0)	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-interest income</b>	<b>4.9</b>	<b>7.2</b>	<b>8.2</b>	<b>10.6</b>	<b>3.1</b>	<b>2.7</b>	<b>3.6</b>	<b>4.3</b>	<b>13.7</b>	<b>4.0</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>13.8</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>13.6</b>
<b>Non-interest expense</b>																			
Salaries and Employee Benefits	48.6	56.5	62.2	65.1	18.3	18.2	19.6	21.1	77.2	24.8	23.5	23.5	23.0	94.8	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	3.3	3.0	3.0	3.0	12.3	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	3.2	3.0	1.8	1.8	9.7	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	1.5	1.5	1.5	5.9	1.5	1.5	1.5	1.5	5.8
<b>Total Non-interest Expense</b>	<b>71.0</b>	<b>88.3</b>	<b>99.8</b>	<b>104.3</b>	<b>28.1</b>	<b>28.8</b>	<b>28.9</b>	<b>32.7</b>	<b>118.5</b>	<b>38.1</b>	<b>36.0</b>	<b>34.8</b>	<b>34.3</b>	<b>143.2</b>	<b>35.6</b>	<b>35.3</b>	<b>35.6</b>	<b>35.0</b>	<b>141.5</b>
<b>Net income before income taxes</b>	<b>14.5</b>	<b>23.2</b>	<b>41.6</b>	<b>61.4</b>	<b>17.3</b>	<b>21.0</b>	<b>22.8</b>	<b>21.5</b>	<b>82.7</b>	<b>19.0</b>	<b>23.0</b>	<b>26.5</b>	<b>31.0</b>	<b>99.5</b>	<b>29.0</b>	<b>31.7</b>	<b>33.2</b>	<b>35.2</b>	<b>129.1</b>
Provision for income taxes	3.1	4.5	8.2	13.7	3.8	4.3	4.8	3.6	16.5	2.6	5.1	5.8	6.8	20.3	6.4	7.0	7.3	7.7	28.4
<b>Net income before income taxes</b>	<b>11.4</b>	<b>18.7</b>	<b>33.4</b>	<b>47.7</b>	<b>13.6</b>	<b>16.7</b>	<b>18.1</b>	<b>17.9</b>	<b>66.3</b>	<b>16.4</b>	<b>18.0</b>	<b>20.7</b>	<b>24.2</b>	<b>79.2</b>	<b>22.6</b>	<b>24.7</b>	<b>25.9</b>	<b>27.5</b>	<b>100.7</b>
Preferred Stock Dividends Declared	-	1.4	4.7	4.7	1.2	1.2	1.2	1.2	4.8	1.2	1.3	1.5	1.7	5.7	1.6	1.8	1.8	2.0	7.2
<b>Net income to Common</b>	<b>\$ 11.4</b>	<b>\$ 17.2</b>	<b>\$ 28.7</b>	<b>\$ 42.9</b>	<b>\$ 12.4</b>	<b>\$ 15.6</b>	<b>\$ 16.9</b>	<b>\$ 16.7</b>	<b>\$ 61.5</b>	<b>\$ 15.2</b>	<b>\$ 16.7</b>	<b>\$ 19.2</b>	<b>\$ 22.4</b>	<b>\$ 73.5</b>	<b>\$ 21.0</b>	<b>\$ 23.0</b>	<b>\$ 24.0</b>	<b>\$ 25.5</b>	<b>\$ 93.5</b>
<b>Basic EPS - GAAP</b>	<b>\$ 1.45</b>	<b>\$ 1.28</b>	<b>\$ 2.11</b>	<b>\$ 3.14</b>	<b>\$ 0.90</b>	<b>\$ 1.12</b>	<b>\$ 1.22</b>	<b>\$ 1.21</b>	<b>\$ 4.45</b>	<b>\$ 1.03</b>	<b>\$ 0.99</b>	<b>\$ 1.13</b>	<b>\$ 1.33</b>	<b>\$ 4.48</b>	<b>\$ 1.28</b>	<b>\$ 1.40</b>	<b>\$ 1.46</b>	<b>\$ 1.55</b>	<b>\$ 5.69</b>
<b>Diluted EPS - GAAP</b>	<b>\$ 1.41</b>	<b>\$ 1.25</b>	<b>\$ 2.07</b>	<b>\$ 2.78</b>	<b>\$ 0.78</b>	<b>\$ 0.96</b>	<b>\$ 1.03</b>	<b>\$ 1.02</b>	<b>\$ 3.79</b>	<b>\$ 0.88</b>	<b>\$ 0.85</b>	<b>\$ 0.97</b>	<b>\$ 1.14</b>	<b>\$ 3.85</b>	<b>\$ 1.07</b>	<b>\$ 1.16</b>	<b>\$ 1.22</b>	<b>\$ 1.29</b>	<b>\$ 4.74</b>
<b>Weighted average shares outstanding</b>																			
Basic	7,861	13,465	13,583	13,657	13,777	13,837	13,860	13,889	13,841	14,815	16,933	16,937	16,942	16,407	16,411	16,415	16,419	16,423	16,417
Diluted	8,126	13,754	16,105	17,134	17,441	17,391	17,524	17,552	17,477	18,560	21,214	21,219	21,225	20,555	21,230	21,235	21,241	21,246	21,238

Margin Analysis

Net income margin	11.4%	11.2%	10.8%	13.1%	15.4%	17.6%	18.2%	18.1%	17.4%	15.6%	16.2%	18.1%	20.5%	17.7%	19.3%	20.5%	21.1%	22.0%	20.7%
Net Interest margin	4.65%	3.82%	3.73%	3.67%	3.80%	4.22%	4.10%	4.10%	4.06%	3.67%	3.75%	3.80%	3.95%	3.90%	3.77%	3.88%	3.93%	3.97%	3.83%
Interest Income %	4.8%	4.8%	6.9%	7.5%	7.4%	7.9%	8.0%	7.5%	7.3%	6.6%	6.9%	7.0%	7.1%	6.7%	7.0%	7.1%	7.1%	7.1%	6.9%
Interest Expense %	1.6%	3.8%	3.0%	3.7%	3.4%	3.5%	3.6%	3.2%	3.2%	2.9%	2.9%	3.0%	2.9%	2.9%	2.9%	2.9%	2.8%	2.8%	2.8%
Net Provision Ratio	11.0%	10.5%	4.5%	3.5%	1.1%	4.3%	5.4%	4.3%	3.9%	1.1%	4.0%	4.0%	4.0%	3.3%	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%	13.8%	22.0%	22.0%	22.0%	20.4%	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%	20.6%	15.8%	14.6%	18.7%	17.3%	12.1%	9.3%	7.4%	6.0%	8.6%
Interest expense	-33.9%	272.6%	238.8%	31.9%	-6.9%	-7.3%	-1.6%	-5.2%	-5.2%	15.2%	13.3%	9.3%	12.1%	12.4%	4.0%	3.4%	0.8%	3.7%	3.0%
Net Income Interest after loan losses	37.8%	29.3%	27.8%	16.4%	16.0%	27.8%	22.4%	18.1%	21.0%	25.3%	18.1%	20.7%	24.2%	22.0%	15.3%	13.9%	12.6%	7.7%	12.2%
Earnings Before Taxes	-8.7%	60.0%	79.6%	47.4%	34.0%	48.0%	40.4%	20.1%	34.9%	9.5%	9.4%	16.1%	44.0%	20.3%	52.8%	37.6%	25.0%	13.6%	29.7%
Net Income	-8.8%	50.9%	66.3%	49.7%	35.0%	61.9%	45.6%	33.2%	43.4%	22.4%	7.2%	13.9%	34.4%	19.5%	38.3%	37.6%	25.0%	13.6%	27.2%
Non Interest Income	68.9%	48.1%	13.6%	29.4%	32.6%	-8.2%	44.4%	48.3%	28.5%	29.8%	22.6%	-10.6%	-23.7%	1.0%	-15.7%	4.6%	4.6%	4.6%	-1.3%
Non Interest Expense	56.0%	24.3%	13.0%	4.5%	8.5%	12.6%	13.1%	20.1%	13.6%	35.6%	24.9%	20.4%	4.9%	20.8%	-6.7%	-2.0%	2.4%	2.1%	-1.2%

Source: Company Reports, Stonegate Capital Partners estimates

## IMPORTANT DISCLOSURES AND DISCLAIMER

- (a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
- (b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate's investment banking revenues.
- (c) Stonegate or any affiliate have not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects or receive or intends or seek compensation for investment banking services from the subject company in the next three months.
- (d) Stonegate Capital Partners has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
- (e) Stonegate or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
- (f) Stonegate does not make a market in the subject company.
- (g) The research analyst has not received any compensation from the subject company in the previous 12 months.
- (h) Stonegate, the research analyst, or associated person of Stonegate with the ability to influence the content of the research report knows or has reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
- (i) No employee of Stonegate has a position as an officer or director of the subject company.

**Ratings** - Stonegate does not provide ratings for the covered companies.

**Distribution of Ratings** - Stonegate does not provide ratings for covered companies.

**Price Chart** - Stonegate does not have, nor has previously had, a rating for its covered companies.

**Price Targets** - Stonegate does not provide price targets for its covered companies. However, Stonegate does provide valuation analysis.

### **Regulation Analyst Certification:**

I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

### **For Additional Information Contact:**

Stonegate Capital Partners, Inc.  
Dave Storms, CFA  
Dave@stonegateinc.com  
214-987-4121

---

Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.