



#### NEWS RELEASE

## Shore Bancshares, Inc. Reports 2025 Third Quarter Results

2025-10-23

EASTON, Md., Oct. 23, 2025 /PRNewswire/ -- Shore Bancshares, Inc. (NASDAQ - SHBI) (the "Company" or "Shore Bancshares"), the holding company for Shore United Bank, N.A. (the "Bank") reported net income for the third quarter of 2025 of \$14.3 million, or \$0.43 per diluted common share, compared to net income of \$15.5 million, or \$0.46 per diluted common share, for the second quarter of 2025, and net income of \$11.2 million, or \$0.34 per diluted common share, for the third quarter of 2024.

### Third Quarter 2025 Highlights

- Return on Average Assets ("ROAA") – The Company reported ROAA of 0.95% for the third quarter of 2025, compared to 1.03% for the second quarter of 2025 and 0.77% for the third quarter of 2024. Non-U.S. generally accepted accounting principles ("GAAP") ROAA<sup>(1)</sup> was 1.05% for the third quarter of 2025, compared to 1.15% for the second quarter of 2025 and 0.90% for the third quarter of 2024.
- Net Income – Net income for the third quarter of 2025 decreased \$1.2 million to \$14.3 million from \$15.5 million in the second quarter of 2025. Net income decreased primarily due to lower noninterest income of \$1.6 million driven by reduced mortgage banking activity and a higher provision for loan losses of \$1.5 million due to a large marine loan write-off, partially offset by an increase in net interest income of \$1.4 million. Net income for the nine months ended September 30, 2025 was \$43.6 million, compared to \$30.6 million for the nine months ended September 30, 2024. The increase was primarily driven by an increase in net interest income due to loans repricing favorably coupled with a lower cost of deposits during the period.
- Net Interest Margin ("NIM") Expansion – Net interest income for the third quarter of 2025 increased \$1.4 million to \$48.7 million from \$47.3 million for the second quarter of 2025. NIM increased 7 basis points ("bps") to 3.42% during the third quarter of 2025 from 3.35% in the second quarter of 2025. NIM excluding accretion<sup>(1)</sup> increased for the comparable periods from 3.10% to 3.22%. Excluding accretion interest, loan yields increased 6 bps and funding costs decreased 6 bps for the comparable periods. Net interest income increased due to modest loan growth coupled with a lower cost of deposits. These favorable changes were partially offset by a lower yield on investments and lower average deposits with other institutions.
- Book Value per Share – Book value per share increased to \$17.27 at September 30, 2025 from \$16.94 at June 30, 2025 and \$16.00 at September 30, 2024.
- Asset Quality – Nonperforming assets to total assets were 0.45% at September 30, 2025, an increase from 0.33% at June 30, 2025 and 0.27% at September 30, 2024. Classified assets to total assets were 0.83% at September 30, 2025, an increase when compared to 0.37% at June 30, 2025 and 0.39% at September 30, 2024. The allowance for credit losses ("ACL") was \$59.6 million at September 30, 2025, compared to \$57.9 million at December 31, 2024 and \$58.7 million at September 30, 2024. The ACL as a percentage of loans increased to 1.22% at September 30, 2025 compared to 1.21% at December 31, 2024, and decreased compared to 1.24% at September 30, 2024.
- Operating Leverage – The efficiency ratio for the third quarter of 2025 was 61.00% compared to 60.83% in the second quarter of 2025 and 67.49% for the third quarter of 2024. The non-GAAP efficiency ratio<sup>(1)</sup>, which excludes amortization, was 57.30% for the third quarter of 2025, compared to 56.73% for the second quarter of 2025 and 62.10% for the third quarter of 2024. Management anticipates ongoing expense management of professional services and technology investments will result in continued improvements in operating leverage over time.

"We continue to demonstrate resilience and operational strength in the third quarter," stated James ("Jimmy") M. Burke, President and Chief Executive Officer of Shore Bancshares. "Despite a modest decline in net income for the quarter due to a large marine loan write-off and softer noninterest income, we saw meaningful expansion in net

interest margin and continued growth in book value per share. Asset quality remains sound, supported by strong collateral and prudent reserve levels, despite a temporary increase in nonperforming and classified assets driven by a few commercial real estate exposures. As we navigate a dynamic environment, we remain focused on enhancing operating leverage through strategic investments in technology and talent. We are confident in our ability to deliver sustainable long-term value."

<sup>(1)</sup> See the Reconciliation of GAAP and non-GAAP Measures tables.

## Balance Sheet Review

Total assets were \$6.28 billion at September 30, 2025, an increase of \$47.7 million, or 0.8%, when compared to \$6.23 billion at December 31, 2024. The aggregate increase was primarily due to an increase in our loan portfolio of \$111.0 million, partially offset by a decrease in interest-bearing deposits at other banks of \$61.6 million and a decrease in our investment securities portfolio of \$14.8 million. The decrease in interest-bearing deposits with other institutions was primarily driven by loan growth. Total assets increased \$360.8 million, or 6.1%, from \$5.92 billion when compared to September 30, 2024.

The Company's tangible common equity ratio at September 30, 2025 was 7.80% compared to 7.17% at December 31, 2024. The Company's Tier 1 and Total Risk-Based Capital Ratios at September 30, 2025 were 10.82% and 12.88%, respectively. Non-owner occupied commercial real estate ("CRE") loans were \$2.16 billion and \$2.08 billion, and as a percentage of the Bank's Tier 1 Capital + ACL were 348.42% and 359.52% at September 30, 2025 and December 31, 2024, respectively.

CRE loans (excluding land and construction) at September 30, 2025 were \$2.64 billion compared to \$2.56 billion at December 31, 2024. The following table provides the stratification of the classes of CRE loans at September 30, 2025.

| (\$ in thousands)                     | September 30, 2025         |                   |                             |                            |                   |                             |
|---------------------------------------|----------------------------|-------------------|-----------------------------|----------------------------|-------------------|-----------------------------|
|                                       | Owner Occupied             |                   |                             | Non-Owner Occupied         |                   |                             |
|                                       | Average LTV <sup>(1)</sup> | Average Loan Size | Loan Balance <sup>(2)</sup> | Average LTV <sup>(1)</sup> | Average Loan Size | Loan Balance <sup>(2)</sup> |
| Office, medical                       | 43.00 %                    | \$ 562            | \$ 31,482                   | 50.82 %                    | \$ 1,820          | \$ 98,278                   |
| Office, govt. or govt. contractor     | 53.78                      | 603               | 4,820                       | 56.48                      | 2,892             | 49,170                      |
| Office, other                         | 48.85                      | 480               | 91,125                      | 47.72                      | 1,198             | 198,837                     |
| Office, total                         | 47.76                      | 502               | 127,407                     | 49.07                      | 1,461             | 346,285                     |
| Retail                                | 49.72                      | 614               | 66,951                      | 49.03                      | 2,510             | 486,968                     |
| Multi-family (5+ units)               | —                          | —                 | —                           | 55.05                      | 2,412             | 287,016                     |
| Hotel/motel                           | —                          | —                 | —                           | 45.05                      | 4,090             | 204,511                     |
| Industrial/warehouse                  | 48.16                      | 673               | 96,857                      | 49.59                      | 1,555             | 211,455                     |
| Commercial-improved                   | 40.79                      | 1,161             | 206,657                     | 49.31                      | 1,266             | 160,729                     |
| Marine/boat slips                     | 29.78                      | 1,512             | 39,313                      | 35.31                      | 1,647             | 9,885                       |
| Restaurant                            | 48.43                      | 999               | 59,928                      | 47.34                      | 992               | 46,602                      |
| Church                                | 33.95                      | 863               | 60,434                      | 13.34                      | 2,383             | 2,383                       |
| Land/lot loans                        | 51.17                      | 660               | 1,320                       | 49.02                      | 253               | 86,901                      |
| Other                                 | 40.15                      | 1,409             | 114,157                     | 83.01                      | 682               | 313,150                     |
| Total CRE loans, gross <sup>(3)</sup> | 43.52                      | 837               | \$ 773,024                  | 54.25                      | 1,254             | \$ 2,155,885                |

(1) Loan-to-value ("LTV") is determined based on latest available appraisal against current bank owned principal. Loans without an updated appraisal utilized the original transaction value.

(2) Loan balance includes deferred fees and costs.

(3) CRE loans include land and construction.

The Bank's office CRE loan portfolio, which includes owner occupied and non-owner occupied CRE loans, was \$473.7 million, or 9.7% of total loans at September 30, 2025. The Bank's office CRE loan portfolio included loans to medical tenants of \$129.7 million, or 27.4% of the total office CRE loan portfolio, at September 30, 2025. The Bank's office CRE loan portfolio also included loans to government or government contractor tenants of \$54.0 million, or 11.4% of the total office CRE loan portfolio for the same period. At September 30, 2025, the average loan debt-service coverage ratio on the office CRE loan portfolio was 1.8x and the average LTV was 48.40%.

There were 491 loans in the office CRE portfolio, which had an average loan size of \$965 thousand and a median loan size of \$366 thousand. LTV estimates for the office CRE portfolio at September 30, 2025 are summarized below and LTV collateral values are based on the most recent appraisal, which may vary from the appraised value at loan origination.

| LTV Range (\$ in thousands) | Loan Count | Loan Balance | % of Office CRE |
|-----------------------------|------------|--------------|-----------------|
| Less than or equal to 50%   | 242        | \$ 156,733   | 33.1%           |
| 50%-60%                     | 78         | 111,682      | 23.6            |
| 60%-70%                     | 92         | 132,631      | 28.0            |
| 70%-80%                     | 63         | 62,485       | 13.2            |
| Greater than 80%            | 16         | 10,161       | 2.1             |
| Total                       | 491        | \$ 473,692   | 100.0%          |

The Bank had 16 office CRE loans with balances greater than \$5.0 million, totaling \$144.7 million at September 30, 2025, compared to 18 office CRE loans totaling \$164.5 million at December 31, 2024. The decrease in this portfolio segment was the result of normal amortization, the payoff of a \$5.6 million loan, and the change in purpose of collateral of an \$11.8 million loan from office to school. Of the office CRE portfolio balance, 80.1% was secured by properties in rural or suburban areas with limited exposure to metropolitan cities and 96.9% was secured by properties with five stories or less. Of the office CRE loans, \$13.7 million were classified as special mention or substandard at September 30, 2025. The Bank did not have any charge-offs related to the office CRE portfolio during 2025.

At September 30, 2025 and June 30, 2025, nonperforming assets were \$28.1 million, or 0.45% of total assets, and \$19.6 million, or 0.33% of total assets, respectively. The balance of nonperforming assets increased \$8.5 million, primarily due to commercial real estate and consumer loans. When comparing September 30, 2025 to September 30, 2024, nonperforming assets increased \$12.3 million, primarily due to an increase in nonaccrual loans of \$9.5 million and an increase in repossessed marine and auto loans of \$3.1 million. Substandard loans, which include nonaccrual loans, accruing loans and accruing loans 90 days or more past due were \$48.5 million at September 30, 2025 compared to \$19.9 million at June 30, 2025 and \$22.8 million at September 30, 2024. The increase was primarily due to several commercial non-owner occupied real estate loans, which were downgraded during the current period. All of these loans are well secured by collateral and required minimal individual reserves as of September 30, 2025.

Total deposits increased \$214.2 million from June 30, 2025 to \$5.53 billion at September 30, 2025 and decreased \$171 thousand when compared to December 31, 2024. The third-quarter increase was primarily driven by seasonal growth in municipal deposits, which typically accumulate during this period. The decrease in total deposits year-to-date was primarily due to a decrease in interest-bearing checking deposits of \$126.1 million and a decrease in money market and savings of \$15.9 million. These decreases were partially offset by an increase in time deposits of \$99.6 million. Core deposits, which exclude municipal deposits, increased by \$224.2 million, or 5.5%, during the same period which was partially offset by volatility driven by a large client relationship.

Total funding, which includes customer deposits, Federal Home Loan Bank ("FHLB") advances and brokered deposits was \$5.58 billion at September 30, 2025, compared to \$5.36 billion at June 30, 2025. The Bank had a \$50.0 million FHLB advance at September 30, 2025 and June 30, 2025. The advance consisted of an 18-month Bermuda Convertible note of \$50.0 million. The Bank had \$10.9 million and \$10.8 million of brokered deposits at September 30, 2025 and June 30, 2025, respectively. Total reciprocal deposits were \$1.48 billion at September 30, 2025 and \$1.31 billion at June 30, 2025.

The Bank's uninsured deposits were \$936.3 million, or 16.9% of total deposits, at September 30, 2025. The Bank's uninsured deposits, excluding deposits secured with pledged collateral, were \$792.2 million, or 14.3% of total deposits, at September 30, 2025. At September 30, 2025, the Bank had approximately \$1.37 billion of available liquidity, including \$416.5 million in cash and cash equivalents, \$950.9 million in secured borrowing capacity at the FHLB and other correspondent banks and \$65.0 million in unsecured lines of credit.

Total stockholders' equity increased \$36.1 million, or 6.7%, when compared to December 31, 2024, primarily due to current year earnings and a decrease in accumulated other comprehensive losses, partially offset by cash dividends paid. As of September 30, 2025 and December 31, 2024, the ratio of total equity to total assets was 9.19% and 8.68%, respectively, and the ratio of total tangible equity to total tangible assets<sup>(1)</sup> was 7.80% and 7.17%, respectively.

<sup>(1)</sup> See the Reconciliation of GAAP and non-GAAP Measures tables.

## Review of Quarterly Financial Results

Net interest income was \$48.7 million for the third quarter of 2025, compared to \$47.3 million for the second quarter of 2025 and \$43.3 million for the third quarter of 2024. The increase in net interest income when compared to the second quarter of 2025 was primarily due to an increase in interest income on loans of \$1.2 million and a decrease in interest expense on deposits of \$895 thousand, partially offset by a decrease in interest income on deposits at other banks of \$373 thousand and a decrease in interest income on investment securities of \$295 thousand. The increase in net interest income was \$5.4 million when compared to the third quarter of 2024, and was primarily due to a decrease in interest expense on deposits of \$2.4 million, an increase in interest and fees on loans of \$1.8 million, a decrease in interest expense on long term borrowings of \$661 thousand and an increase in interest on deposits at other banks of \$651 thousand, partially offset by an increase in interest expense on short-term borrowings of \$149 thousand.

The Company's NIM increased to 3.42% for the third quarter of 2025 from 3.35% for the second quarter of 2025, primarily due to higher core interest income. NIM excluding accretion increased for the comparable periods from 3.10% to 3.22%. Excluding accretion interest, loan yields increased 6 bps and funding costs decreased 6 bps, for the comparable periods. Interest expense for the third quarter of 2025 decreased \$836 thousand when compared to the second quarter of 2025. All deposit products repriced at favorable rates, coupled with lower interest-bearing deposit balances during the period. The Company's NIM increased to 3.42% for the third quarter of 2025 from 3.17% for the third quarter of 2024. The Company's average interest-earning asset yield decreased to 5.42% for the third quarter of 2025 from 5.47% for the third quarter of 2024, while the average cost of funds decreased 29 bps to 2.09% from 2.38% for the same periods.

The provision for credit losses was \$3.0 million for the three months ended September 30, 2025. The comparable amounts were \$1.5 million for the three months ended June 30, 2025 and \$1.5 million for the three months ended September 30, 2024. The increase in the provision for credit losses for the third quarter of 2025 compared to the second quarter of 2025 was due to higher reserves related to growth in the loan portfolio and higher charge-offs driven by a large marine loan write-off. Coverage ratios increased to 1.22% at September 30, 2025 from 1.21% at June 30, 2025, and decreased from 1.24% at September 30, 2024. Net charge-offs increased to \$1.8 million for the third quarter of 2025 compared to \$649 thousand for the second quarter of 2025, and increased compared to \$1.3 million for the third quarter of 2024. The increase was driven by a large marine loan write-down in the third quarter 2025.

Total noninterest income for the third quarter of 2025 was \$7.7 million, a decrease of \$1.6 million from \$9.3 million for the second quarter of 2025, and an increase of \$414 thousand from \$7.3 million for the third quarter of 2024. When comparing the third quarter of 2025 to the second quarter of 2025, the decrease in noninterest income was primarily due to a decrease in mortgage banking revenue of \$1.1 million and the absence of the one-time credit card incentive in the second quarter 2025. Comparing the third quarter of 2025 to the third quarter of 2024, the increase in noninterest income was primarily due to an increase in interchange credits and an increase in mortgage banking revenue.

Total noninterest expense of \$34.4 million for the third quarter of 2025 decreased \$31 thousand compared to the second quarter of 2025 expense of \$34.4 million, and increased \$265 thousand compared to the third quarter of 2024 expense of \$34.1 million. The decrease from the second quarter of 2025 was primarily due to lower professional service fees of \$236 thousand and other noninterest expense, partially offset by higher salaries and employee benefit expenses of \$0.9 million. The increase from the third quarter of 2024 was primarily due to higher salaries and benefits expense of \$2.1 million and higher software and data processing costs of \$736 thousand, partially offset by the absence of the credit fraud loss-related expenses incurred in the third quarter 2024, lower legal and professional services of \$373 thousand and lower amortization of other intangible assets of \$297 thousand.

The efficiency ratio for the third quarter of 2025 when compared to the second quarter of 2025 and the third quarter of 2024 was 61.00%, 60.83% and 67.49%, respectively. Non-GAAP efficiency ratios<sup>(1)</sup> for the same periods were 57.30%, 56.73% and 62.10%, respectively. The net operating expense ratio, which is noninterest expense less noninterest income divided by average assets, for the third quarter of 2025 was 1.76%, compared to 1.67% and 1.84% for the second quarter of 2025 and the third quarter of 2024, respectively. The non-GAAP net operating expense ratio<sup>(1)</sup>, which excludes core deposit intangible amortization and non-recurring activity, was 1.62% for the third quarter of 2025, compared to 1.52% and 1.65% for the second quarter of 2025 and the third quarter of 2024, respectively.

(†) See the Reconciliation of GAAP and Non-GAAP Measures tables.

## Review of Nine Month Financial Results

Net interest income for the nine months ended September 30, 2025 was \$141.9 million, an increase of \$15.4 million, or 12.2%, when compared to the nine months ended September 30, 2024. The increase in net interest income was primarily due to an increase in total interest income of \$10.9 million, or 5.0%, which included an increase in interest and fees on loans of \$6.1 million, or 3.0%, and an increase in interest on deposits with other banks of \$4.1 million, or 195.5%. The increase in interest and fees on loans was primarily due to the increase in the average balance of loans of \$135.9 million, or 2.9%. The decrease in total interest expense was primarily due to a decrease in interest on deposits of \$3.0 million and a decrease in interest expense on borrowings of \$1.4 million as a result of lower average FHLB advances and associated rates during the year.

The Company's NIM increased from 3.12% for the nine months ended September 30, 2024 to 3.34% for the nine months ended September 30, 2025. Margins were higher due to a \$266.5 million increase in interest-earning asset balances and a 1 basis point increase in interest-earning asset yields. These positive movements were coupled with lower cost interest-bearing deposits. The increase in the average balances of interest-bearing deposits of \$75.5 million was offset by a 16 basis point decrease in the associated rates paid, as well as a \$26.3 million decrease in the average balance of FHLB advances and a 52 basis point decrease in the associated rates paid. Net accretion income impacted net interest margin by 23 basis points and 29 basis points for the nine months ended September 30, 2025 and 2024, respectively, which resulted in NIMs excluding accretion of 3.11% and 2.83% for the same periods.

The provision for credit losses for the nine months ended September 30, 2025 and 2024 was \$5.5 million and \$4.0 million, respectively. The increase in the provision for credit losses during 2025 was due to higher reserves related to growth in the loan portfolio and higher charge-offs, partially offset by an improved economic outlook. Net charge-offs for the nine months ended September 30, 2025 were \$3.0 million compared to \$2.7 million for the nine months ended September 30, 2024.

Total noninterest income for the nine months ended September 30, 2025 increased \$1.7 million, or 7.7%, when compared to the same period in 2024. The increase was primarily due to a \$936 thousand increase in mortgage-banking revenue, a \$341 thousand increase in other noninterest income and a \$208 thousand increase in interchange credits.

Total noninterest expense for the nine months ended September 30, 2025 decreased \$1.8 million, or 1.7%, when compared to the same period in 2024. Noninterest expense line items decreased primarily due to the absence of the \$4.7 million credit card fraud event during the nine months ended September 30, 2024 and lower amortization of intangible assets of \$893 thousand, which was partially offset by higher salaries and employee benefit expenses of \$3.5 million and an increase of \$2.0 million of software and data processing expense in the nine months ended September 30, 2025.

The efficiency ratio for the nine months ended September 30, 2025 was 61.78% compared to 70.09% for the nine months ended September 30, 2024. Non-GAAP efficiency ratios for the same periods were 57.73% and 61.83%, respectively. The net operating expense ratio, which is noninterest expense less noninterest income divided by average assets, for the nine months ended September 30, 2025 was 1.73% compared to 1.89% for the nine months ended September 30, 2024. The non-GAAP net operating expense ratio<sup>(†)</sup>, which excludes core deposit intangible amortization and non-recurring activity, was 1.59% for the nine months ended September 30, 2025, compared to 1.61% for the nine months ended September 30, 2024.

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(†) See the Reconciliation of GAAP and non-GAAP Measures tables.

## Shore Bancshares Information

Shore Bancshares is a financial holding company headquartered in Easton, Maryland and is the parent company of Shore United Bank, N.A. Shore Bancshares engages in trust and wealth management services through Wye Financial Partners, a division of Shore United Bank, N.A. Additional information is available at [www.shorebancshares.com](http://www.shorebancshares.com).

## Forward-Looking Statements

The statements contained herein that are not historical facts are forward-looking statements (as defined by the Private Securities Litigation Reform Act of 1995) based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. These statements are evidenced by terms such as "anticipate," "estimate," "should," "expect," "believe," "intend," and similar expressions. Although these statements reflect management's good faith beliefs and projections, they are not guarantees of future performance and they may not prove true. These projections involve risk and uncertainties that could cause actual results to differ materially from those addressed in the forward-looking statements. While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: the strength of the United States ("U.S.") economy and general economic conditions, (including the interest rate environment, government economic and monetary policies, the strength of global financial markets and inflation/deflation and supply chain issues), whether national or regional, and conditions in the lending markets in which we participate that may have an adverse effect on the demand for our loans and other products, our credit quality and related levels of nonperforming assets and loan losses, and the value and salability of the real estate that we own or that is the collateral for our loans; the ability to effectively manage the information technology systems, including third-party vendors, cyber or data privacy incidents or other failures, disruptions or security breaches, and risk related to the development and use of artificial intelligence; the ability to develop and use technologies to provide products and services that will satisfy customer demands; results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our reserve for loan losses or to write-down assets; changing bank regulatory conditions, policies or programs, whether arising as new legislation or regulatory initiatives, which could lead to restrictions on activities of banks generally, or our subsidiary bank in particular, more restrictive regulatory capital requirements, increased costs, including deposit insurance premiums, regulation or prohibition of certain income producing activities or changes in the secondary market for loans and other products; changes in market rates and prices may adversely impact the value of securities, loans, deposits and other financial instruments and the interest rate sensitivity of our balance sheet; our liquidity requirements could be adversely affected by changes in our assets and liabilities; our ability to prudently manage our growth and execute our strategy; impairment of our goodwill and intangible assets; competitive factors among financial services organizations, including product and pricing pressures and our ability to attract, develop and retain qualified banking professionals; the effect of acquisitions we have made or may make, including, without limitation, the failure to achieve the expected revenue growth and/or expense savings from such acquisitions, and/or the failure to effectively integrate an acquisition target into our operations; the growth and profitability of noninterest or fee income being less than expected; the effect of legislative or regulatory developments, including changes in laws concerning taxes, banking, securities, insurance and other aspects of the financial services industry; the effect of any change in federal government enforcement of federal laws affecting the cannabis industry; the effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the U.S. Securities and Exchange Commission (the "SEC"), the Public Company Accounting Oversight Board and other regulatory agencies; changes in U.S. trade policies, including the implementation of tariffs and other protectionist trade policies; the impact of governmental efforts to restructure or adjust the U.S. financial regulatory system; the impact of recent or future changes in Federal Deposit Insurance Corporation (the "FDIC") insurance assessment rate or the rules and regulations related to the calculation of the FDIC insurance assessment amount, including any special assessments; the effects of federal government shutdowns, debt ceiling standoff, or other uncertainty regarding fiscal and governmental policies of the U.S. federal government; climate change and other catastrophic events or disasters; geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts of terrorism, and/or military conflicts, which could impact business and economic conditions in the United States and abroad; and other factors that may affect our future results. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the Company's 2024 Annual Report on Form 10-K filed with the SEC and available at the SEC's Internet site (<https://www.sec.gov>).

The Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

Shore Bancshares, Inc.  
Financial Highlights By Quarter and Year (Unaudited)

|  | Q3 2025   | Q2 2025   | Q1 2025   | Q4 2024   | Q3 2024   | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 | Nine Months Ended September 30, |            |               |
|--|-----------|-----------|-----------|-----------|-----------|------------------------|------------------------|---------------------------------|------------|---------------|
| (\$ in thousands, except per share data)                                     |           |           |           |           |           |                        |                        | 2025                            | 2024       | 2025 vs. 2024 |
| <b>PROFITABILITY FOR THE PERIOD</b>  |           |           |           |           |           |                        |                        |                                 |            |               |
| Taxable-equivalent net interest income                                       | \$ 48,738 | \$ 47,333 | \$ 46,110 | \$ 44,093 | \$ 43,345 | 3.0 %                  | 12.4 %                 | \$ 142,180                      | \$ 126,780 | 12.15 %       |
| Less: Taxable-equivalent adjustment  | 83        | 81        | 81        | 82        | 82        | 2.5                    | 1.2                    | 244                             | 242        | 0.83          |
| Net interest income  | 48,655    | 47,252    | 46,029    | 44,011    | 43,263    | 3.0                    | 12.5                   | 141,936                         | 126,538    | 12.17         |
| Provision for credit losses  | 2,992     | 1,528     | 1,028     | 780       | 1,470     | 95.8                   | 103.5                  | 5,548                           | 3,958      | 40.17         |
| Noninterest income   | 7,701     | 9,318     | 7,003     | 8,853     | 7,287     | (17.4)                 | 5.7                    | 24,021                          | 22,294     | 7.75          |
| Noninterest expense  | 34,379    | 34,410    | 33,747    | 33,943    | 34,114    | (0.1)                  | 0.8                    | 102,536                         | 104,311    | (1.70)        |
| Income before income taxes   | 18,985    | 20,632    | 18,257    | 18,141    | 14,966    | (8.0)                  | 26.9                   | 57,873                          | 40,563     | 42.67         |
| Income tax expense   | 4,637     | 5,125     | 4,493     | 4,859     | 3,777     | (9.5)                  | 22.8                   | 14,254                          | 9,956      | 43.17         |
| Net income   | \$ 14,348 | \$ 15,507 | \$ 13,764 | \$ 13,282 | \$ 11,189 | (7.5)                  | 28.2                   | \$ 43,619                       | \$ 30,607  | 42.51         |
| Adjusted net income – non-GAAP <sup>(1)</sup>                                | \$ 15,889 | \$ 17,215 | \$ 15,481 | \$ 14,636 | \$ 13,187 | (7.7) %                | 20.5 %                 | \$ 48,585                       | \$ 39,769  | 22.2 %        |
| Pre-tax pre-provision net income – non-GAAP <sup>(1)</sup>                   | \$ 21,977 | \$ 22,160 | \$ 19,285 | \$ 18,921 | \$ 16,436 | (0.8) %                | 33.7 %                 | \$ 63,421                       | \$ 44,521  | 42.5 %        |
| Return on average assets – GAAP  | 0.95 %    | 1.03 %    | 0.91 %    | 0.86 %    | 0.77 %    | (8) bp                 | 18 bp                  | 0.96 %                          | 0.70 %     | 26 bp         |
| Adjusted return on average assets – non-GAAP <sup>(1)</sup>                  | 1.05      | 1.15      | 1.02      | 0.94      | 0.90      | (10)                   | 15                     | 1.07                            | 0.91       | 16            |
| Return on average common equity – GAAP                                       | 9.96      | 11.13     | 10.20     | 9.82      | 8.41      | (117)                  | 155                    | 10.43                           | 7.84       | 259           |
| Return on average tangible common equity – non-GAAP <sup>(1)</sup>           | 11.98     | 13.50     | 12.49     | 12.14     | 10.50     | (152)                  | 148                    | 12.65                           | 9.88       | 277           |
| Interest rate spread   | 2.46      | 2.39      | 2.30      | 2.02      | 2.06      | 7                      | 40                     | 2.38                            | 2.18       | 20            |
| Net interest margin  | 3.42      | 3.35      | 3.24      | 3.03      | 3.17      | 7                      | 25                     | 3.34                            | 3.12       | 22            |
| Efficiency ratio – GAAP  | 61.00     | 60.83     | 63.64     | 64.21     | 67.49     | 17                     | (649)                  | 61.78                           | 70.09      | (831)         |
| Efficiency ratio – non-GAAP <sup>(1)</sup>                                   | 57.30     | 56.73     | 59.25     | 60.28     | 62.10     | 57                     | (480)                  | 57.73                           | 61.83      | (410)         |
| Noninterest income to average assets   | 0.51      | 0.62      | 0.46      | 0.57      | 0.50      | (11)                   | 1                      | 0.53                            | 0.51       | 2             |
| Noninterest expense to average assets  | 2.27      | 2.29      | 2.23      | 2.19      | 2.34      | (2)                    | (7)                    | 2.26                            | 2.40       | (14)          |
| Net operating expense to average assets – GAAP                               | 1.76      | 1.67      | 1.77      | 1.62      | 1.84      | 9                      | (8)                    | 1.73                            | 1.89       | (16)          |
| Net operating expense to average assets – non-GAAP <sup>(1)</sup>            | 1.62      | 1.52      | 1.62      | 1.50      | 1.65      | 10                     | (3)                    | 1.59                            | 1.61       | (2)           |
| <b>PER SHARE DATA</b>  |           |           |           |           |           |                        |                        |                                 |            |               |
| Basic net income per common share  | \$ 0.43   | \$ 0.46   | \$ 0.41   | \$ 0.40   | \$ 0.34   | (6.5) %                | 26.5 %                 | \$ 1.31                         | \$ 0.92    | 42.39 %       |
| Diluted net income per common share  | 0.43      | 0.46      | 0.41      | 0.40      | 0.34      | (6.5)                  | 26.5                   | 1.31                            | 0.92       | 42.39         |
| Dividends paid per common share  | 0.12      | 0.12      | 0.12      | 0.12      | 0.12      | —                      | —                      | 0.36                            | 0.36       | —             |
| Book value per common share at period end                                    | 17.27     | 16.94     | 16.55     | 16.23     | 16.00     | 2.0                    | 7.9                    | 17.27                           | 16.00      | 7.94          |
| Tangible book value per common share at period end – non-GAAP <sup>(1)</sup> | 14.43     | 14.03     | 13.58     | 13.19     | 12.88     | 2.9                    | 12.0                   | 14.43                           | 12.88      | 12.03         |
| Common share market value at period end                                      | 16.41     | 15.72     | 13.54     | 15.85     | 13.99     | 4.4                    | 17.3                   | 16.41                           | 13.99      | 17.30         |
| Common share intraday price:   |           |           |           |           |           |                        |                        |                                 |            |               |
| High   | \$ 17.67  | \$ 15.88  | \$ 17.24  | \$ 17.61  | \$ 14.99  | 11.3 %                 | 17.9 %                 | 17.67                           | 14.99      | 17.88         |
| Low  | 14.96     | 11.47     | 13.15     | 13.21     | 11.03     | 30.4                   | 35.6                   | 11.47                           | 10.06      | 14.02         |

(1) See the Reconciliation of GAAP and Non-GAAP Measures tables.

Shore Bancshares, Inc.  
Financial Highlights By Quarter and Year (Unaudited) - Continued

|  | Q3 2025      | Q2 2025      | Q1 2025      | Q4 2024      | Q3 2024      | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 | Nine Months Ended September 30, |              |               |
|--|--------------|--------------|--------------|--------------|--------------|------------------------|------------------------|---------------------------------|--------------|---------------|
| (\$ in thousands, except per share data)         |              |              |              |              |              |                        |                        | 2025                            | 2024         | 2025 vs. 2024 |
| <b>AVERAGE BALANCE SHEET DATA</b>                |              |              |              |              |              |                        |                        |                                 |              |               |
| Loans  | \$ 4,884,003 | \$ 4,833,558 | \$ 4,784,991 | \$ 4,796,245 | \$ 4,734,001 | 1.0 %                  | 3.2 %                  | \$ 4,834,547                    | \$ 4,698,694 | 2.89 %        |
| Investment securities                            | 664,535      | 683,680      | 664,655      | 655,610      | 656,375      | (2.8)                  | 1.2                    | 670,956                         | 672,533      | (0.23)        |
| Earning assets                                   | 5,658,981    | 5,660,409    | 5,768,080    | 5,798,454    | 5,435,311    | 0.0                    | 4.1                    | 5,694,210                       | 5,427,713    | 4.91          |
| Assets   | 6,020,574    | 6,021,385    | 6,129,241    | 6,163,497    | 5,810,492    | 0.0                    | 3.6                    | 6,056,883                       | 5,808,153    | 4.28          |
| Deposits   | 5,280,252    | 5,297,567    | 5,417,514    | 5,461,583    | 5,086,348    | (0.3)                  | 3.8                    | 5,331,498                       | 5,097,951    | 4.58          |
| FHLB advances                                    | 52,391       | 50,000       | 50,000       | 50,000       | 83,500       | 4.8                    | (37.3)                 | 50,806                          | 77,113       | (34.11)       |
| Subordinated debt & TRUPS                        | 74,363       | 74,102       | 73,840       | 73,578       | 72,946       | 0.4                    | 1.9                    | 74,103                          | 72,682       | 1.96          |
| Stockholders' equity                             | 571,247      | 558,952      | 547,443      | 538,184      | 529,155      | 2.2                    | 8.0                    | 559,301                         | 521,564      | 7.24          |
| <b>CREDIT QUALITY DATA</b>                       |              |              |              |              |              |                        |                        |                                 |              |               |
| Net charge-offs (recoveries)                     | \$ 1,825     | \$ 649       | \$ 554       | \$ 1,333     | \$ 1,288     | 181.2 %                | 41.7 %                 | \$ 3,028                        | \$ 2,739     | 10.55 %       |
| <b>NONACCRAUAL AND CREDIT QUALITY RATIOS</b>     |              |              |              |              |              |                        |                        |                                 |              |               |
| Nonaccrual loans                                 | \$ 24,378    | \$ 16,782    | \$ 15,402    | \$ 21,008    | \$ 14,844    | 45.3 %                 | 64.2 %                 |                                 |              |               |
| Loans 90 days past due and still accruing        | 153          | 215          | 894          | 294          | 454          | (28.8)                 | (66.3)                 |                                 |              |               |
| Other real estate owned and repossessed property | 3,552        | 2,636        | 2,608        | 3,494        | 485          | 34.8                   | 632.4                  |                                 |              |               |
| Total nonperforming assets                       | \$ 28,083    | \$ 19,633    | \$ 18,904    | \$ 24,796    | \$ 15,783    | 43.0                   | 77.9                   |                                 |              |               |

Shore Bancshares, Inc.  
Financial Highlights By Quarter and Year (Unaudited) - Continued

|  | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 | Nine Months Ended September 30, |        |               |
|--|---------|---------|---------|---------|---------|------------------------|------------------------|---------------------------------|--------|---------------|
| (\$ in thousands, except per share data)   |         |         |         |         |         |                        |                        | 2025                            | 2024   | 2025 vs. 2024 |
| <b>CAPITAL AND CREDIT QUALITY RATIOS</b>   |         |         |         |         |         |                        |                        |                                 |        |               |
| Period-end equity to assets – GAAP   | 9.19 %  | 9.36 %  | 8.94 %  | 8.68 %  | 9.01 %  | (17) bp                | 18 bp                  |                                 |        |               |
| Period-end tangible equity to tangible assets – non-GAAP <sup>(1)</sup>                      | 7.80    | 7.88    | 7.46    | 7.17    | 7.39    | (8)                    | 41                     |                                 |        |               |
| Annualized net charge-offs to average loans  | 0.15 %  | 0.05 %  | 0.05 %  | 0.11 %  | 0.11 %  | 10 bp                  | 4 bp                   | 0.08 %                          | 0.08 % | — bp          |
| Allowance for credit losses as a percent of:   |         |         |         |         |         |                        |                        |                                 |        |               |
| Period-end loans   | 1.22 %  | 1.21 %  | 1.21 %  | 1.21 %  | 1.24 %  | 1 bp                   | (2) bp                 |                                 |        |               |
| Period-end nonaccrual loans  | 244.29  | 348.49  | 376.85  | 275.66  | 395.24  | (10,420)               | (15,095)               |                                 |        |               |
| Period-end nonperforming assets  | 212.06  | 297.88  | 307.04  | 233.55  | 371.72  | (8,582)                | (15,966)               |                                 |        |               |
| As a percent of total loans at period-end:   |         |         |         |         |         |                        |                        |                                 |        |               |
| Nonaccrual loans   | 0.50 %  | 0.35 %  | 0.32 %  | 0.44 %  | 0.31 %  | 15 bp                  | 19 bp                  |                                 |        |               |
| As a percent of total loans, other real estate owned and repossessed property at period-end: |         |         |         |         |         |                        |                        |                                 |        |               |

|   |        |        |        |        |        |       |       |
|---|--------|--------|--------|--------|--------|-------|-------|
| Nonperforming assets                        | 0.57 % | 0.41 % | 0.40 % | 0.52 % | 0.33 % | 16 bp | 24 bp |
| As a percent of total assets at period-end: |        |        |        |        |        |       |       |
| Nonaccrual loans                            | 0.39 % | 0.28 % | 0.25 % | 0.34 % | 0.25 % | 11 bp | 14 bp |
| Nonperforming assets                        | 0.45   | 0.33   | 0.31   | 0.40   | 0.27   | 12    | 18    |

(1) See the Reconciliation of GAAP and Non-GAAP Measures tables.

Shore Bancshares, Inc.  
Financial Highlights By Quarter and Year (Unaudited) - Continued

| (\$ in thousands)                   | Q3 2025    | Q2 2025    | Q1 2025    | Q4 2024    | Q3 2024    | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 |
|-------------------------------------|------------|------------|------------|------------|------------|------------------------|------------------------|
| <b>The Company Amounts</b>          |            |            |            |            |            |                        |                        |
| Common Equity Tier 1 Capital        | \$ 496,709 | \$ 483,947 | \$ 470,223 | \$ 458,258 | \$ 446,402 | 2.64 %                 | 11.27 %                |
| Tier 1 Capital                      | 526,794    | 513,952    | 500,149    | 488,105    | 476,170    | 2.50                   | 10.63                  |
| Total Capital                       | 627,055    | 618,793    | 603,928    | 591,228    | 579,664    | 1.34                   | 8.18                   |
| Risk-Weighted Assets                | 4,867,237  | 4,890,679  | 4,823,833  | 4,852,564  | 4,816,165  | (0.48)                 | 1.06                   |
| <b>The Company Ratios</b>           |            |            |            |            |            |                        |                        |
| Common Equity Tier 1 Capital to RWA | 10.21 %    | 9.90 %     | 9.75 %     | 9.44 %     | 9.27 %     | 31 bp                  | 94 bp                  |
| Tier 1 Capital to RWA               | 10.82      | 10.51      | 10.37      | 10.06      | 9.89       | 31                     | 94                     |
| Total Capital to RWA                | 12.88      | 12.65      | 12.52      | 12.18      | 12.04      | 23                     | 85                     |
| Tier 1 Capital to AA (Leverage)     | 8.86       | 8.65       | 8.27       | 8.02       | 8.31       | 22                     | 55                     |
| <b>The Bank Amounts</b>             |            |            |            |            |            |                        |                        |
| Common Equity Tier 1 Capital        | \$ 559,212 | \$ 546,630 | \$ 534,824 | \$ 521,453 | \$ 509,511 | 2.30 %                 | 9.75 %                 |
| Tier 1 Capital                      | 559,212    | 546,630    | 534,824    | 521,453    | 509,511    | 2.30                   | 9.75                   |
| Total Capital                       | 620,034    | 607,235    | 594,550    | 580,706    | 569,317    | 2.11                   | 8.91                   |
| Risk-Weighted Assets                | 4,864,871  | 4,888,558  | 4,821,975  | 4,851,903  | 4,808,058  | (0.48)                 | 1.18                   |
| <b>The Bank Ratios</b>              |            |            |            |            |            |                        |                        |
| Common Equity Tier 1 Capital to RWA | 11.49 %    | 11.18 %    | 11.09 %    | 10.75 %    | 10.60 %    | 31 bp                  | 90 bp                  |
| Tier 1 Capital to RWA               | 11.49      | 11.18      | 11.09      | 10.75      | 10.60      | 31                     | 90                     |
| Total Capital to RWA                | 12.75      | 12.42      | 12.33      | 11.97      | 11.84      | 32                     | 90                     |
| Tier 1 Capital to AA (Leverage)     | 9.41       | 9.20       | 8.84       | 8.58       | 8.90       | 21                     | 51                     |

Shore Bancshares, Inc.  
Consolidated Balance Sheets (Unaudited)

| (\$ in thousands, except per share data)             | September 30, 2025  | June 30, 2025       | March 31, 2025      | December 31, 2024   | September 30, 2024  | September 30, 2025<br>compared to<br>December 31, 2024 | September 30, 2025<br>compared to<br>September 30, 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--|---|
| <b>ASSETS</b>  |                     |                     |                     |                     |                     |  |   |
| Cash and due from banks                              | \$ 62,289           | \$ 54,512           | \$ 46,886           | \$ 44,008           | \$ 52,363           | 41.5 %   | 19.0 %  |
| Interest-bearing deposits with other banks           | 354,224             | 130,472             | 342,120             | 415,843             | 131,258             | (14.8)   | 169.9   |
| Cash and cash equivalents                            | 416,513             | 184,984             | 389,006             | 459,851             | 183,621             | (9.4)  | 126.8   |
| Investment securities:                               |                     |                     |                     |                     |                     |  |   |
| Available for sale, at fair value                    | 181,720             | 187,679             | 179,148             | 149,212             | 133,339             | 21.8   | 36.3  |
| Held to maturity, net of allowance for credit losses | 433,440             | 459,246             | 469,572             | 481,077             | 484,583             | (9.9)  | (10.6)  |
| Equity securities, at fair value                     | 6,113               | 6,010               | 5,945               | 5,814               | 5,950               | 5.1  | 2.7   |
| Restricted securities, at cost                       | 20,364              | 20,412              | 20,411              | 20,253              | 20,253              | 0.5  | 0.5   |
| Loans held for sale, at fair value                   | 21,500              | 34,319              | 15,717              | 19,606              | 26,877              | 9.7  | (20.0)  |
| Loans held for investment                            | 4,882,969           | 4,827,628           | 4,777,489           | 4,771,988           | 4,733,909           | 2.3  | 3.1   |
| Less: allowance for credit losses                    | (59,554)            | (58,483)            | (58,042)            | (57,910)            | (58,669)            | 2.8  | 1.5   |
| Loans, net   | 4,823,415           | 4,769,145           | 4,719,447           | 4,714,078           | 4,675,240           | 2.3  | 3.2   |
| Premises and equipment, net                          | 80,812              | 81,426              | 81,692              | 81,806              | 81,663              | (1.2)  | (1.0)   |
| Goodwill   | 63,266              | 63,266              | 63,266              | 63,266              | 63,266              | —  | —   |
| Other intangible assets, net                         | 31,722              | 33,761              | 36,033              | 38,311              | 40,609              | (17.2)   | (21.9)  |
| Mortgage servicing rights                            | 5,293               | 5,396               | 5,535               | 5,674               | 5,309               | (9.9)  | (0.3)   |
| Right-of-use assets                                  | 10,896              | 11,052              | 11,709              | 11,385              | 11,384              | (4.3)  | (4.3)   |
| Cash surrender value on life insurance               | 105,055             | 105,860             | 105,040             | 104,421             | 103,729             | 0.6  | 1.3   |
| Accrued interest receivable                          | 20,408              | 19,821              | 20,555              | 19,570              | 19,992              | 4.3  | 2.1   |
| Deferred income taxes                                | 30,328              | 30,972              | 31,428              | 31,857              | 32,191              | (4.8)  | (5.8)   |
| Other assets   | 27,634              | 24,525              | 22,059              | 24,382              | 29,698              | 13.3   | (6.9)   |
| <b>TOTAL ASSETS</b>                                  | <b>\$ 6,278,479</b> | <b>\$ 6,037,874</b> | <b>\$ 6,176,563</b> | <b>\$ 6,230,763</b> | <b>\$ 5,917,704</b> | <b>0.8</b>   | <b>6.1</b>  |

Shore Bancshares, Inc.  
Consolidated Balance Sheets (Unaudited) - Continued

| (\$ in thousands, except per share data)  | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | September 30, 2025<br>compared to<br>December 31, 2024 | September 30, 2025<br>compared to<br>September 30, 2024 |
|---|--------------------|---------------|----------------|-------------------|--------------------|--|---|
| <b>LIABILITIES</b>  |                    |               |                |                   |                    |  |   |
| Deposits:   |                    |               |                |                   |                    |  |   |
| Noninterest-bearing   | \$ 1,594,212       | \$ 1,575,120  | \$ 1,565,017   | \$ 1,562,815      | \$ 1,571,393       | 2.0 %  | 1.5 %   |
| Interest-bearing checking   | 851,963            | 851,963       | 852,480        | 852,480           | 978,076            | (12.9)   | 13.4  |
| Money market and savings  | 1,790,001          | 1,691,438     | 1,800,529      | 1,805,884         | 1,634,140          | (0.9)  | 9.5   |
| Time deposits   | 1,281,132          | 1,273,285     | 1,242,319      | 1,181,561         | 1,268,657          | 8.4  | 1.0   |
| Brokered deposits   | 10,857             | 10,806        | —              | —                 | —                  | —  | —   |
| Total deposits  | 5,528,165          | 5,313,958     | 5,460,345      | 5,528,336         | 5,225,723          | —  | 5.8   |
| FHLB advances   | 50,000             | 50,000        | 50,000         | 50,000            | 50,000             | —  | —   |
| Guaranteed preferred beneficial interest in junior subordinated debentures ("TRUPS"), net | 30,085             | 30,005        | 29,926         | 29,847            | 29,768             | 0.8  | 1.1   |
| Subordinated debt, net  | 44,409             | 44,236        | 44,053         | 43,870            | 43,688             | 1.2  | 1.7   |
| Total borrowings  | 124,494            | 124,241       | 123,979        | 123,717           | 123,456            | 0.6  | 0.8   |



|   |                     |                     |                     |                     |                     |            |            |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|------------|------------|
| Lease liabilities                                 | 11,395              | 11,541              | 12,183              | 11,844              | 11,816              | (3.8)      | (3.6)      |
| Other liabilities                                 | 37,218              | 22,940              | 27,586              | 25,800              | 23,438              | 44.3       | 58.8       |
| <b>TOTAL LIABILITIES</b>                          | <b>5,701,272</b>    | <b>5,472,680</b>    | <b>5,624,093</b>    | <b>5,689,697</b>    | <b>5,384,433</b>    | <b>0.2</b> | <b>5.9</b> |
| <b>STOCKHOLDERS' EQUITY</b>                       |                     |                     |                     |                     |                     |            |            |
| Common stock, \$0.01 par value per share          | 334                 | 334                 | 333                 | 333                 | 333                 | 0.3        | 0.3        |
| Additional paid in capital                        | 359,939             | 359,063             | 358,572             | 358,112             | 357,580             | 0.5        | 0.7        |
| Retained earnings                                 | 221,693             | 211,400             | 199,898             | 190,166             | 180,884             | 16.6       | 22.6       |
| Accumulated other comprehensive loss              | (4,759)             | (5,603)             | (6,333)             | (7,545)             | (5,526)             | (36.9)     | (13.9)     |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                 | <b>577,207</b>      | <b>565,194</b>      | <b>552,470</b>      | <b>541,066</b>      | <b>533,271</b>      | <b>6.7</b> | <b>8.2</b> |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$ 6,278,479</b> | <b>\$ 6,037,874</b> | <b>\$ 6,176,563</b> | <b>\$ 6,230,763</b> | <b>\$ 5,917,704</b> | <b>0.8</b> | <b>6.1</b> |
| Shares of common stock issued and outstanding     | 33,421,672          | 33,374,265          | 33,374,265          | 33,332,177          | 33,326,772          | 0.3        | 0.3        |
| Book value per common share                       | \$ 17.27            | \$ 16.94            | \$ 16.55            | \$ 16.23            | \$ 16.00            | 6.4        | 7.9        |

Shore Bancshares, Inc.  
Consolidated Statements of Income By Quarter (Unaudited)

| (\$ in thousands, except per share data)                     | Q3 2025         | Q2 2025         | Q1 2025         | Q4 2024         | Q3 2024         | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 | Nine Months Ended September 30, |                  |              |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|------------------------|---------------------------------|------------------|--------------|
|  |                 |                 |                 |                 |                 |                        |                        | 2025                            | 2024             | % Change     |
| <b>INTEREST INCOME</b>                                       |                 |                 |                 |                 |                 |                        |                        |                                 |                  |              |
| Interest and fees on loans                                   | \$ 70,930       | \$ 69,695       | \$ 67,647       | \$ 67,428       | \$ 69,157       | 1.8 %                  | 2.6 %                  | \$ 208,273                      | \$ 202,203       | 3.0 %        |
| Interest and dividends on taxable investment securities      | 5,036           | 5,331           | 5,001           | 4,833           | 4,962           | (5.5)                  | 1.5                    | 15,368                          | 14,611           | 5.2          |
| Interest and dividends on tax-exempt investment securities   | 6               | 6               | 6               | 6               | 6               | —                      | —                      | 18                              | 18               | —            |
| Interest on deposits with other banks                        | 1,215           | 1,588           | 3,409           | 4,137           | 564             | (23.5)                 | 115.4                  | 6,212                           | 2,102            | 195.5        |
| Total interest income  | <u>77,187</u>   | <u>76,620</u>   | <u>76,063</u>   | <u>76,404</u>   | <u>74,689</u>   | <u>0.7</u>             | <u>3.3</u>             | <u>229,871</u>                  | <u>218,934</u>   | <u>5.0</u>   |
| <b>INTEREST EXPENSE</b>                                      |                 |                 |                 |                 |                 |                        |                        |                                 |                  |              |
| Interest on deposits   | 26,474          | 27,369          | 28,070          | 30,363          | 28,856          | (3.3)                  | (8.3)                  | 81,914                          | 84,938           | (3.6)        |
| Interest on short-term borrowings                            | 640             | 605             | 598             | —               | 491             | 5.8                    | 30.3                   | 1,843                           | 2,131            | (13.5)       |
| Interest on long-term borrowings                             | 1,418           | 1,394           | 1,366           | 2,030           | 2,079           | 1.7                    | (31.8)                 | 4,178                           | 5,327            | (21.6)       |
| Total interest expense                                       | <u>28,532</u>   | <u>29,368</u>   | <u>30,034</u>   | <u>32,393</u>   | <u>31,426</u>   | <u>(2.8)</u>           | <u>(9.2)</u>           | <u>87,935</u>                   | <u>92,396</u>    | <u>(4.8)</u> |
| <b>NET INTEREST INCOME</b>                                   | <u>48,655</u>   | <u>47,252</u>   | <u>46,029</u>   | <u>44,011</u>   | <u>43,263</u>   | <u>3.0</u>             | <u>12.5</u>            | <u>141,936</u>                  | <u>126,538</u>   | <u>12.2</u>  |
| Provision for credit losses                                  | 2,992           | 1,528           | 1,028           | 780             | 1,470           | 95.8                   | 103.5                  | 5,548                           | 3,958            | 40.2         |
| <b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b> | <u>45,663</u>   | <u>45,724</u>   | <u>45,001</u>   | <u>43,231</u>   | <u>41,793</u>   | <u>(0.1)</u>           | <u>9.3</u>             | <u>136,388</u>                  | <u>122,580</u>   | <u>11.3</u>  |
| <b>NONINTEREST INCOME</b>                                    |                 |                 |                 |                 |                 |                        |                        |                                 |                  |              |
| Service charges on deposit accounts                          | 1,599           | 1,519           | 1,514           | 1,606           | 1,543           | 5.3                    | 3.6                    | 4,632                           | 4,543            | 2.0          |
| Trust and investment fee income                              | 898             | 942             | 823             | 857             | 880             | (4.7)                  | 2.0                    | 2,663                           | 2,510            | 6.1          |
| Mortgage-banking revenue                                     | 1,278           | 2,379           | 1,240           | 2,026           | 1,177           | (46.3)                 | 8.6                    | 4,897                           | 3,961            | 23.6         |
| Interchange credits  | 1,858           | 1,788           | 1,577           | 1,726           | 1,711           | 3.9                    | 8.6                    | 5,223                           | 5,015            | 4.1          |
| Other noninterest income                                     | 2,068           | 2,690           | 1,849           | 2,638           | 1,976           | (23.1)                 | 4.7                    | 6,606                           | 6,265            | 5.4          |
| Total noninterest income                                     | <u>\$ 7,701</u> | <u>\$ 9,318</u> | <u>\$ 7,003</u> | <u>\$ 8,853</u> | <u>\$ 7,287</u> | <u>(17.4)</u>          | <u>5.7</u>             | <u>\$ 24,021</u>                | <u>\$ 22,294</u> | <u>7.7</u>   |

Shore Bancshares, Inc.  
Consolidated Statements of Income By Quarter (Unaudited) - Continued

| (\$ in thousands, except per share data)      | Q3 2025          | Q2 2025          | Q1 2025          | Q4 2024          | Q3 2024          | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024 | Nine Months Ended September 30, |                  |              |
|---|------------------|------------------|------------------|------------------|------------------|------------------------|------------------------|---------------------------------|------------------|--------------|
|   |                  |                  |                  |                  |                  |                        |                        | 2025                            | 2024             | % Change     |
| <b>NONINTEREST EXPENSE</b>                    |                  |                  |                  |                  |                  |                        |                        |                                 |                  |              |
| Salaries and employee benefits                | \$ 18,642        | \$ 17,742        | \$ 16,440        | \$ 17,209        | \$ 16,523        | 5.1 %                  | 12.8 %                 | \$ 52,824                       | \$ 49,370        | 7.0 %        |
| Occupancy expense                             | 2,406            | 2,472            | 2,538            | 2,474            | 2,384            | (2.7)                  | 0.9                    | 7,416                           | 7,232            | 2.5          |
| Furniture and equipment expense               | 892              | 796              | 853              | 760              | 876              | 12.1                   | 1.8                    | 2,542                           | 2,681            | (5.2)        |
| Software and data processing                  | 5,155            | 4,819            | 4,691            | 4,512            | 4,419            | 7.0                    | 16.7                   | 14,665                          | 12,658           | 15.9         |
| Directors' fees                               | 318              | 219              | 348              | 460              | 443              | 45.2                   | (28.2)                 | 885                             | 1,097            | (19.3)       |
| Amortization of other intangible assets       | 2,039            | 2,272            | 2,278            | 2,298            | 2,336            | (10.3)                 | (12.7)                 | 6,589                           | 7,482            | (11.9)       |
| FDIC insurance premium expense                | 794              | 1,023            | 1,091            | 1,013            | 1,160            | (22.4)                 | (31.6)                 | 2,908                           | 3,400            | (14.5)       |
| Legal and professional fees                   | 989              | 1,225            | 1,613            | 1,521            | 1,362            | (19.3)                 | (27.4)                 | 3,827                           | 4,315            | (11.3)       |
| Fraud losses                                  | 45               | 83               | 105              | 98               | 673              | (45.8)                 | (93.3)                 | 233                             | 5,237            | (95.6)       |
| Other noninterest expense                     | 3,099            | 3,759            | 3,790            | 3,598            | 3,938            | (17.6)                 | (21.3)                 | 10,647                          | 10,839           | (1.8)        |
| Total noninterest expense                     | <u>34,379</u>    | <u>34,410</u>    | <u>33,747</u>    | <u>33,943</u>    | <u>34,114</u>    | <u>(0.1)</u>           | <u>0.8</u>             | <u>102,536</u>                  | <u>104,311</u>   | <u>(1.7)</u> |
| Income before income taxes                    | 18,985           | 20,632           | 18,257           | 18,141           | 14,966           | (8.0)                  | 26.9                   | 57,873                          | 40,563           | 42.7         |
| Income tax expense                            | 4,637            | 5,125            | 4,493            | 4,859            | 3,777            | (9.5)                  | 22.8                   | 14,254                          | 9,956            | 43.2         |
| <b>NET INCOME</b>                             | <u>\$ 14,348</u> | <u>\$ 15,507</u> | <u>\$ 13,764</u> | <u>\$ 13,282</u> | <u>\$ 11,189</u> | <u>(7.5)</u>           | <u>28.2</u>            | <u>\$ 43,619</u>                | <u>\$ 30,607</u> | <u>42.5</u>  |
| Weighted average shares outstanding – basic   | 33,419,291       | 33,374,265       | 33,350,869       | 33,327,243       | 33,317,739       | 0.1 %                  | 0.3 %                  | 33,381,568                      | 33,247,210       | 0.4 %        |
| Weighted average shares outstanding – diluted | 33,435,862       | 33,388,013       | 33,375,318       | 33,363,612       | 33,339,005       | 0.1 %                  | 0.3 %                  | 33,392,298                      | 33,254,706       | 0.4 %        |
| Basic net income per common share             | \$ 0.43          | \$ 0.46          | \$ 0.41          | \$ 0.40          | \$ 0.34          | (6.5) %                | 26.5 %                 | \$ 1.31                         | \$ 0.92          | 42.4 %       |
| Diluted net income per common share           | \$ 0.43          | \$ 0.46          | \$ 0.41          | \$ 0.40          | \$ 0.34          | (6.5) %                | 26.5 %                 | \$ 1.31                         | \$ 0.92          | 42.4 %       |
| Dividends paid per common share               | \$ 0.12          | \$ 0.12          | \$ 0.12          | \$ 0.12          | \$ 0.12          | — %                    | — %                    | \$ 0.36                         | \$ 0.36          | — %          |

Shore Bancshares, Inc.  
Consolidated Average Balance Sheets (Unaudited)

| (\$ in thousands)          | Three Months Ended |           |            |                 |           |            |                    |           |            |
|----------------------------|--------------------|-----------|------------|-----------------|-----------|------------|--------------------|-----------|------------|
|                            | September 30, 2025 |           |            | June 30, 2025   |           |            | September 30, 2024 |           |            |
|                            | Average Balance    | Interest  | Yield/Rate | Average Balance | Interest  | Yield/Rate | Average Balance    | Interest  | Yield/Rate |
| Earning assets             |                    |           |            |                 |           |            |                    |           |            |
| Loans <sup>(1)(2)(3)</sup> |                    |           |            |                 |           |            |                    |           |            |
| Commercial real estate     | \$ 2,615,409       | \$ 38,077 | 5.78 %     | \$ 2,572,931    | \$ 37,276 | 5.81 %     | \$ 2,522,170       | \$ 36,376 | 5.74 %     |
| Residential real estate    | 1,407,076          | 19,711    | 5.56       | 1,378,940       | 18,986    | 5.52       | 1,332,891          | 19,315    | 5.76       |
| Construction               | 347,574            | 5,848     | 6.68       | 352,803         | 5,697     | 6.48       | 336,209            | 5,307     | 6.28       |
| Commercial                 | 219,002            | 3,380     | 6.12       | 224,218         | 3,658     | 6.54       | 212,611            | 3,763     | 7.04       |

|                             |              |        |      |              |        |      |              |        |      |
|-----------------------------|--------------|--------|------|--------------|--------|------|--------------|--------|------|
| Consumer                    | 289,729      | 3,877  | 5.31 | 298,544      | 4,036  | 5.42 | 322,988      | 4,306  | 5.30 |
| Credit cards                | 5,213        | 118    | 8.98 | 6,122        | 121    | 7.93 | 7,132        | 170    | 9.48 |
| Total loans                 | 4,884,003    | 71,011 | 5.77 | 4,833,558    | 69,774 | 5.79 | 4,734,001    | 69,237 | 5.82 |
| Investment securities       |              |        |      |              |        |      |              |        |      |
| Taxable                     | 663,884      | 5,036  | 3.03 | 683,028      | 5,331  | 3.12 | 655,718      | 4,962  | 3.03 |
| Tax-exempt <sup>(1)</sup>   | 651          | 8      | 4.92 | 652          | 8      | 4.91 | 657          | 8      | 4.87 |
| Interest-bearing deposits   | 110,443      | 1,215  | 4.36 | 143,171      | 1,588  | 4.45 | 44,935       | 564    | 4.99 |
| Total earning assets        | 5,658,981    | 77,270 | 5.42 | 5,660,409    | 76,701 | 5.44 | 5,435,311    | 74,771 | 5.47 |
| Cash and due from banks     | 49,405       |        |      | 46,620       |        |      | 46,996       |        |      |
| Other assets                | 370,952      |        |      | 372,725      |        |      | 386,700      |        |      |
| Allowance for credit losses | (58,764)     |        |      | (58,369)     |        |      | (58,515)     |        |      |
| Total assets                | \$ 6,020,574 |        |      | \$ 6,021,385 |        |      | \$ 5,810,492 |        |      |

Shore Bancshares, Inc.  
Consolidated Average Balance Sheets (Unaudited) - Continued

| (\$ in thousands)   | September 30, 2025 |          |            | Three Months Ended June 30, 2025 |          |            | September 30, 2024 |          |            |
|---|--------------------|----------|------------|----------------------------------|----------|------------|--------------------|----------|------------|
|   | Average Balance    | Interest | Yield/Rate | Average Balance                  | Interest | Yield/Rate | Average Balance    | Interest | Yield/Rate |
| Interest-bearing liabilities  |                    |          |            |                                  |          |            |                    |          |            |
| Interest-bearing checking   | \$ 689,906         | \$ 5,157 | 2.97 %     | \$ 720,967                       | \$ 5,697 | 3.17 %     | \$ 581,517         | \$ 5,472 | 3.74 %     |
| Money market and savings deposits   | 1,714,161          | 9,277    | 2.15       | 1,747,854                        | 9,580    | 2.20       | 1,670,210          | 10,420   | 2.48       |
| Time deposits   | 1,277,403          | 11,935   | 3.71       | 1,258,802                        | 12,000   | 3.82       | 1,229,273          | 12,742   | 4.12       |
| Brokered deposits   | 10,891             | 105      | 3.82       | 9,720                            | 92       | 3.80       | 25,829             | 222      | 3.42       |
| Interest-bearing deposits <sup>(4)</sup>  | 3,692,361          | 26,474   | 2.84       | 3,737,343                        | 27,369   | 2.94       | 3,506,829          | 28,856   | 3.27       |
| FHLB advances   | 52,391             | 640      | 4.85       | 50,000                           | 605      | 4.85       | 83,500             | 1,116    | 5.32       |
| Subordinated debt and guaranteed preferred beneficial interest in junior subordinated debentures ("TRUPS") <sup>(4)</sup> | 74,363             | 1,418    | 7.57       | 74,102                           | 1,394    | 7.55       | 72,946             | 1,454    | 7.93       |
| Total interest-bearing liabilities  | 3,819,115          | 28,532   | 2.96       | 3,861,445                        | 29,368   | 3.05       | 3,663,275          | 31,426   | 3.41       |
| Noninterest-bearing deposits  | 1,587,891          |          |            | 1,560,224                        |          |            | 1,579,519          |          |            |
| Accrued expenses and other liabilities  | 42,321             |          |            | 40,764                           |          |            | 38,543             |          |            |
| Stockholders' equity  | 571,247            |          |            | 558,952                          |          |            | 529,155            |          |            |
| Total liabilities and stockholders' equity  | \$ 6,020,574       |          |            | \$ 6,021,385                     |          |            | \$ 5,810,492       |          |            |
| Net interest spread   |                    |          | 2.46 %     |                                  |          | 2.39 %     |                    |          | 2.06 %     |
| Net interest margin   |                    |          | 3.42       |                                  |          | 3.35       |                    |          | 3.17       |
| Net interest margin excluding accretion <sup>(3)</sup>  |                    |          | 3.22       |                                  |          | 3.10       |                    |          | 2.84       |
| Cost of funds   |                    |          | 2.09       |                                  |          | 2.17       |                    |          | 2.38       |
| Cost of deposits  |                    |          | 1.99       |                                  |          | 2.07       |                    |          | 2.26       |
| Cost of debt  |                    |          | 6.44       |                                  |          | 6.46       |                    |          | 6.54       |

- (1) All amounts are reported on a tax-equivalent basis computed using the statutory federal income tax rate of 21.0%, exclusive of nondeductible interest expense.
- (2) Average loan balances include nonaccrual loans.
- (3) Interest income on loans includes accreted loan fees, net of costs and accretion of discounts on acquired loans, which are included in the yield calculations. There were \$3.3 million, \$4.2 million and \$5.0 million of accretion interest on loans for the three months ended September 30, 2025, June 30, 2025 and September 30, 2024, respectively.
- (4) Interest expense on deposits and borrowings includes amortization of deposit discounts and amortization of borrowing fair value adjustments. There were \$280 thousand, \$435 thousand and \$287 thousand of amortization of deposit discounts and \$232 thousand, \$232 thousand, and \$232 thousand of amortization of borrowing fair value adjustments for the three months ended September 30, 2025, June 30, 2025 and September 30, 2024, respectively.

Shore Bancshares, Inc.  
Consolidated Average Balance Sheets (Unaudited) - Continued

| (\$ in thousands)              | 2025            |            |            | 2024            |            |            |
|--------------------------------|-----------------|------------|------------|-----------------|------------|------------|
|                                | Average Balance | Interest   | Yield/Rate | Average Balance | Interest   | Yield/Rate |
| Earning assets                 |                 |            |            |                 |            |            |
| Loans <sup>(1), (2), (3)</sup> |                 |            |            |                 |            |            |
| Commercial real estate         | \$ 2,576,893    | \$ 111,244 | 5.77 %     | \$ 2,521,258    | \$ 108,118 | 5.73 %     |
| Residential real estate        | 1,377,904       | 57,160     | 5.55       | 1,305,215       | 54,494     | 5.58       |
| Construction                   | 350,883         | 17,069     | 6.50       | 318,574         | 14,613     | 6.13       |
| Commercial                     | 225,322         | 10,743     | 6.37       | 217,684         | 11,833     | 7.26       |
| Consumer                       | 297,543         | 11,971     | 5.38       | 328,309         | 12,843     | 5.23       |
| Credit cards                   | 6,002           | 325        | 7.24       | 7,654           | 539        | 9.41       |
| Total loans                    | 4,834,547       | 208,512    | 5.77       | 4,688,694       | 202,440    | 5.76       |
| Investment securities          |                 |            |            |                 |            |            |
| Taxable                        | 670,304         | 15,368     | 3.06       | 671,875         | 14,611     | 2.90       |
| Tax-exempt <sup>(1)</sup>      | 652             | 23         | 4.70       | 658             | 23         | 4.66       |
| Interest-bearing deposits      | 188,707         | 6,212      | 4.40       | 56,486          | 2,102      | 4.97       |
| Total earning assets           | 5,694,210       | 230,115    | 5.40       | 5,427,713       | 219,176    | 5.39       |
| Cash and due from banks        | 47,752          |            |            | 47,211          |            |            |
| Other assets                   | 373,398         |            |            | 391,106         |            |            |
| Allowance for credit losses    | (58,477)        |            |            | (57,877)        |            |            |
| Total assets                   | \$ 6,056,883    |            |            | \$ 5,808,153    |            |            |

Shore Bancshares, Inc.  
Consolidated Average Balance Sheets (Unaudited) - Continued

| (\$ in thousands)   | Nine Months Ended September 30, |           |            |                 |           |            |
|---|---------------------------------|-----------|------------|-----------------|-----------|------------|
|   | 2025                            |           |            | 2024            |           |            |
|   | Average Balance                 | Interest  | Yield/Rate | Average Balance | Interest  | Yield/Rate |
| Interest-bearing liabilities  |                                 |           |            |                 |           |            |
| Interest-bearing checking   | \$ 756,235                      | \$ 17,879 | 3.16 %     | \$ 800,258      | \$ 17,384 | 2.90 %     |
| Money market and savings deposits   | 1,753,594                       | 28,872    | 2.20       | 1,676,457       | 30,871    | 2.46       |
| Time deposits   | 1,248,405                       | 34,966    | 3.74       | 1,196,324       | 36,116    | 4.03       |
| Brokered deposits   | 6,911                           | 197       | 3.81       | 16,642          | 567       | 4.55       |
| Interest-bearing deposits <sup>(4)</sup>  | 3,765,145                       | 81,914    | 2.91       | 3,689,681       | 84,938    | 3.07       |
| FHLB advances   | 50,806                          | 1,843     | 4.85       | 77,113          | 3,102     | 5.37       |
| Subordinated debt and Guaranteed preferred beneficial interest in junior subordinated debentures ("TRUPS") <sup>(4)</sup> | 74,103                          | 4,178     | 7.54       | 72,682          | 4,356     | 8.01       |
| Total interest-bearing liabilities  | 3,890,054                       | 87,935    | 3.02       | 3,839,476       | 92,396    | 3.21       |
| Noninterest-bearing deposits  | 1,566,353                       |           |            | 1,408,270       |           |            |
| Accrued expenses and other liabilities  | 41,175                          |           |            | 38,843          |           |            |
| Stockholders' equity  | 559,301                         |           |            | 521,564         |           |            |
| Total liabilities and stockholders' equity  | \$ 6,056,883                    |           |            | \$ 5,808,153    |           |            |
| Net interest spread   |                                 |           | 2.38 %     |                 |           | 2.18 %     |
| Net interest margin   |                                 |           | 3.34       |                 |           | 3.12       |
| Net interest margin excluding accretion <sup>(3)</sup>  |                                 |           | 3.11       |                 |           | 2.83       |
| Cost of funds   |                                 |           | 2.15       |                 |           | 2.35       |
| Cost of deposits  |                                 |           | 2.05       |                 |           | 2.23       |
| Cost of debt  |                                 |           | 6.44       |                 |           | 6.65       |

(1) All amounts are reported on a tax-equivalent basis computed using the statutory federal income tax rate of 21.0%, exclusive of nondeductible interest expense.

(2) Average loan balances include nonaccrual loans.

(3) Interest income on loans includes accreted loan fees, net of costs and accretion of discounts on acquired loans, which are included in the yield calculations. There were \$11.3 million and \$13.7 million of accretion interest on loans for the nine months ended September 30, 2025 and 2024, respectively.

(4) Interest expense on deposits and borrowings includes amortization of deposit discounts and amortization of borrowing fair value adjustments. There were \$1.0 million and \$1.1 million of amortization of deposit discounts and \$695 thousand and \$695 thousand of amortization of borrowing fair value adjustments for the nine months ended September 30, 2025 and 2024, respectively.

Shore Bancshares, Inc.  
Reconciliation of GAAP and Non-GAAP Measures (Unaudited)

| (\$ in thousands, except per share data)  | Q3 2025      | Q2 2025      | Q1 2025      | Q4 2024      | Q3 2024      | YTD 9/30/2025 | YTD 9/30/2024 |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| The following reconciles return on average assets, average equity and return on average tangible common equity <sup>(1)</sup> : |              |              |              |              |              |               |               |
| Net income  | \$ 14,348    | \$ 15,507    | \$ 13,764    | \$ 13,282    | \$ 11,189    | \$ 43,619     | \$ 30,607     |
| Annualized net income (A)   | \$ 56,924    | \$ 62,198    | \$ 55,821    | \$ 52,839    | \$ 44,513    | \$ 58,318     | \$ 40,884     |
| Net income  | \$ 14,348    | \$ 15,507    | \$ 13,764    | \$ 13,282    | \$ 11,189    | \$ 43,619     | \$ 30,607     |
| Add: Amortization of other intangible assets, net of tax  | 1,541        | 1,708        | 1,717        | 1,683        | 1,746        | 4,966         | 5,646         |
| Add: Credit card fraud losses, net of tax   | —            | —            | —            | —            | 252          | —             | 3,516         |
| Less: Sale and fair value of held for sale assets, net of tax   | —            | —            | —            | (329)        | —            | —             | —             |
| Adjusted net income – non-GAAP  | 15,889       | 17,215       | 15,481       | 14,636       | 13,187       | 48,585        | 39,769        |
| Annualized adjusted net income – non-GAAP (B)   | \$ 63,038    | \$ 69,049    | \$ 62,784    | \$ 58,226    | \$ 52,461    | \$ 64,958     | \$ 53,122     |
| Net income  | \$ 14,348    | \$ 15,507    | \$ 13,764    | \$ 13,282    | \$ 11,189    | \$ 43,619     | \$ 30,607     |
| Less: income tax expense  | 4,637        | 5,125        | 4,493        | 4,859        | 3,777        | 14,254        | 9,956         |
| Less: provision for credit losses   | 2,992        | 1,528        | 1,028        | 780          | 1,470        | 5,548         | 3,958         |
| Pre-tax pre-provision net income – non GAAP   | \$ 21,977    | \$ 22,160    | \$ 19,285    | \$ 18,921    | \$ 16,436    | \$ 63,421     | \$ 44,521     |
| Return on average assets – GAAP   | 0.95 %       | 1.03 %       | 0.91 %       | 0.86 %       | 0.77 %       | 0.96 %        | 0.70 %        |
| Adjusted return on average assets – non-GAAP  | 1.05 %       | 1.15 %       | 1.02 %       | 0.94 %       | 0.90 %       | 1.07 %        | 0.91 %        |
| Average assets  | \$ 6,020,574 | \$ 6,021,385 | \$ 6,129,241 | \$ 6,163,497 | \$ 5,810,492 | \$ 6,056,883  | \$ 5,808,153  |
| Average stockholders' equity (C)  | \$ 571,247   | \$ 558,952   | \$ 547,443   | \$ 538,184   | \$ 529,155   | \$ 559,301    | \$ 521,564    |
| Less: Average goodwill and core deposit intangible  | (96,074)     | (98,241)     | (100,514)    | (102,794)    | (105,136)    | (98,260)      | (107,623)     |
| Average tangible common equity (D)  | \$ 475,173   | \$ 460,711   | \$ 446,929   | \$ 435,390   | \$ 424,019   | \$ 461,041    | \$ 413,941    |
| Return on average common equity – GAAP (A)/(C)  | 9.96 %       | 11.13 %      | 10.20 %      | 9.82 %       | 8.41 %       | 10.43 %       | 7.84 %        |
| Return on average tangible common equity – non-GAAP (A)/(D)   | 11.98 %      | 13.50 %      | 12.49 %      | 12.14 %      | 10.50 %      | 12.65 %       | 9.88 %        |
| Adjusted return on average tangible common equity – non-GAAP (B)/(D)  | 13.27 %      | 14.99 %      | 14.05 %      | 13.37 %      | 12.37 %      | 14.09 %       | 12.83 %       |

Shore Bancshares, Inc.  
Reconciliation of GAAP and Non-GAAP Measures (Unaudited) - Continued

| (\$ in thousands, except per share data)  | Q3 2025   | Q2 2025   | Q1 2025   | Q4 2024   | Q3 2024   | YTD 9/30/2025 | YTD 9/30/2024 |
|---|-----------|-----------|-----------|-----------|-----------|---------------|---------------|
| The following reconciles GAAP efficiency ratio and non-GAAP efficiency ratio <sup>(2)</sup> : |           |           |           |           |           |               |               |
| Noninterest expense (E)   | \$ 34,379 | \$ 34,410 | \$ 33,747 | \$ 33,943 | \$ 34,114 | \$ 102,536    | \$ 104,311    |
| Less: Amortization of other intangible assets   | (2,039)   | (2,272)   | (2,278)   | (2,298)   | (2,336)   | (6,589)       | (7,482)       |
| Less: Credit card fraud losses  | —         | —         | —         | —         | (337)     | —             | (4,660)       |
| Adjusted noninterest expense (F)  | \$ 32,340 | \$ 32,138 | \$ 31,469 | \$ 31,645 | \$ 31,441 | \$ 95,947     | \$ 92,169     |
| Net interest income (G)   | \$ 48,655 | \$ 47,252 | \$ 46,029 | \$ 44,011 | \$ 43,263 | \$ 141,936    | \$ 126,538    |
| Add: Taxable-equivalent adjustment  | 83        | 81        | 81        | 82        | 82        | 244           | 242           |
| Taxable-equivalent net interest income (H)  | \$ 48,738 | \$ 47,333 | \$ 46,110 | \$ 44,093 | \$ 43,345 | \$ 142,180    | \$ 126,780    |

|  |          |          |          |          |          |           |           |
|--|----------|----------|----------|----------|----------|-----------|-----------|
| Noninterest income (I)                             | \$ 7,701 | \$ 9,318 | \$ 7,003 | \$ 8,853 | \$ 7,287 | \$ 24,021 | \$ 22,294 |
| Less: Sale and fair value of held for sale assets  | —        | —        | —        | (450)    | —        | —         | —         |
| Adjusted noninterest income (J)                    | \$ 7,701 | \$ 9,318 | \$ 7,003 | \$ 8,403 | \$ 7,287 | \$ 24,021 | \$ 22,294 |
| Efficiency ratio – GAAP (E)/(G)+(I)                | 61.00 %  | 60.83 %  | 63.64 %  | 64.21 %  | 67.49 %  | 61.78 %   | 70.09 %   |
| Efficiency ratio – non-GAAP (F)/(H)+(J)            | 57.30 %  | 56.73 %  | 59.25 %  | 60.28 %  | 62.10 %  | 57.73 %   | 61.83 %   |
| Net operating expense to average assets – GAAP     | 1.76 %   | 1.67 %   | 1.77 %   | 1.62 %   | 1.84 %   | 1.73 %    | 1.89 %    |
| Net operating expense to average assets – non-GAAP | 1.62 %   | 1.52 %   | 1.62 %   | 1.50 %   | 1.65 %   | 1.59 %    | 1.61 %    |

Shore Bancshares, Inc.  
Reconciliation of GAAP and Non-GAAP Measures (Unaudited) - Continued

| (\$ in thousands, except per share data)   | Q3 2025      | Q2 2025      | Q1 2025      | Q4 2024      | Q3 2024      |
|--|--------------|--------------|--------------|--------------|--------------|
| The following reconciles book value per common share and tangible book value per common share <sup>(1)</sup> : |              |              |              |              |              |
| Stockholders' equity (K)   | \$ 577,207   | \$ 565,194   | \$ 552,470   | \$ 541,066   | \$ 533,271   |
| Less: Goodwill and core deposit intangible   | (94,988)     | (97,027)     | (99,299)     | (101,577)    | (103,875)    |
| Tangible common equity (L)   | \$ 482,219   | \$ 468,167   | \$ 453,171   | \$ 439,489   | \$ 429,396   |
| Shares of common stock outstanding (M)   | 33,421,672   | 33,374,265   | 33,374,265   | 33,332,177   | 33,326,772   |
| Book value per common share – GAAP (K)/(M)   | \$ 17.27     | \$ 16.94     | \$ 16.55     | \$ 16.23     | \$ 16.00     |
| Tangible book value per common share – non-GAAP (L)/(M)  | \$ 14.43     | \$ 14.03     | \$ 13.58     | \$ 13.19     | \$ 12.88     |
| The following reconciles equity to assets and tangible common equity to tangible assets <sup>(1)</sup> :       |              |              |              |              |              |
| Stockholders' equity (N)   | \$ 577,207   | \$ 565,194   | \$ 552,470   | \$ 541,066   | \$ 533,271   |
| Less: Goodwill and core deposit intangible   | (94,988)     | (97,027)     | (99,299)     | (101,577)    | (103,875)    |
| Tangible common equity (O)   | \$ 482,219   | \$ 468,167   | \$ 453,171   | \$ 439,489   | \$ 429,396   |
| Assets (P)   | \$ 6,278,479 | \$ 6,037,874 | \$ 6,176,563 | \$ 6,230,763 | \$ 5,917,704 |
| Less: Goodwill and core deposit intangible   | (94,988)     | (97,027)     | (99,299)     | (101,577)    | (103,875)    |
| Tangible assets (Q)  | \$ 6,183,491 | \$ 5,940,847 | \$ 6,077,264 | \$ 6,129,186 | \$ 5,813,829 |
| Period-end equity to assets – GAAP (N)/(P)   | 9.19 %       | 9.36 %       | 8.94 %       | 8.68 %       | 9.01 %       |
| Period-end tangible common equity to tangible assets – non-GAAP (O)/(Q)  | 7.80 %       | 7.88 %       | 7.46 %       | 7.17 %       | 7.39 %       |

- (1) Management believes that reporting tangible common equity and tangible assets more closely approximates the adequacy of capital for regulatory purposes.  
(2) Management believes that reporting the non-GAAP efficiency ratio more closely measures its effectiveness of controlling cash-based operating activities.

Shore Bancshares, Inc.  
Reconciliation of GAAP and Non-GAAP Measures (Unaudited) - Continued

Regulatory Capital and Ratios for the Company

| (\$ in thousands)  | Q3 2025      | Q2 2025      | Q1 2025      | Q4 2024      | Q3 2024      |
|--|--------------|--------------|--------------|--------------|--------------|
| Common equity  | \$ 577,207   | \$ 565,194   | \$ 552,470   | \$ 541,066   | \$ 533,271   |
| Goodwill <sup>(1)</sup>  | (61,176)     | (61,238)     | (61,300)     | (61,362)     | (61,397)     |
| Core deposit intangible <sup>(2)</sup>                               | (24,041)     | (25,573)     | (27,280)     | (28,991)     | (30,572)     |
| DTAs that arise from net operating loss and tax credit carryforwards | (40)         | (39)         | —            | —            | (426)        |
| Accumulated other comprehensive loss                                 | 4,759        | 5,603        | 6,333        | 7,545        | 5,526        |
| Common Equity Tier 1 Capital   | 496,709      | 483,947      | 470,223      | 458,258      | 446,402      |
| TRUPS  | 30,085       | 30,005       | 28,926       | 29,847       | 29,768       |
| Tier 1 Capital   | 526,794      | 513,952      | 500,149      | 488,105      | 476,170      |
| Allowable reserve for credit losses and other Tier 2 adjustments     | 60,852       | 60,605       | 59,726       | 59,253       | 59,806       |
| Subordinated debt  | 39,409       | 44,236       | 44,053       | 43,870       | 43,688       |
| Total Capital  | \$ 627,055   | \$ 618,793   | \$ 603,928   | \$ 591,228   | \$ 579,664   |
| Risk-Weighted Assets ("RWA")   | \$ 4,867,237 | \$ 4,890,679 | \$ 4,823,833 | \$ 4,852,564 | \$ 4,816,165 |
| Average Assets ("AA")  | 5,942,911    | 5,943,124    | 6,050,310    | 6,083,760    | 5,729,576    |
| Common Equity Tier 1 Capital to RWA                                  | 10.21 %      | 9.90 %       | 9.75 %       | 9.44 %       | 9.27 %       |
| Tier 1 Capital to RWA  | 10.82        | 10.51        | 10.37        | 10.06        | 9.89         |
| Total Capital to RWA   | 12.88        | 12.65        | 12.52        | 12.18        | 12.04        |
| Tier 1 Capital to AA (Leverage)                                      | 8.86         | 8.65         | 8.27         | 8.02         | 8.31         |

Shore Bancshares, Inc.  
Reconciliation of GAAP and Non-GAAP Measures (Unaudited) - Continued

Regulatory Capital and Ratios for the Bank

| (\$ in thousands)                      | Q3 2025    | Q2 2025    | Q1 2025    | Q4 2024    | Q3 2024    |
|--|------------|------------|------------|------------|------------|
| Common equity                          | \$ 639,670 | \$ 627,838 | \$ 617,071 | \$ 604,261 | \$ 595,954 |
| Goodwill <sup>(1)</sup>                | (61,176)   | (61,238)   | (61,300)   | (61,362)   | (61,397)   |
| Core deposit intangible <sup>(2)</sup> | (24,041)   | (25,573)   | (27,280)   | (28,991)   | (30,572)   |
| Accumulated other comprehensive loss   | 4,759      | 5,603      | 6,333      | 7,545      | 5,526      |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Common Equity Tier 1 Capital                                     | 559,212      | 546,630      | 534,824      | 521,453      | 509,511      |
| Tier 1 Capital   | 559,212      | 546,630      | 534,824      | 521,453      | 509,511      |
| Allowable reserve for credit losses and other Tier 2 adjustments | 60,822       | 60,605       | 59,726       | 59,253       | 59,806       |
| Total Capital  | \$ 620,034   | \$ 607,235   | \$ 594,550   | \$ 580,706   | \$ 569,317   |
| Risk-Weighted Assets ("RWA")                                     | \$ 4,864,871 | \$ 4,888,558 | \$ 4,821,975 | \$ 4,851,903 | \$ 4,808,058 |
| Average Assets ("AA")  | 5,939,890    | 5,940,411    | 6,050,130    | 6,077,540    | 5,721,995    |

- (1) Goodwill is net of deferred tax liability.  
(2) Core deposit intangible is net of deferred tax liability.

Shore Bancshares, Inc.  
Summary of Loan Portfolio (Unaudited)

Portfolio loans are summarized by loan type as follows:

| (\$ in thousands)                 | September 30, 2025 | % of Total Loans | June 30, 2025 | % of Total Loans | March 31, 2025 | % of Total Loans | December 31, 2024 | % of Total Loans | September 30, 2024 | % of Total Loans |
|-----------------------------------|--------------------|------------------|---------------|------------------|----------------|------------------|-------------------|------------------|--------------------|------------------|
| Commercial real estate            | \$ 2,642,601       | 54.1 %           | \$ 2,603,974  | 54.0 %           | \$ 2,544,107   | 53.3 %           | \$ 2,557,806      | 53.6 %           | \$ 2,535,004       | 53.6 %           |
| Residential real estate           | 1,383,348          | 28.3             | 1,349,010     | 27.9             | 1,325,858      | 27.8             | 1,329,406         | 27.9             | 1,312,375          | 27.7             |
| Construction                      | 352,116            | 7.2              | 350,053       | 7.3              | 366,218        | 7.7              | 335,999           | 7.0              | 337,113            | 7.1              |
| Commercial                        | 221,598            | 4.5              | 224,092       | 4.6              | 234,499        | 4.9              | 237,932           | 5.0              | 225,083            | 4.8              |
| Consumer                          | 278,242            | 5.7              | 294,239       | 6.1              | 300,007        | 6.3              | 303,746           | 6.4              | 317,149            | 6.7              |
| Credit cards                      | 5,064              | 0.1              | 6,260         | 0.1              | 6,800          | 0.1              | 7,099             | 0.2              | 7,185              | 0.2              |
| Total loans                       | 4,882,969          | 100.0 %          | 4,827,628     | 100.0 %          | 4,777,489      | 100.0 %          | 4,771,988         | 100.0 %          | 4,733,909          | 100.0 %          |
| Less: allowance for credit losses | (59,554)           |                  | (58,483)      |                  | (58,042)       |                  | (57,910)          |                  | (58,669)           |                  |
| Total loans, net                  | \$ 4,823,415       |                  | \$ 4,769,145  |                  | \$ 4,719,447   |                  | \$ 4,714,078      |                  | \$ 4,675,240       |                  |

Shore Bancshares, Inc.  
Classified Assets and Nonperforming Assets (Unaudited)

Classified assets and nonperforming assets are summarized as follows:

| (\$ in thousands)   | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 |
|---|--------------------|---------------|----------------|-------------------|--------------------|
| Classified loans  |                    |               |                |                   |                    |
| Substandard   | \$ 48,470          | \$ 19,930     | \$ 19,434      | \$ 24,679         | \$ 22,798          |
| Total classified loans  | 48,470             | 19,930        | 19,434         | 24,679            | 22,798             |
| Special mention loans   | 70,987             | 65,564        | 33,456         | 33,519            | 14,385             |
| Total classified and special mention loans                          | \$ 119,457         | \$ 85,494     | \$ 52,890      | \$ 58,198         | \$ 37,183          |
| Classified assets   | \$ 48,470          | \$ 19,930     | \$ 19,434      | \$ 24,679         | \$ 22,798          |
| Other real estate owned   | 120                | 179           | 179            | 179               | 179                |
| Reposessed assets   | 3,432              | 2,457         | 2,429          | 3,315             | 306                |
| Total classified assets   | \$ 52,022          | \$ 22,566     | \$ 22,042      | \$ 28,173         | \$ 23,283          |
| Classified assets to total assets                                   | 0.83 %             | 0.37 %        | 0.36 %         | 0.45 %            | 0.39 %             |
| Nonaccrual loans  | \$ 24,378          | \$ 16,782     | \$ 15,402      | \$ 21,008         | \$ 14,844          |
| 90+ days delinquent accruing  | 153                | 215           | 894            | 294               | 454                |
| Other real estate owned ("OREO")                                    | 120                | 179           | 179            | 179               | 179                |
| Reposessed property   | 3,432              | 2,457         | 2,429          | 3,315             | 306                |
| Total nonperforming assets  | \$ 28,083          | \$ 19,633     | \$ 18,904      | \$ 24,796         | \$ 15,783          |
| Accruing borrowers experiencing financial difficulty loans ("BEFD") | 6,704              | 6,709         | 1,356          | 1,662             | —                  |
| Total nonperforming assets and BEFDs modifications                  | \$ 34,787          | \$ 26,342     | \$ 20,260      | \$ 26,458         | \$ 15,783          |
| Nonperforming assets to total assets                                | 0.45 %             | 0.33 %        | 0.31 %         | 0.40 %            | 0.27 %             |
| Total assets  | \$ 6,278,479       | \$ 6,037,874  | \$ 6,176,563   | \$ 6,230,763      | \$ 5,917,704       |

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