



Investor Presentation

3rd Quarter 2021



Cautionary Statements

Forward Looking:

This presentation contains certain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the beliefs, expectations, or opinions of TowneBank and its management regarding future events, many of which, by their nature, are inherently uncertain. Forward-looking statements may be identified by the use of such words as: “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or words of similar meaning, or future or conditional terms, such as “will,” “would,” “should,” “could,” “may,” “likely,” “probably,” or “possibly.” These statements may address issues that involve significant risks, uncertainties, estimates, and assumptions made by management. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include the impacts of the ongoing coronavirus (COVID-19) pandemic; competitive pressures in the banking industry that may increase significantly; changes in the interest rate environment that may reduce margins and/or the volumes and values of loans made or held as well as the value of other financial assets held; changes in the creditworthiness of customers and the possible impairment of the collectability of loans; general economic conditions, either nationally or regionally, that may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit or other services; changes in the legislative or regulatory environment, including changes in accounting standards and tax laws, that may adversely affect our business; costs or difficulties related to the integration of the businesses we have acquired may be greater than expected; expected cost savings associated with pending or recently completed acquisitions may not be fully realized or realized within the expected time frame; cybersecurity threats or attacks, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; our competitors may have greater financial resources and develop products that enable them to compete more successfully; changes in business conditions; changes in the securities market; and changes in our local economy with regard to our market area. Any forward-looking statements made by us or on our behalf speak only as of the date they are made or as of the date indicated, and we do not undertake any obligation to update forward-looking statements as a result of new information, future events, or otherwise. For additional information on factors that could materially influence forward-looking statements included in this report, see the “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, our Quarterly Report on Form 10-Q for the period ended September 30, 2021, and related disclosures in other filings that have been, or will be, filed by TowneBank with the Federal Deposit Insurance Corporation.

Non-GAAP Financial Measures:

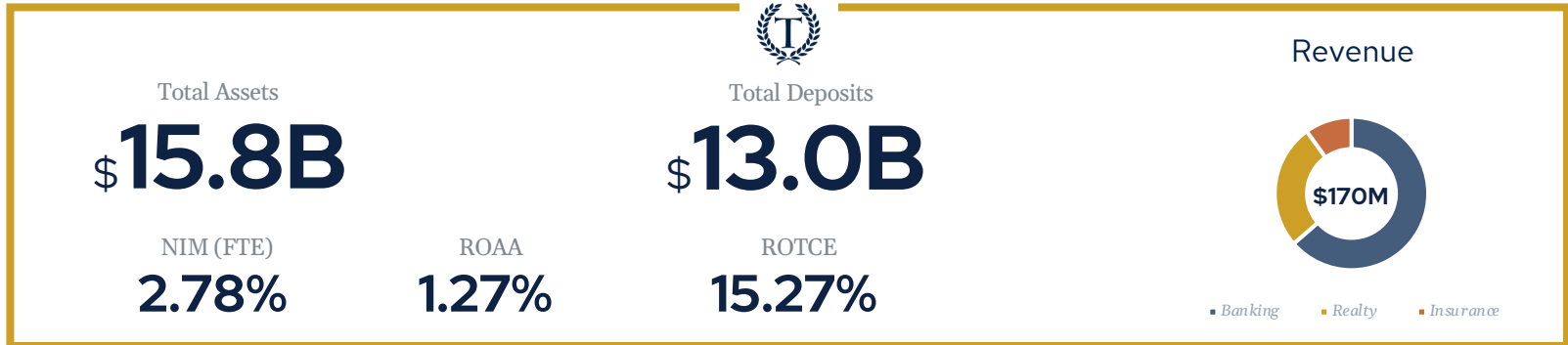
This presentation contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such non-GAAP financial measures include the following: fully tax-equivalent net interest margin, core operating earnings, core net income, tangible book value per common share, total risk-based capital ratio, tier one leverage ratio, tier one capital ratio, and the tangible common equity to tangible assets ratio. Management uses these non-GAAP financial measures to assess the performance of TowneBank’s core business and the strength of its capital position. Management believes that these non-GAAP financial measures provide meaningful additional information about TowneBank to assist investors in evaluating operating results, financial strength, and capitalization. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant charges for credit costs and other factors. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this presentation are referenced in a footnote or in the appendix to this presentation.

Why TowneBank

- Consistent Earnings Growth
- Balance Sheet Growth
- Capital Strength
- Shareholder Value



TowneBank at a Glance



*Results for the quarter ending September 30, 2021

** TowneBank operates in the top two most attractive/favorable markets for business according to CNBC's America's Top States for Business 2021 survey.

The Towne Model



Culture
of Caring



Commitment to
Community Service
& Engagement



Super Community
Bank Model



Local
Decision Making



Superior
Shareholder Value



Extraordinary Member
Experiences

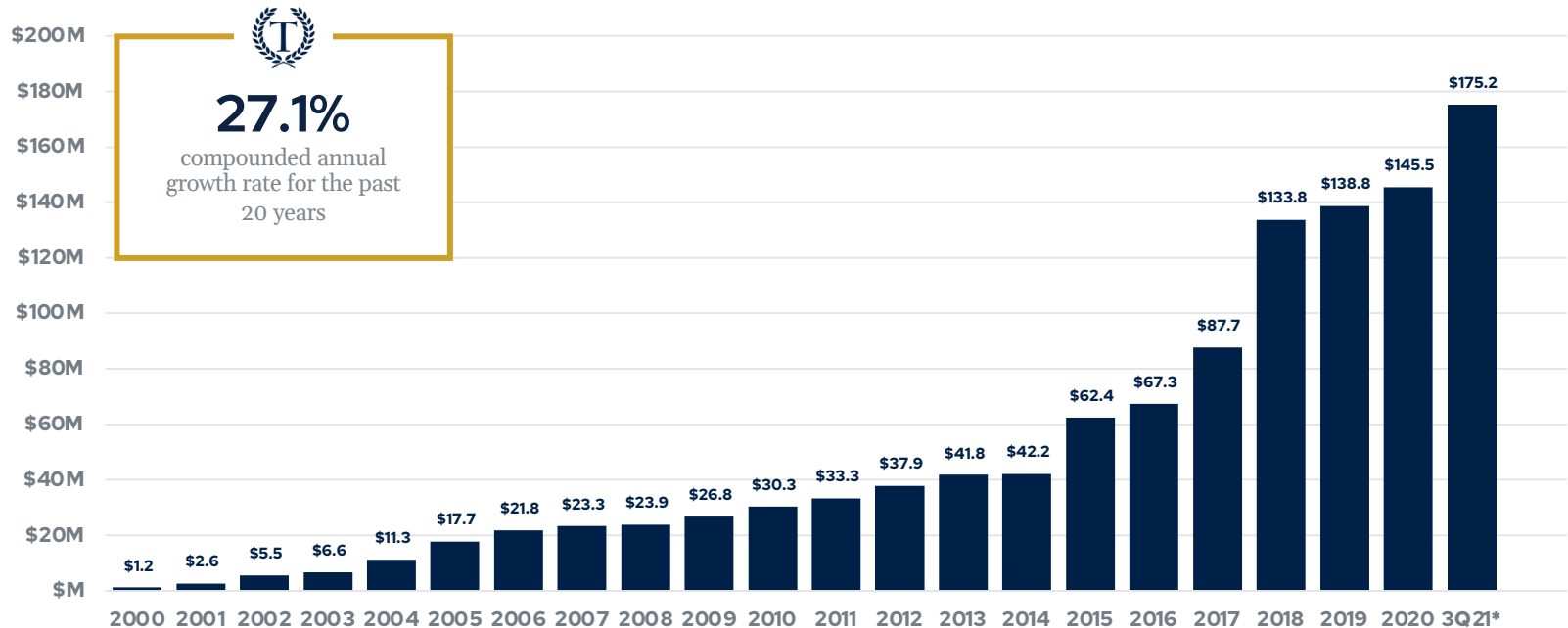


Best Bankers
& Team Members



Embracing Diverse
Talents, Perspectives
& Experiences

Consistent Earnings Growth

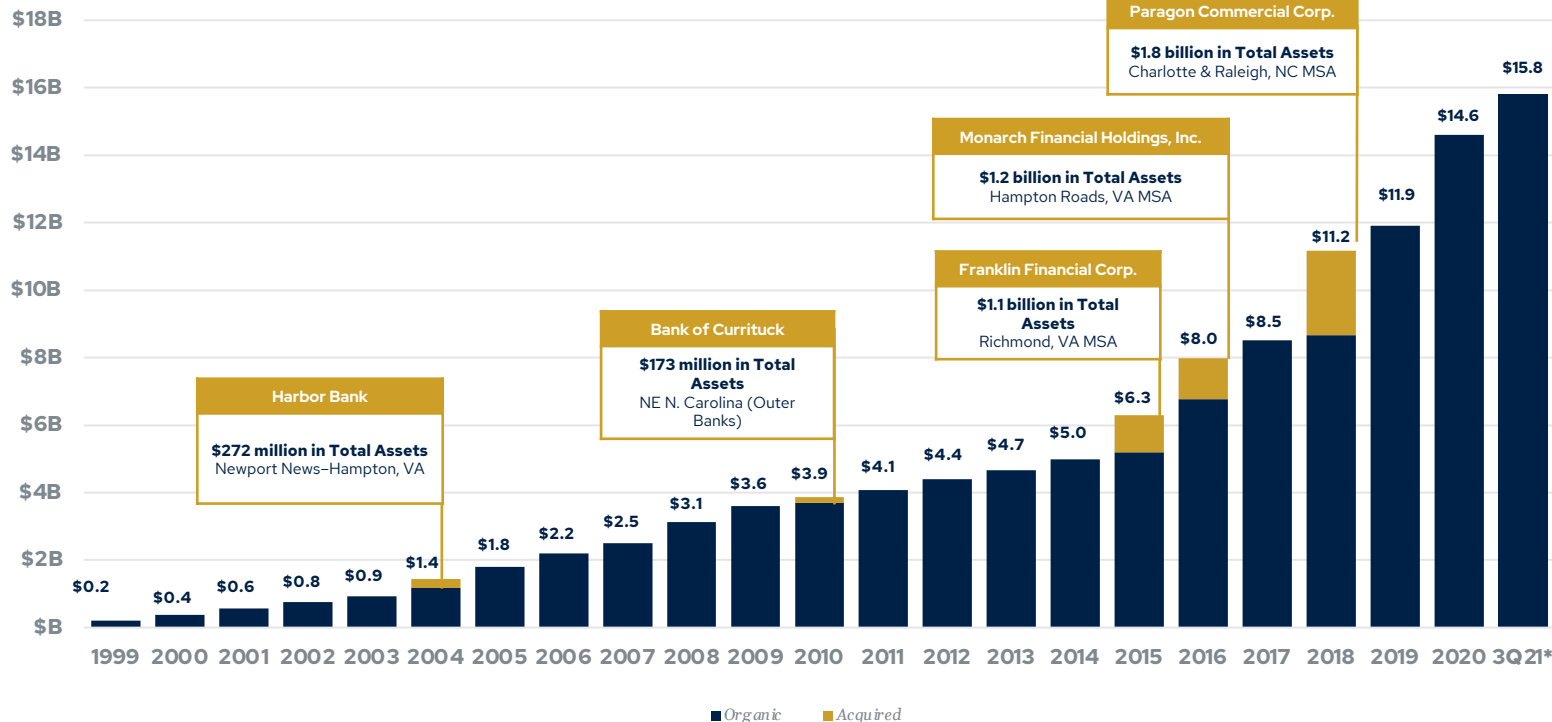


* YTD Results

Disciplined Acquirer and Experienced Integrator

TOTAL ASSETS **\$15.8 B**

Organic	\$11.3 B
Acquired	\$4.5 B



Our Bank Reach

Average Branch Size

\$305M

Virginia

Chesapeake
Chesterfield
Glen Allen
Hampton
Mechanicsville
Newport News
Norfolk
Portsmouth
Richmond
Suffolk
Virginia Beach
Williamsburg
York County

North Carolina

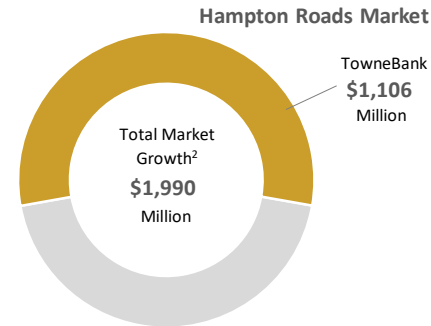
Camden
Cary
Charlotte
Duck
Grandy
Greensboro
Greenville
Moyock
Nags Head
Raleigh
Southern Shores



Dominant Deposit Market Share

Hampton Roads MSA Market Position ¹					
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$000)	Market Share (%)	Avg. Branch Size (\$000)
1	TowneBank	27	8,663,230	27.5	320,860
2	Truist	58	6,285,229	19.9	108,366
3	Wells Fargo	37	6,179,505	19.6	167,014
4	Bank of America	28	4,163,835	13.2	148,708
5	Atlantic Union Bank	16	1,187,371	3.8	74,211
6	Old Point National Bank	19	1,135,023	3.6	59,738
7	Southern Bank and Trust	11	746,687	2.4	67,881
8	Chesapeake Bank	8	678,300	2.2	84,788
9	PNC Bank	11	545,898	1.7	49,627
10	Farmers Bank	8	500,009	1.6	62,501
	All other institutions	59	1,433,694	4.5	24,300
Market Totals		282	31,518,781		

Hampton Roads MSA Market Share (%) ¹						
Institution	1999	2005	2010	2015	2020	2021
TowneBank	1.9	8.9	14.4	16.8	25.6	27.5
Truist	n/a	n/a	n/a	n/a	23.9	19.9
Wells Fargo	28.7	22.7	20.3	19.7	19.7	19.6
SunTrust	15.6	14.0	15.6	16.8	n/a	n/a
BB&T	22.1	14.5	12.2	13.0	n/a	n/a
Bank of America	15.6	15.2	10.2	11.9	12.5	13.2
Group Total	83.9	75.3	72.6	78.3	81.7	80.3

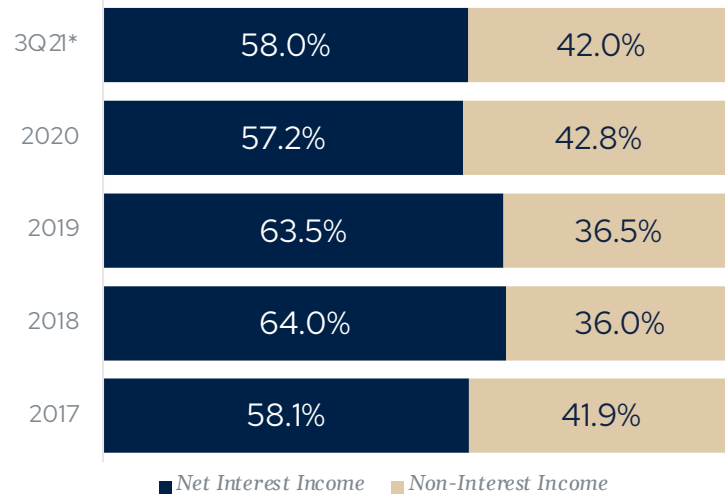


1. Data as of the 6/30/2021 FDIC Summary of Deposits for the Virginia Beach – Norfolk – Newport News, VA MSA

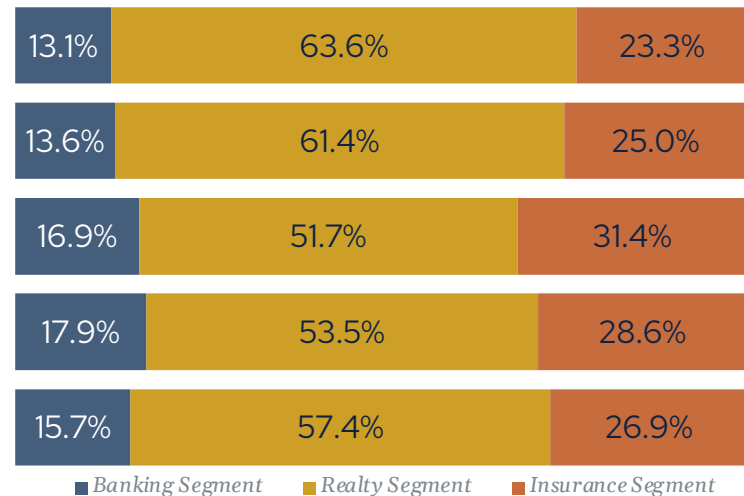
2. Growth for the period June 30, 2020-2021 - Source: FDIC Summary of Deposits

Diversified Business Model

Total Revenue



Noninterest Income¹



* YTD Results

1. Normalized noninterest income excludes gain (loss) on investment securities and the gain of \$17.63 million on the sale of Red Sky Travel Insurance (2020)

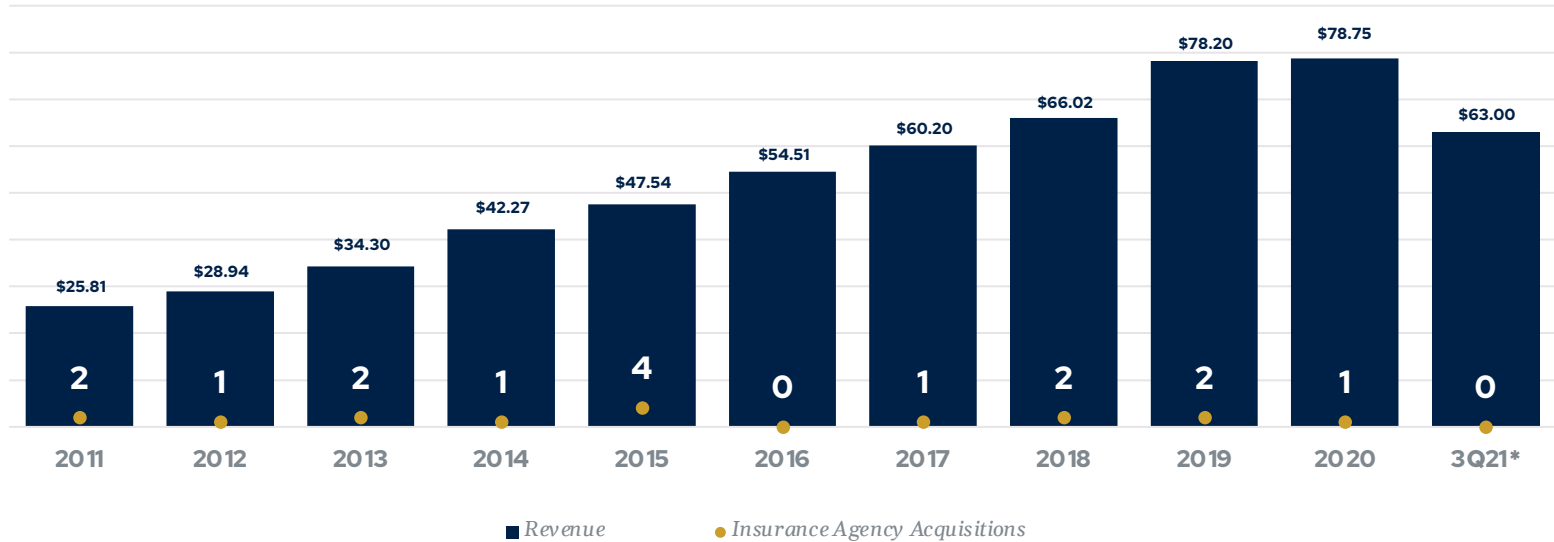
Insurance Revenue

Annual Revenue and Acquisitions DOLLARS IN MILLIONS



13.2%

compounded annual growth rate
for the past 9 years



* YTD Results

Awards & Recognition



5 Star Rating
One of the Strongest
Financial Institutions
in the Nation
2019



Platinum and Bronze
Presented to Top
Producing Loan Officers
TowneBank Mortgage
2019



**Ranked #16 in the Top 50 of
the Best Banks in the Nation**
2021



**Top 100
Brokers of US
Business**
Towne Insurance
2020



Outstanding CRA Rating
Compliance with Community
Reinvestment Act (CRA)
regulations
2019



**Greenwich Excellence |
Small Business Banking**

Among 600+ financial
institutions, only 36 are rated as
excellent by their business
clients
2019

RAYMOND JAMES®

**Top 4 in Assets
Under Management**

Raymond James Financial
Institution Division
Towne Investment Group |
Towne Wealth
Management*
2020



**BERKSHIRE
HATHAWAY**
HomeServices

A Top 20 Affiliate

Berkshire Elite Circle
Award
Berkshire Hathaway |
Towne Realty
2019



**Best Bank to Work
For**

Ranked Top 20 Nationally
as Best Bank to Work For
2018



Best of the Best

Coastal Virginia
Businesses excelling in
their industries
2018



**Good Corporate
Neighbor Award**

Outstanding workplace
volunteer programs
2017



3rd Quarter 2021 Financial Results

Performance Highlights

Dollars in millions,
except per share data

	Q3-FY21	Q2-FY21	QTD Q/Q Change	Q3-FY20	Y/Y Change	Q3-FY21	Q3-FY20	Y/Y Change
Net Interest Income	\$ 100.44	\$ 101.14	(.7%)	\$ 96.76	3.8%	\$ 301.58	\$ 279.53	7.9%
Noninterest Income	69.63	66.18	5.2%	95.38	(27.0%)	218.33	212.96	2.5%
Total Revenue	170.08	167.32	1.6%	192.14	(11.5%)	519.91	492.49	5.6%
Noninterest Expense	104.09	105.39	(1.2%)	101.98	2.1%	306.81	289.89	5.8%
Net Income Attributable to TowneBank	50.40	55.80	(9.7%)	34.46	46.2%	175.20	95.45	83.5%
Earnings Per Share-Diluted	\$ 0.69	\$ 0.77	(9.7%)	\$ 0.48	45.8%	\$ 2.41	\$ 1.32	83.0%
Dividends Per Share	0.20	0.20	-	0.18	11.1%	0.58	0.54	7.4%
Tangible Book Value per Share	18.92	18.70	1.1%	17.06	10.9%	18.92	17.06	10.9%
Assets	15,811	15,804	.0%	14,795	6.9%	15,811	14,795	6.9%
Loans	9,298	9,424	(1.3%)	9,771	(4.8%)	9,298	9,771	(4.8%)
Deposits	13,014	12,965	.4%	11,705	11.2%	13,014	11,705	11.2%
Return on Avg Assets	1.27%	1.48%	(13.9%)	0.89%	43.8%	1.55%	0.91%	69.6%
Return on Avg Tangible Common Equity ¹	15.27%	17.57%	(13.1%)	11.79%	29.5%	18.33%	11.44%	60.3%
Net Interest Margin (TE) ¹	2.78%	2.94%	(5.6%)	2.71%	2.3%	2.92%	3.19%	(8.6%)
Nonperforming Assets / Assets	0.09%	0.10%	(9.0%)	0.19%	(54.9%)	0.09%	0.19%	(54.9%)
Allowance for Credit Losses / Loans	1.15%	1.15%	.5%	1.22%	(5.4%)	1.15%	1.22%	(5.4%)
Net Charge-offs / Average Loans	-0.03%	-0.01%	382.1%	-0.01%	107.1%	0.00%	0.00%	(185.3%)

* YTD Results; 1. Non-GAAP financial measures - see non-GAAP reconciliations



21

consecutive years of
increased earnings

\$175.20M*

YTD Net income in 3Q21
(\$2.41 per share)

\$519.91M*

YTD total revenue, an increase of
\$27.42M vs the same period of 2020

1.15%

Total loan losses allowance
(1.18 % excluding PPP loans)

2.78%

Taxable equivalent net interest
margin

4.37%

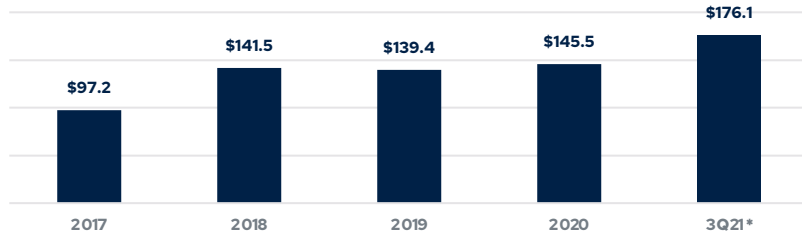
Y/Y growth in loans excluding the
decline in SBA PPP loans

Income Statement Summary

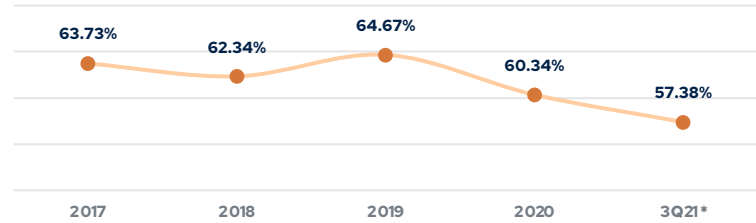
Amounts in millions	QTD					YTD		
	Q3-FY21	Q2-FY21	Q/Q Change	Q3-FY20	Y/Y Change	Q3-FY21	Q3-FY20	Y/Y Change
Interest Income	\$ 109.84	\$ 111.81	(1.8%)	\$ 115.53	(4.9%)	\$ 333.95	\$ 344.18	(3.0%)
Interest Expense	9.40	10.67	(11.9%)	18.77	(49.9%)	32.37	64.65	(49.9%)
Net Interest Income	100.44	101.14	(.7%)	96.76	3.8%	301.58	279.53	7.9%
Provision for Credit Losses	(1.58)	(10.06)	(84.3%)	31.60	(105.0%)	(15.66)	65.56	(123.9%)
Net Interest Income after Provision for Credit Losses	102.03	111.20	(8.2%)	65.16	56.6%	317.24	213.97	48.3%
Noninterest Income	69.63	66.18	5.2%	95.38	(27.0%)	218.33	212.96	2.5%
Noninterest Expense	104.09	105.39	(1.2%)	101.98	2.1%	306.81	289.89	5.8%
Income Before Taxes and Noncontrolling Interests	67.57	71.98	(6.1%)	58.56	15.4%	228.77	137.03	66.9%
Provision for Income Tax Expense	14.83	13.98	6.1%	7.84	89.1%	45.39	21.49	111.2%
Minority Interest in Unconsolidated Subs	2.34	2.20	6.5%	16.25	(85.6%)	8.18	20.09	(59.3%)
Net Income Attributable to TowneBank	\$ 50.40	\$ 55.80	(9.7%)	\$ 34.46	46.2%	\$ 175.20	\$ 95.45	83.5%

Financial Performance Trends

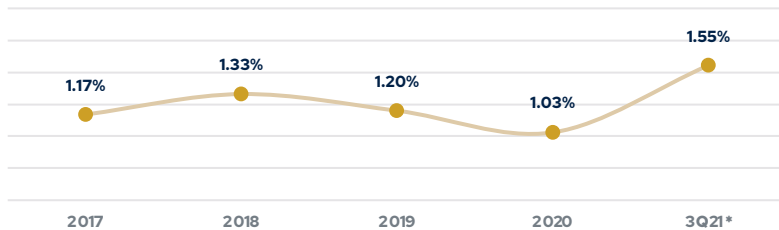
Core Net Income¹ AMOUNTS IN MILLIONS



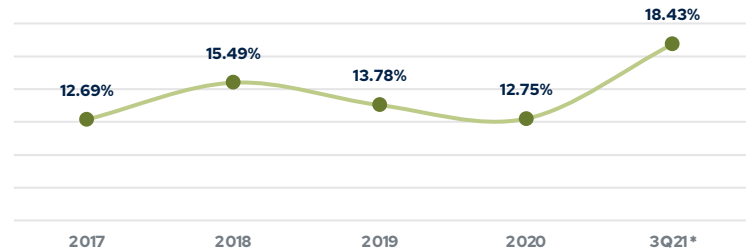
Core Efficiency Ratio¹



Core ROAA¹



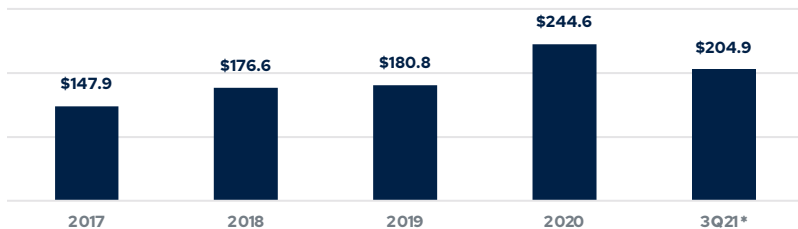
Core ROATCE¹



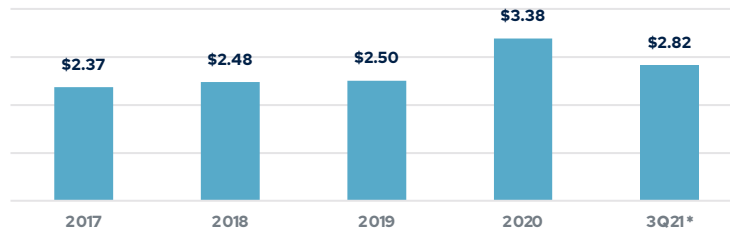
* YTD Results; 1. Non-GAAP financial measures - see non-GAAP reconciliations

Financial Performance Trends

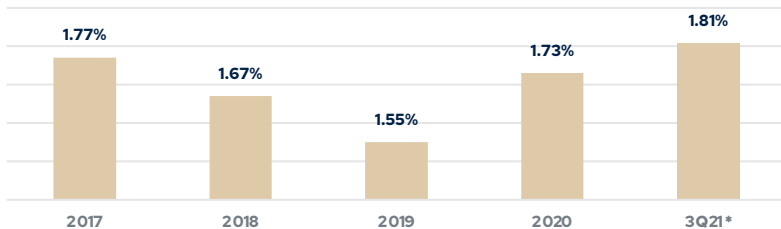
PPNR¹ AMOUNTS IN MILLIONS



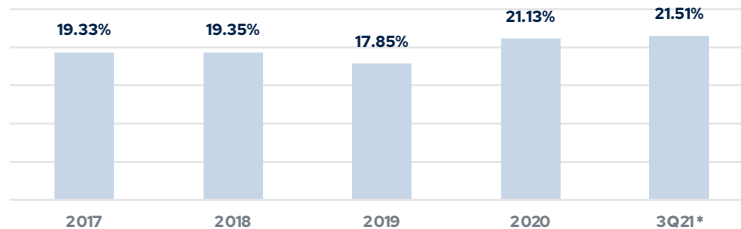
PPNR Earnings Per Share¹



PPNR ROAA¹



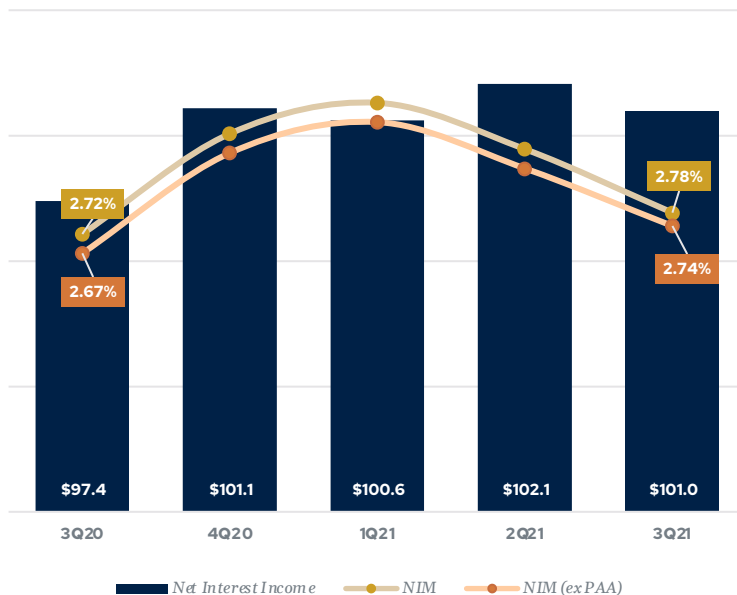
PPNR ROATCE¹



* YTD Results; 1. Non-GAAP financial measures - see non-GAAP reconciliations

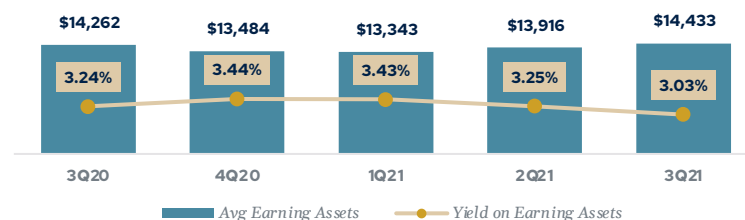
Net Interest Income

Net Interest Income & NIM (TE)¹ AMOUNTS IN MILLIONS

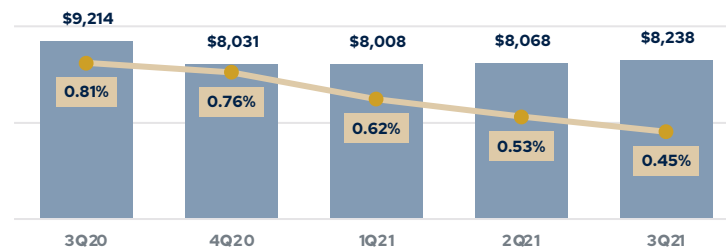


1. Non-GAAP financial measures - see non-GAAP reconciliations

Avg. Earning Assets & Yield (TE) AMOUNTS IN MILLIONS

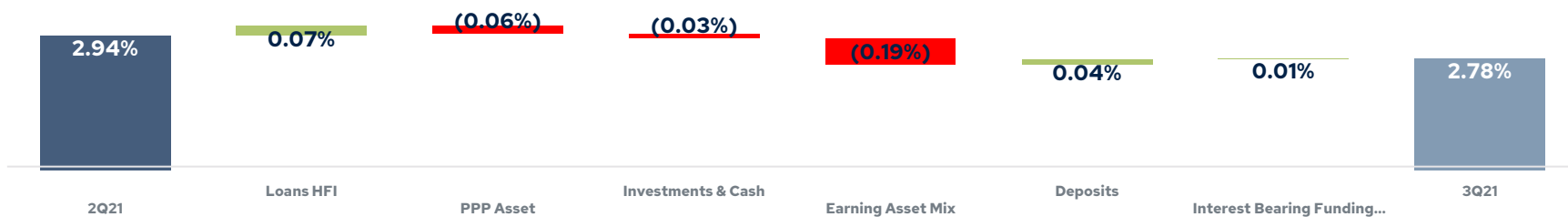


Avg. Interest Bearing Liabilities & Cost (TE) AMOUNTS IN MILLIONS

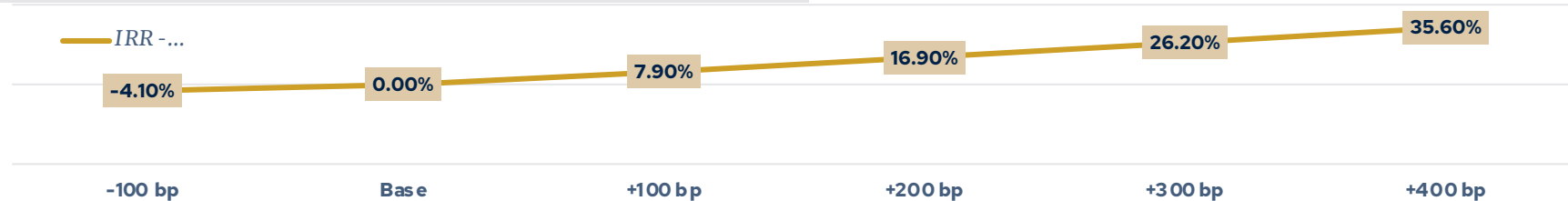


NIM & Net Interest Income Sensitivity

Net Interest NIM (TE)¹



Net Interest Income Sensitivity²

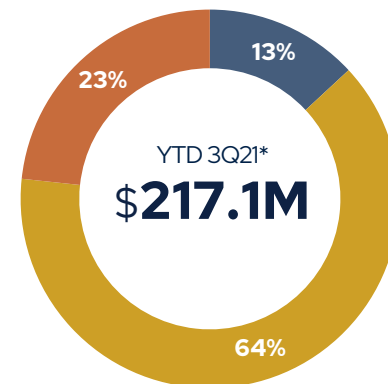


1. Non-GAAP financial measure - see non-GAAP reconciliations

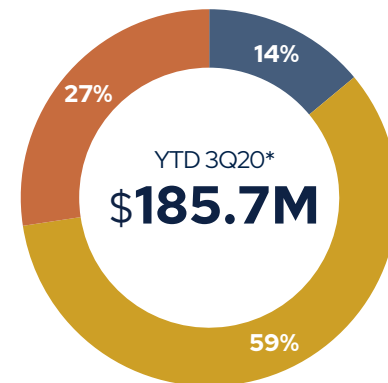
2. The interest sensitivity chart is a one-year result on net interest income of an instantaneous and permanent rate shock. The results include assumptions about deposit rate changes that may or may not occur.

Noninterest Income

Amounts in millions	QTD						YTD		
	Q3-FY21	Q2-FY21	Q/Q Change	Q3-FY20	Y/Y Change		Q3-FY21	Q3-FY20	Y/Y Change
Residential Mortgage Banking Income Net	\$ 25.42	\$ 25.52	(0.4%)	\$ 37.53	(32.3%)		\$ 88.36	\$ 74.66	18.3%
Insurance Commissions and Other Title Fees and Income, Net	17.40	18.33	(5.1%)	17.47	(0.4%)		52.05	51.97	0.2%
Real Estate Brokerage and Property Mgmt Income, Net	14.28	10.98	30.0%	11.30	26.4%		43.20	29.02	48.9%
Service Charges on Deposit Accounts	2.52	2.39	5.6%	1.99	27.1%		7.10	6.31	12.5%
Credit Card Merchant Fees, Net	1.66	1.67	(0.4%)	1.51	10.3%		4.63	3.79	22.1%
Bank-owned Life Insurance	2.30	1.54	49.3%	1.60	43.4%		5.36	6.29	(14.8%)
Other Income	6.04	5.49	10.1%	22.28	(72.9%)		16.37	31.27	(47.7%)
Gain (Loss) on Investment Securities	-	0.25	(100.0%)	1.70	(100.0%)		1.25	9.63	(87.0%)
Noninterest Income	\$ 69.63	\$ 66.18	5.2%	\$ 95.38	(27.0%)		\$ 218.33	\$ 212.96	2.5%



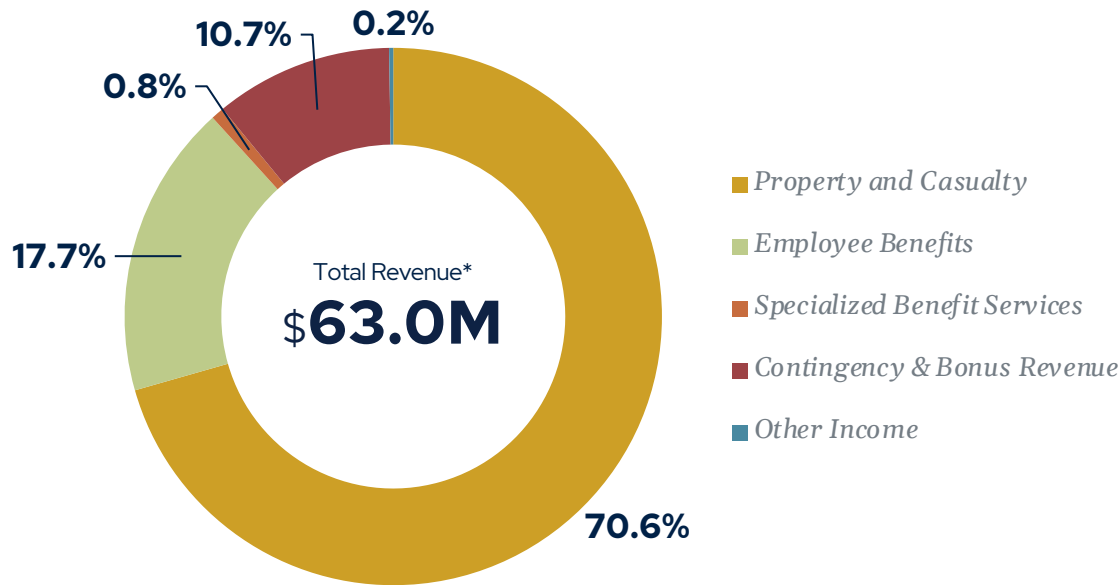
■ Banking Segment
■ Realty Segment
■ Insurance Segment



* YTD Results; Excludes gain (loss) on investment securities and the gain of \$17.63 million on the sale of Red Sky Travel Insurance (2020)

Insurance Revenue

Insurance Revenue Composition





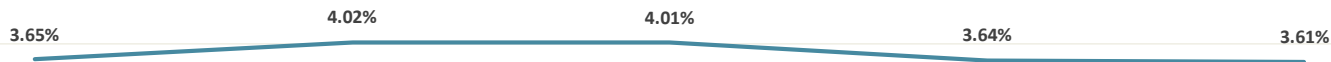
25
insurance acquisitions
since 2001

Continued efforts to
expand in growth
markets

* YTD Results

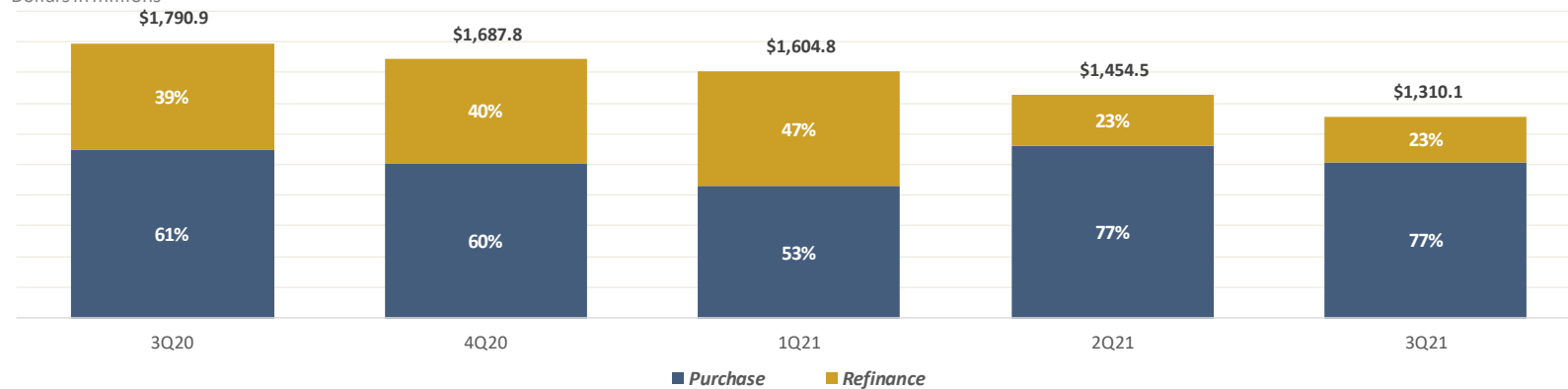
Mortgage Banking

Gain on Sales and Fees as a % of Loans Originated



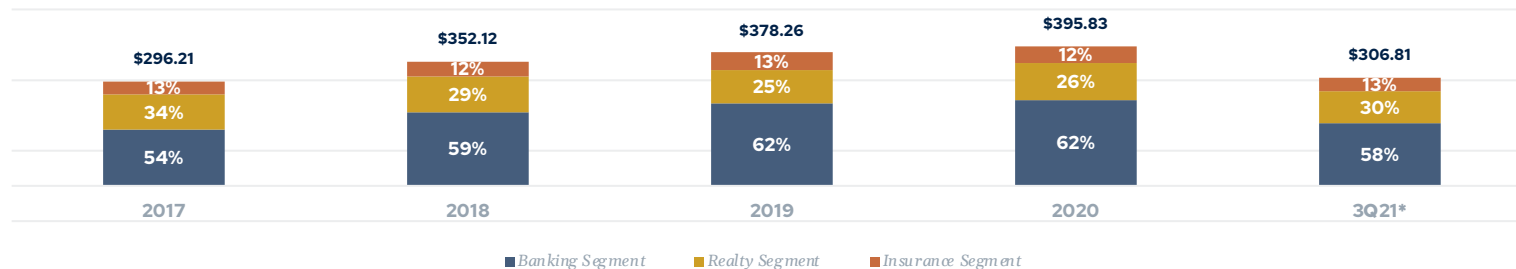
Dollars in millions

Origination Volume



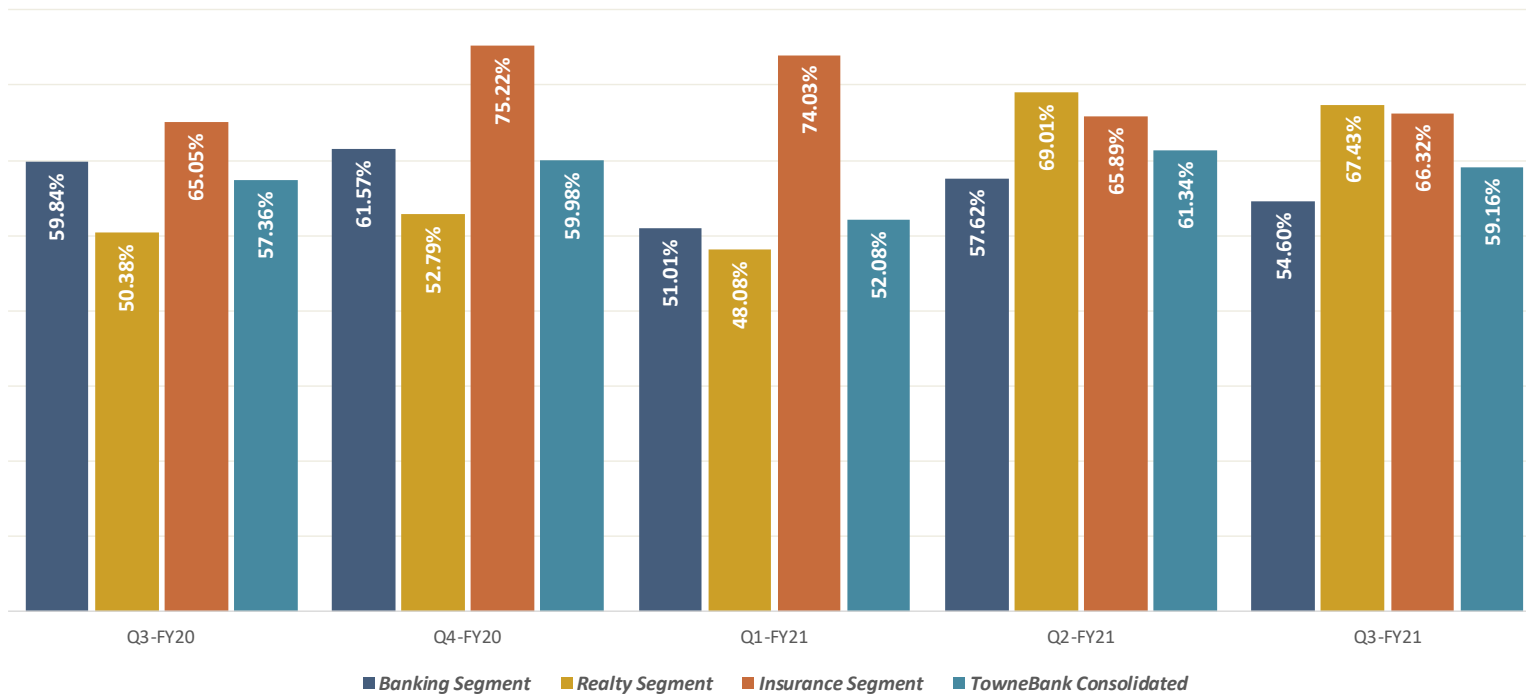
Noninterest Expense

Amounts in millions	QTD					YTD		
	Q3-FY21	Q2-FY21	Q/Q Change	Q3-FY20	Y/Y Change	Q3-FY21	Q3-FY20	Y/Y Change
Employee Compensation	\$ 61.23	\$ 61.37	(.2%)	\$ 61.41	(.3%)	\$ 181.03	\$ 174.20	3.9%
Occupancy Expense	7.66	7.56	1.3%	8.40	(8.8%)	23.29	23.12	.7%
Furniture and Equipment	3.51	3.62	(3.0%)	3.25	8.2%	10.65	10.45	1.9%
Software Expense	4.21	4.49	(6.3%)	3.57	17.8%	12.90	10.56	22.2%
Data Processing	3.60	3.41	5.5%	3.11	15.7%	10.25	8.62	18.9%
Professional Fees	2.23	2.26	(1.4%)	2.64	(15.5%)	6.83	8.68	(21.3%)
Advertising and Marketing	3.87	3.26	18.7%	1.87	106.7%	10.09	7.44	35.6%
Amortization - Intangibles	2.75	2.72	1.1%	2.85	(3.5%)	8.19	8.70	(5.9%)
Other Expenses	15.03	16.71	(10.0%)	14.89	1.0%	43.58	38.12	14.3%
Noninterest Expense	\$ 104.09	\$ 105.39	(1.2%)	\$ 101.98	2.1%	\$ 306.81	\$ 289.89	5.8%



*YTD Results

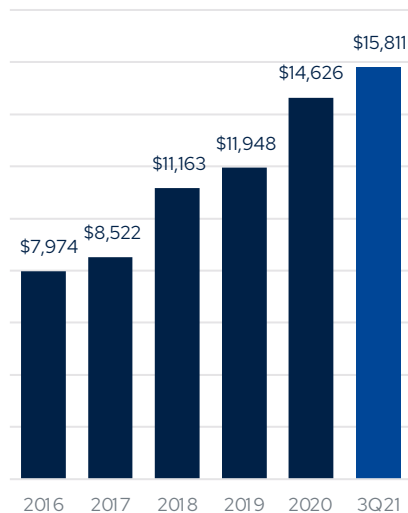
Core Efficiency Ratio¹



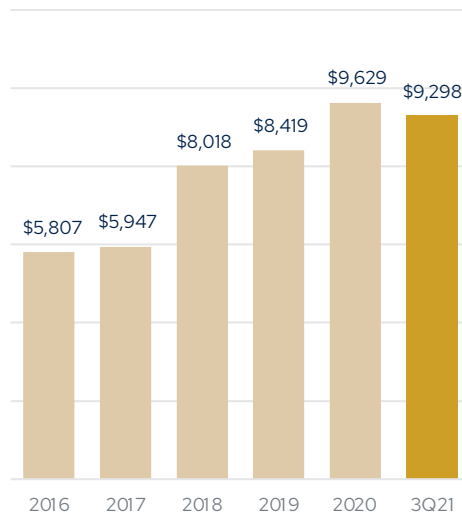
¹ Non-GAAP financial measures - see non-GAAP reconciliations

Balance Sheet: Consistency & Stability

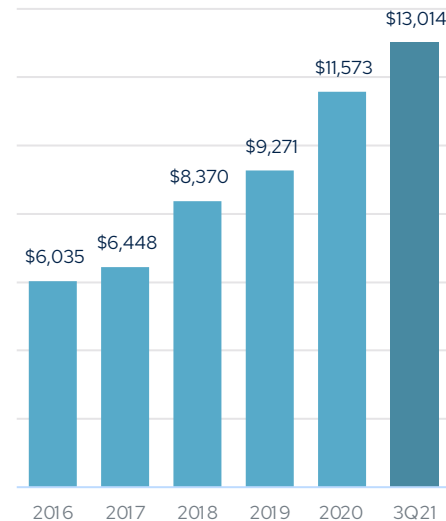
Total Assets AMOUNTS IN MILLIONS



Total Loans AMOUNTS IN MILLIONS



Total Deposits AMOUNTS IN MILLIONS



Balance Sheet Summary

Amounts in millions	Sep-2021	Jun-2021	Q/Q Change	Sep-2020	Y/Y Change
Cash and Cash Equivalents	\$ 3,264	\$ 3,120	4.6%	\$ 1,810	80.4%
Securities	1,595	1,493	6.8%	1,376	15.9%
Loans Held for Sale	432	554	(22.1%)	669	(35.5%)
Loans	9,298	9,424	(1.3%)	9,771	(4.8%)
Allowance for Credit Losses	(107)	(108)	(.9%)	(119)	(10.0%)
Net Loans	9,190	9,315	(1.3%)	9,652	(4.8%)
Premises and Equipment Net	271	266	1.9%	257	5.4%
Goodwill	457	452	1.1%	447	2.3%
Intangible Assets	51	42	20.3%	46	11.0%
Bank-owned Life Insurance	250	249	.3%	244	2.4%
Other Assets	302	311	(3.1%)	296	2.0%
Assets	15,811	15,804	.0%	14,795	6.9%
Noninterest Bearing Deposits	5,395	5,243	2.9%	4,464	20.8%
Interest Bearing Deposits	7,619	7,722	(1.3%)	7,241	5.2%
Deposits	13,014	12,965	.4%	11,705	11.2%
Borrowings	487	590	(17.4%)	1,038	(53.0%)
Other Liabilities	409	379	8.0%	304	34.9%
Liabilities	13,911	13,934	(.2%)	13,047	6.6%
Shareholders' Equity	1,883	1,854	1.6%	1,732	8.7%
Noncontrolling Interest	17	16	8.3%	17	2.3%
Equity	1,900	1,870	1.6%	1,749	8.7%
Liabilities and Equities	\$ 15,811	\$ 15,804	.0%	\$ 14,795	6.9%



\$15.8B

Total Assets

\$378.7M

4.4% y/y loan growth excluding SBA PPP

20.8%

y/y noninterest bearing deposit growth

41.45%

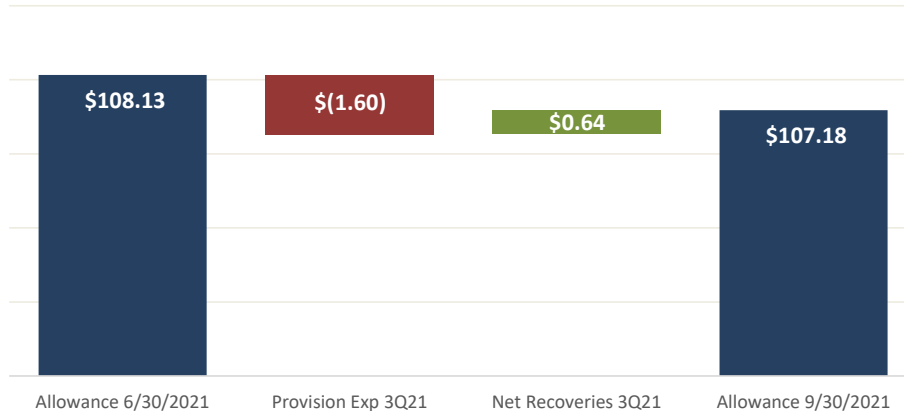
Noninterest bearing deposits % of total deposits

4.0 years

Avg duration of securities portfolio

Current Expected Credit Loss (CECL)

Allowance for Credit Losses AMOUNTS IN MILLIONS



- Q3 2021 provision benefit for on-balance sheet loan losses of \$1.60 million.
- Expected loss estimates are subject to change based on continuing review of models and assumptions, portfolio performance, changes in forecasted macroeconomic conditions and loan mix which could result in material changes to the reserve in future periods.



MACROECONOMIC FORECAST

Weighted Moody's economic sectors

REASONABLE & SUPPORTABLE FORECAST PERIOD

2 Years

REVERSION PERIOD AND APPROACH

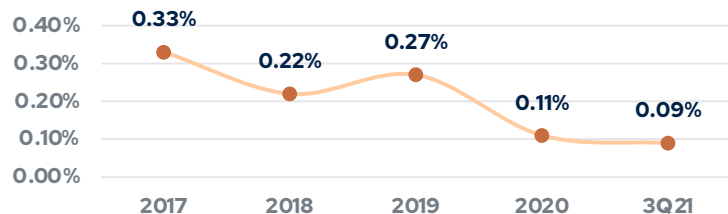
4 quarter reversion period with a blended transition approach

KEY MACROECONOMIC VARIABLES

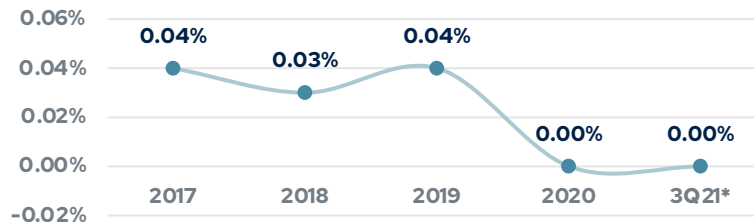
Price Indices
GDP
Interest Rates
Disposable Income

Asset Quality & Credit Focus

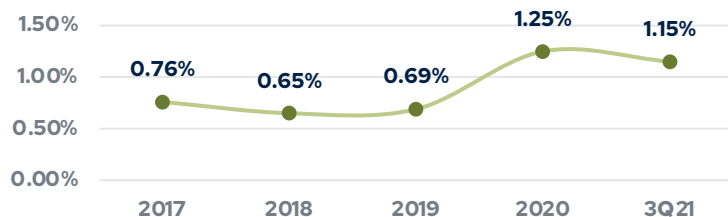
NPA¹ / Assets



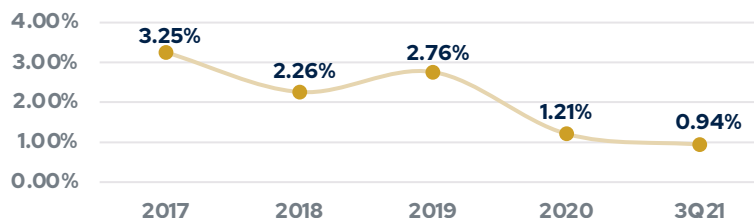
NCOs / Average Loans



Reserves / Loans



Texas Ratio²



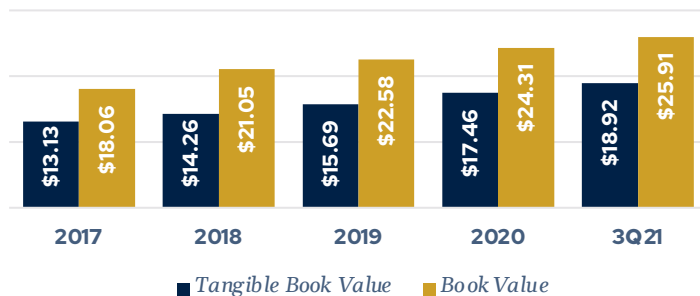
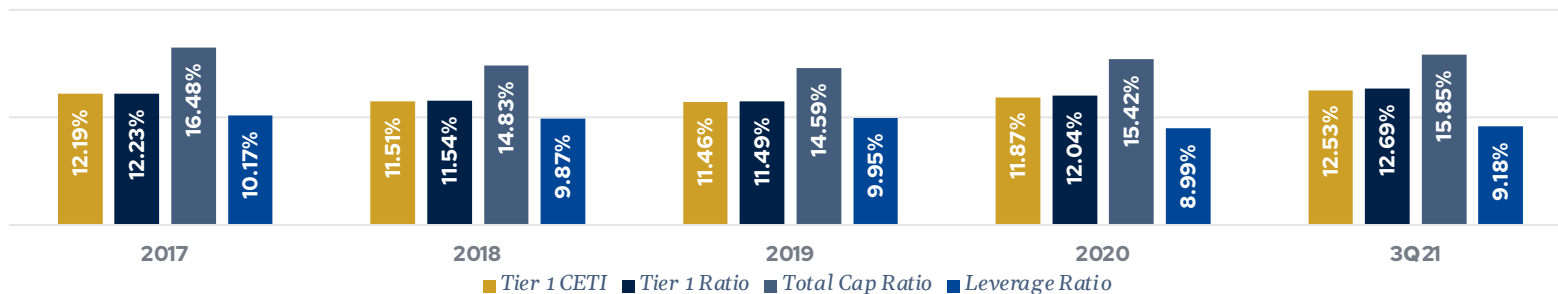
* YTD Results

1. Non-performing assets (non-accrual loans and leases, repossessed assets, and real estate owned) as a percent of assets

2. Calculated as the sum of non-performing assets and loans 90+ days past due and accruing divided by the sum of tangible common equity and loan loss reserves.

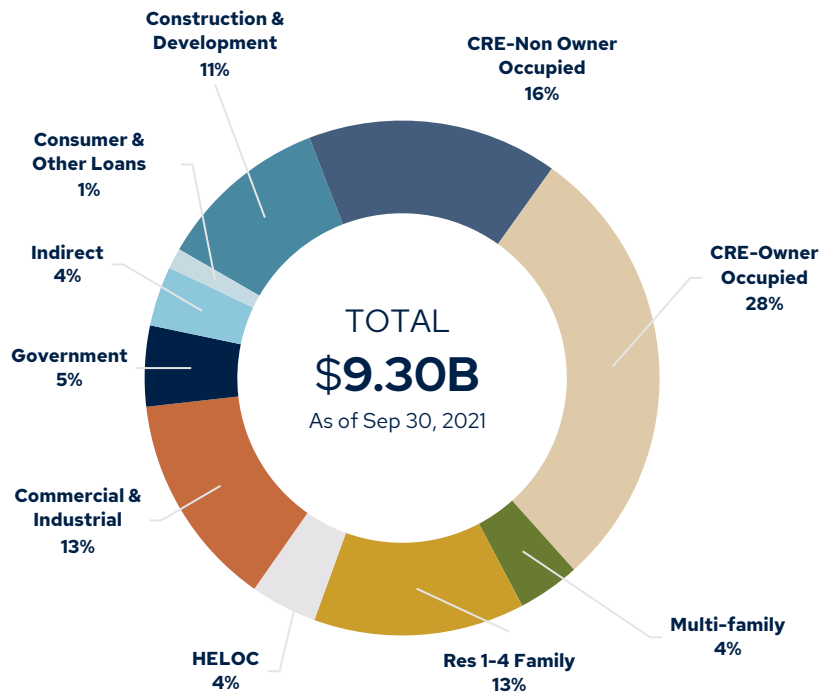
Capital

Risk Based Capital Ratios



Liquidity Sources (in millions)		Sep 30, 2021
Available Liquid Funds:		
Cash and cash equivalents		\$ 3,264
Unencumbered investment securities		1,079
Availability of Borrowings:		
Amount available from FHLB		1,227
Amount available from unsecured lines of credit with correspondent banks		155
Amount available from Federal Reserve discount window		378
Amount available from Federal Reserve PPP liquidity window		-

Total Loan Portfolio



Portfolio Highlights

+4.16%

YTD annualized growth in loans
excluding SBA PPP

0.09%

NPAs/Assets

-0.03%

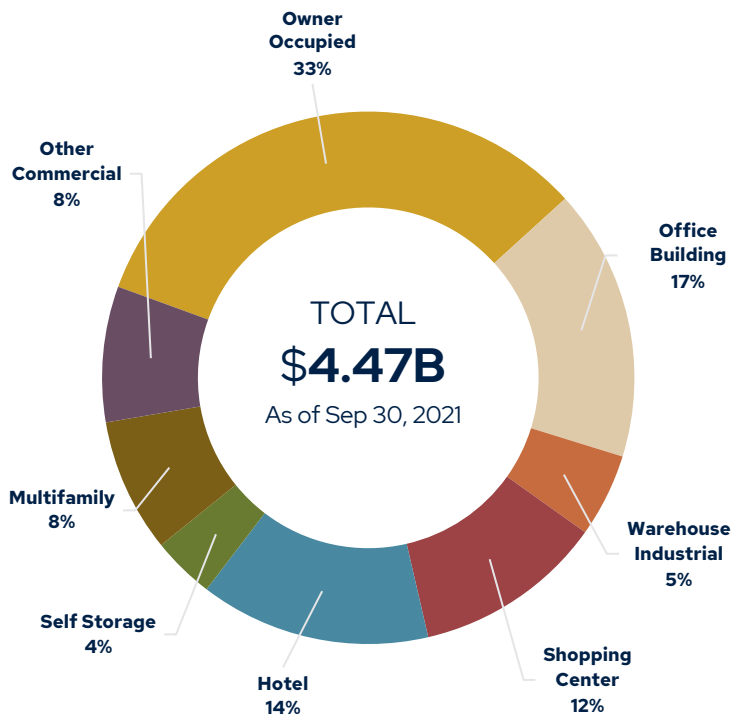
NCOs/Average Loans

12.68x

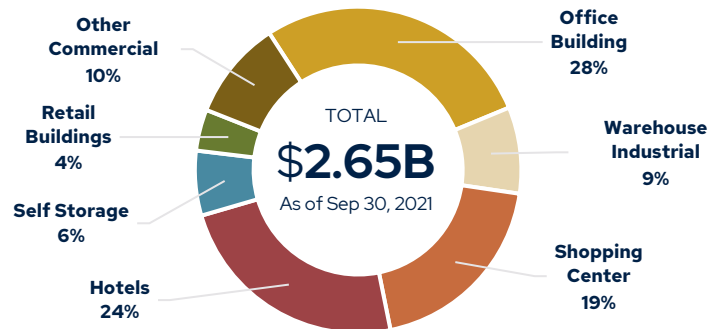
Allowance to NPLs

Variable Rate Portfolio (\$ in 000's)	Outstanding Balance	% of Total Balance
No Floor	\$ 834	31.6%
Floor Reached	\$ 1,263	47.8%
0-25 bps to Reach Floor	\$ 505	19.1%
26-50 bps to Reach Floor	\$ 12	0.5%
51-75 bps to Reach Floor	\$ 10	0.5%
76-100 bps to Reach Floor	\$ -	0.0%
101+ bps to Reach Floor	\$ 13	0.5%
TOTAL	\$ 2,641	100.00%

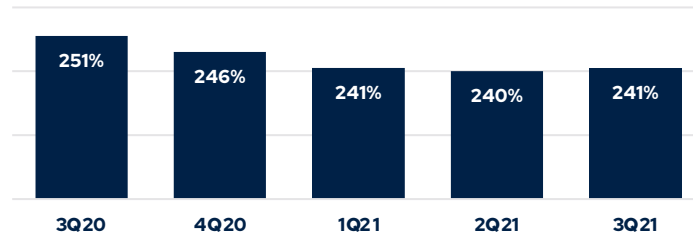
Commercial Real Estate Overview



Non-Owner Occupied Commercial Real Estate

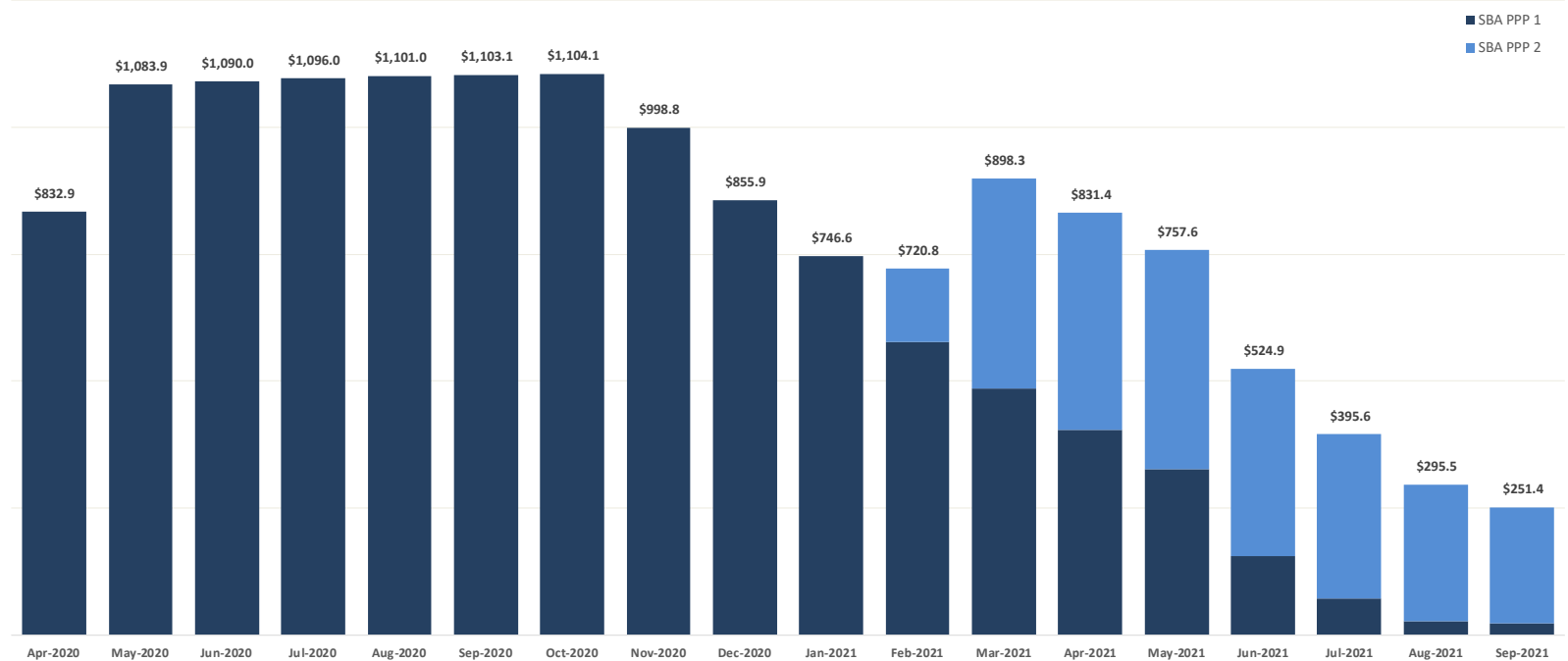


CRE / Total Risk Based Capital



SBA PPP Loans

SBA PPP Loan Balances AMOUNTS IN MILLIONS



Outlook Summary

Loans and Asset Quality	<ul style="list-style-type: none">• Targeting mid-single digit annualized loan growth for remainder of 2021 excluding impacts from Paycheck Protection Program• Continued focus on monitoring credit quality• Potential for additional CECL release in Q4 2021 as economic forecasts continue to improve and uncertainty diminishes
Profitability	<ul style="list-style-type: none">• Core net interest margin expected to experience low single digit compression through Q4 2021, excluding impacts of Paycheck Protection Programs and purchase accounting accretion• Noninterest expense average quarterly run rate projected at \$103-\$105 million for 2021
Strategic	<ul style="list-style-type: none">• New branch opening in Charlotte 1H 2022 in Ballantyne area• Strong capital and liquidity levels to support continued growth• Opportunistic M&A across all lines of business



Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions	YTD	Year			
	Q3-FY21	FY2020	FY2019	FY2018	FY2017
Net Income Attributable to TowneBank	\$ 175.20	\$ 145.53	\$ 138.78	\$ 133.79	\$ 87.66
Adjustments					
Acquisition Related Expenses	0.97	(0.07)	0.66	8.43	2.27
Other Adjustments	-	-	-	-	(3.89)
Income Tax Adjustments	(0.05)	-	(0.08)	(0.72)	11.14
Core Net Income	\$ 176.12	\$ 145.47	\$ 139.36	\$ 141.50	\$ 97.18
Avg Assets	\$ 15,151.85	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75	\$ 8,335.00
Return on Avg Assets	1.55%	1.03%	1.19%	1.26%	1.05%
Core Return on Avg Assets	1.55%	1.03%	1.20%	1.33%	1.17%
Avg Common Shares Outstanding-Diluted (YTD)	72.55	72.35	72.19	71.29	62.39
Earnings Per Share-Diluted	\$ 2.41	\$ 2.01	\$ 1.92	\$ 1.88	\$ 1.41
Core Earnings Per Share-Diluted	\$ 2.43	\$ 2.01	\$ 1.93	\$ 1.98	\$ 1.56
Avg Tangible Common Equity	\$ 1,324.81	\$ 1,211.93	\$ 1,082.13	\$ 972.82	\$ 804.88
Intangible Amort Net of Tax	6.47	9.08	9.77	9.24	4.98
Return on Avg Tangible Common Equity	18.33%	12.76%	13.73%	14.70%	11.51%
Core Return on Avg Tangible Common Equity	18.43%	12.75%	13.78%	15.49%	12.69%

Non-GAAP Reconciliations

Pre-tax Pre-provision Net Revenue (PPNR)

Amounts in millions	YTD	Year			
	Q3-FY21	FY2020	FY2019	FY2018	FY2017
Net Income Attributable to TowneBank	\$ 175.20	\$ 145.53	\$ 138.78	\$ 133.79	\$ 87.66
Provision for Credit Losses	(15.66)	67.18	9.37	8.54	5.43
Provision for Income Tax Expense	45.39	31.90	32.60	34.23	54.81
Pre-tax Pre-Provision Net Revenue (PPNR)	\$ 204.92	\$ 244.61	\$ 180.75	\$ 176.56	\$ 147.90
Avg Assets	\$ 15,151.85	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75	\$ 8,335.00
PPNR Return on Avg Assets	1.81%	1.73%	1.55%	1.67%	1.77%
Avg Common Shares Outstanding-Diluted (YTD)	72.55	72.35	72.19	71.29	62.39
PPNR Earnings Per Share-Diluted	\$ 2.82	\$ 3.38	\$ 2.50	\$ 2.48	\$ 2.37
Avg Tangible Common Equity	\$ 1,324.81	\$ 1,211.93	\$ 1,082.13	\$ 972.82	\$ 804.88
Intangible Amort	8.19	11.50	12.37	11.71	7.66
PPNR Return on Avg Tangible Common Equity	21.51%	21.13%	17.85%	19.35%	19.33%

Non-GAAP Reconciliations

Core Efficiency Ratio – TowneBank Consolidated

Amounts in millions	YTD	Year			
	Q3-FY21	FY2020	FY2019	FY2018	FY2017
Total Revenue	\$ 519.91	\$ 664.33	\$ 563.94	\$ 532.67	\$ 449.24
Less: Gain (Loss) on Securities Investment	1.25	9.63	(0.84)	0.00	(0.00)
Less: Gain (Loss) on Sale of Red Sky Travel Insurance	(0.03)	17.63	-	0.14	0.01
Adjusted Total Revenue	518.68	637.08	564.79	532.52	449.23
Noninterest Expense	306.81	395.83	378.30	352.12	296.21
Less: Intangible Amort	8.19	11.50	12.37	11.71	7.66
Less: Acquisition Related Expenses	0.97	(0.07)	0.66	8.43	2.27
Adjusted Noninterest Expense	\$ 297.64	\$ 384.40	\$ 365.27	\$ 331.99	\$ 286.29
Efficiency Ratio	57.57%	60.33%	64.79%	63.93%	64.23%
Core Efficiency Ratio	57.38%	60.34%	64.67%	62.34%	63.73%

Non-GAAP Reconciliations

Core Efficiency Ratio – Segments

Amounts in millions	Q3-FY21			Q2-FY21			Q1-FY21			Q4-FY20			Q3-FY20		
	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment	Banking Segment	Realty Segment	Insurance Segment
Total Revenue	\$ 108.19	\$ 45.05	\$ 16.84	\$ 107.85	\$ 41.68	\$ 17.80	\$ 107.07	\$ 59.48	\$ 15.96	\$ 106.48	\$ 51.96	\$ 13.41	\$ 102.94	\$ 54.58	\$ 34.62
Less: Gain (Loss) on Securities Investment	-	-	-	0.25	-	-	1.00	-	-	0.00	-	-	1.70	-	-
Less: Gain (Loss) on Sale of Red Sky Travel Insurance	-	-	-	-	-	-	(0.03)	-	-	-	-	-	-	-	17.63
Adjusted Total Revenue	108.19	45.05	16.84	107.60	41.68	17.80	106.10	59.48	15.96	106.48	51.96	13.41	101.24	54.58	16.99
Noninterest Expense	59.93	31.80	12.35	62.91	29.58	12.91	55.09	29.19	13.05	66.57	28.09	11.28	61.64	28.15	12.18
Less: Intangible Amort	0.86	0.70	1.19	0.91	0.59	1.22	0.96	0.59	1.17	1.01	0.66	1.13	1.06	0.66	1.13
Less: Acquisition Related Expenses	-	0.72	-	-	0.23	(0.03)	-	-	0.06	-	-	0.07	-	-	-
Adjusted Noninterest Expense	\$ 59.07	\$ 30.38	\$ 11.17	\$ 62.00	\$ 28.76	\$ 11.73	\$ 54.12	\$ 28.60	\$ 11.82	\$ 65.56	\$ 27.43	\$ 10.08	\$ 60.58	\$ 27.50	\$ 11.05
Efficiency Ratio	54.60%	69.03%	66.32%	57.62%	69.55%	65.70%	51.01%	48.08%	74.42%	61.57%	52.79%	75.71%	59.84%	50.38%	65.05%
Core Efficiency Ratio	54.60%	67.43%	66.32%	57.62%	69.01%	65.89%	51.01%	48.08%	74.03%	61.57%	52.79%	75.22%	59.84%	50.38%	65.05%

Non-GAAP Reconciliations

Net Interest Margin – Tax Equivalent (TE) Basis

AMOUNTS IN MILLIONS

Amounts in millions	QTD					YTD	
	Q3-FY21	Q2-FY21	Q1-FY21	Q4-FY20	Q3-FY20	Q3-FY21	Q3-FY20
Net Interest Income	\$ 100.44	\$ 101.14	\$ 99.99	\$ 100.61	\$ 96.76	\$ 301.58	\$ 279.53
Tax-Equivalent Adjustment	0.52	0.92	0.59	0.52	0.60	2.03	1.78
Net Interest Income Tax-Equivalent	\$ 100.96	\$ 102.06	\$ 100.58	\$ 101.13	\$ 97.36	\$ 303.61	\$ 281.31
Net Interest Margin	2.76%	2.91%	3.03%	2.96%	2.70%	2.90%	3.17%
Net Interest Margin (TE)	2.78%	2.94%	3.05%	2.98%	2.71%	2.92%	3.19%

Non-GAAP Reconciliations

Tangible Book Value AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA

Amounts in millions	Sep-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2017
Shareholders' Equity (Common)	\$ 1,883.09	\$ 1,766.85	\$ 1,640.75	\$ 1,525.53	\$ 1,131.24
Goodwill	457.19	452.33	446.82	433.66	270.25
Intangible Assets	50.84	45.53	54.40	58.75	38.57
Tangible Common Equity	\$ 1,375.06	\$ 1,268.99	\$ 1,139.54	\$ 1,033.12	\$ 822.42
Common Shares Outstanding	72.68	72.67	72.65	72.47	62.63
Tangible Book Value	\$ 18.92	\$ 17.46	\$ 15.69	\$ 14.26	\$ 13.13

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Disclosures

* Top Assets Under Management (AUM) Raymond James FID is an internal, Raymond James honor. This ranking is based on prior AUM. Re-qualification is required annually. This ranking is not based in anyway on the individual's abilities in regards to providing investment advice or management. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual client's experience. No fee is paid in exchange for this award/rating.

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TOWNE BANK

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