



Investor Presentation

2nd 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 June 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:

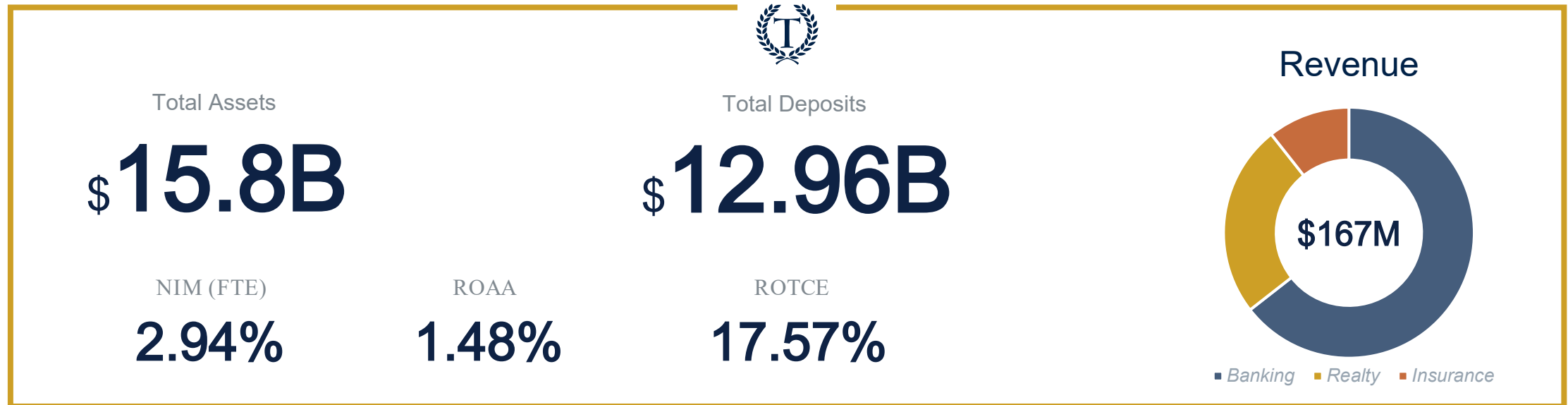
This presentation contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Such non-GAAP financial measures include the following: fully tax-equivalent net interest margin, core operating 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 June 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

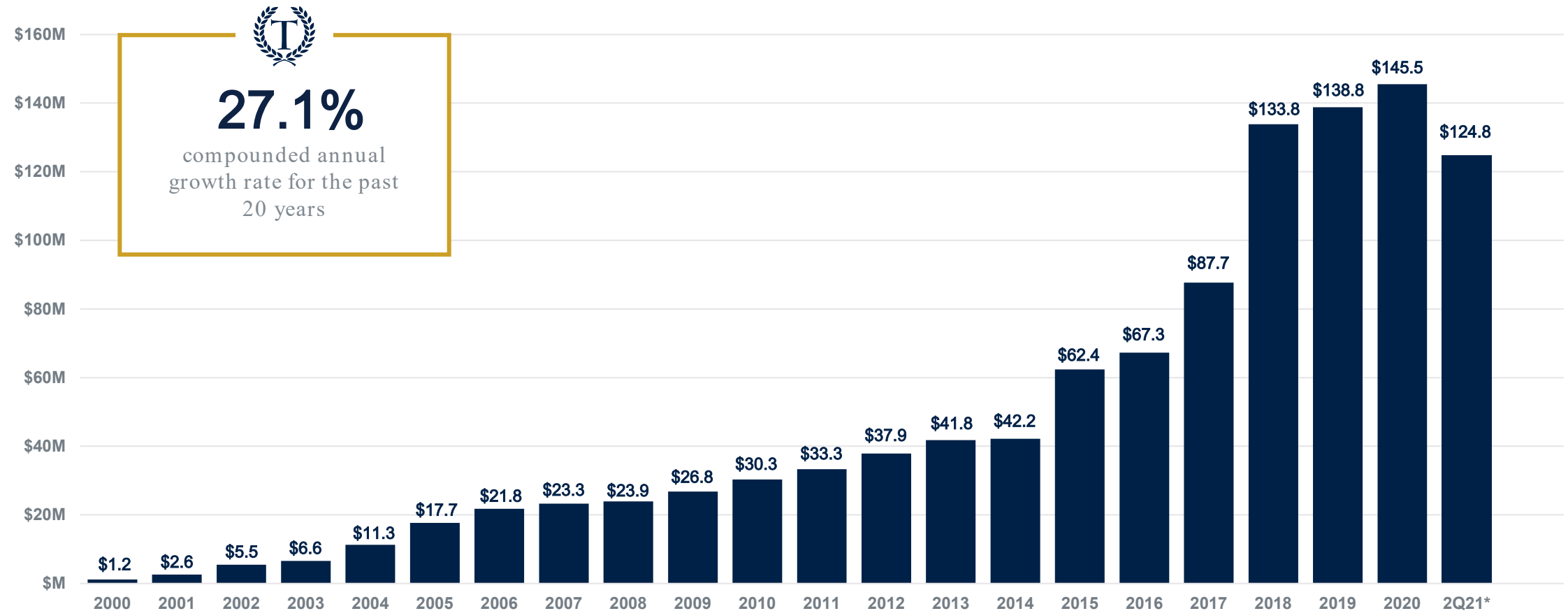


Best Bankers
& Team Members



Embracing Diverse
Talents, Perspectives
& Experiences

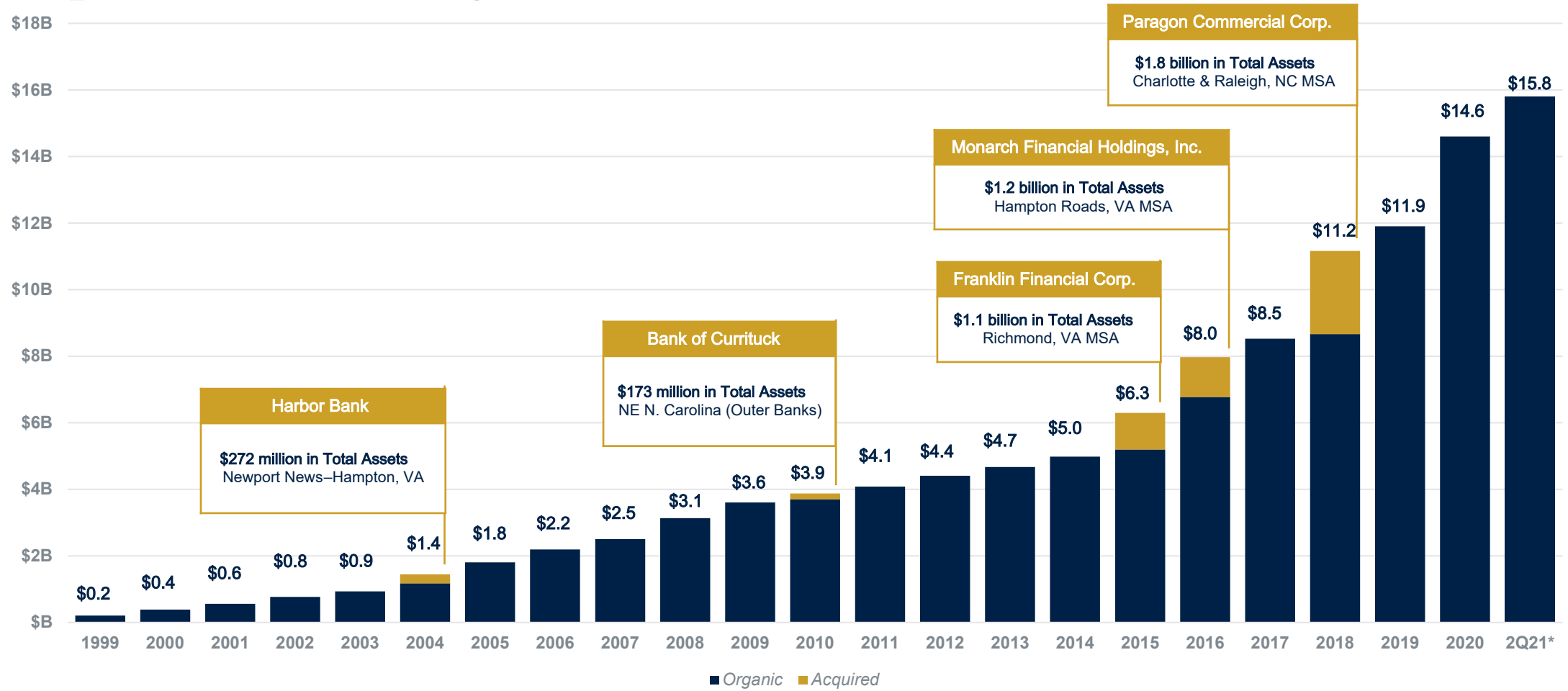
Consistent Earnings Growth



* 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

\$295M

Virginia

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

North Carolina

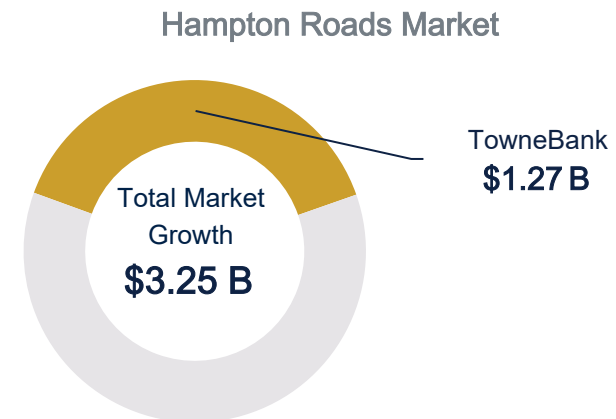
Camden
Cary
Charlotte
Duck
Grandy
Greenville
Greensboro
Moyock
Nags Head
Raleigh
Southern Shores



Dominant Deposit Market Share

Hampton Roads MSA Market Position					
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$000)	Market Share (%)	Avg. Branch Size (\$000)
1	TowneBank	28	7,556,844	25.6	269,887
2	Truist	72	7,063,811	23.9	98,108
3	Wells Fargo	42	5,809,898	19.7	138,331
4	Bank of America	29	3,676,282	12.5	126,768
5	Atlantic Union Bank	21	1,128,542	3.8	53,740
6	Old Point National Bank	22	1,014,107	3.4	46,096
7	Chesapeake Bank	8	582,279	2.0	72,785
8	Southern Bank and Trust	11	573,228	1.9	52,112
9	PNC Bank	11	457,835	1.6	41,621
10	Farmers Bank	8	427,575	1.5	53,447
	All other institutions	54	1,238,224	4.2	22,930
TOTAL FOR INSTITUTIONS IN MARKET		306	29,528,625		

Hampton Roads MSA Market Share (%) ¹					
Institution	1999	2005	2010	2015	2020
TowneBank	1.9	8.9	14.4	16.8	25.6
Truist	n/a	n/a	n/a	n/a	23.9
Wells Fargo	28.7	22.7	20.3	19.7	19.7
SunTrust	15.6	14.0	15.6	16.8	n/a
BB&T	22.1	14.5	12.2	13.0	n/a
Bank of America	15.6	15.2	10.2	11.9	12.5
GROUP TOTAL	83.9	75.3	72.6	78.3	81.6

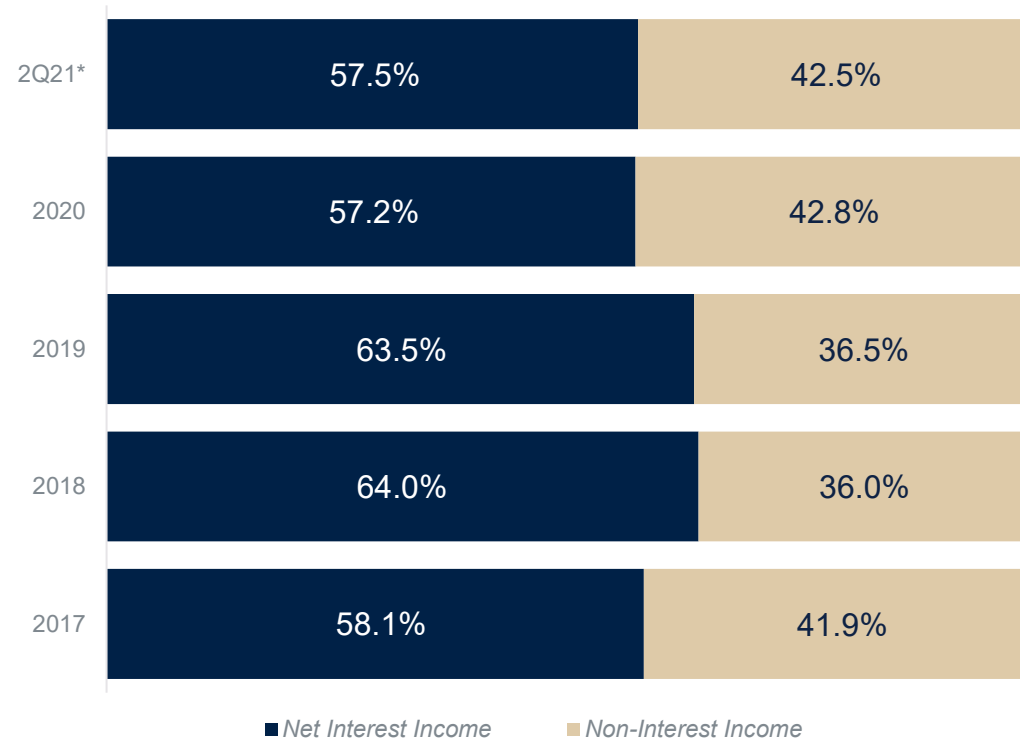


1. Data as of the 6/30/2020 FDIC Summary of Deposits for the Virginia Beach – Norfolk – Newport News, VA MSA

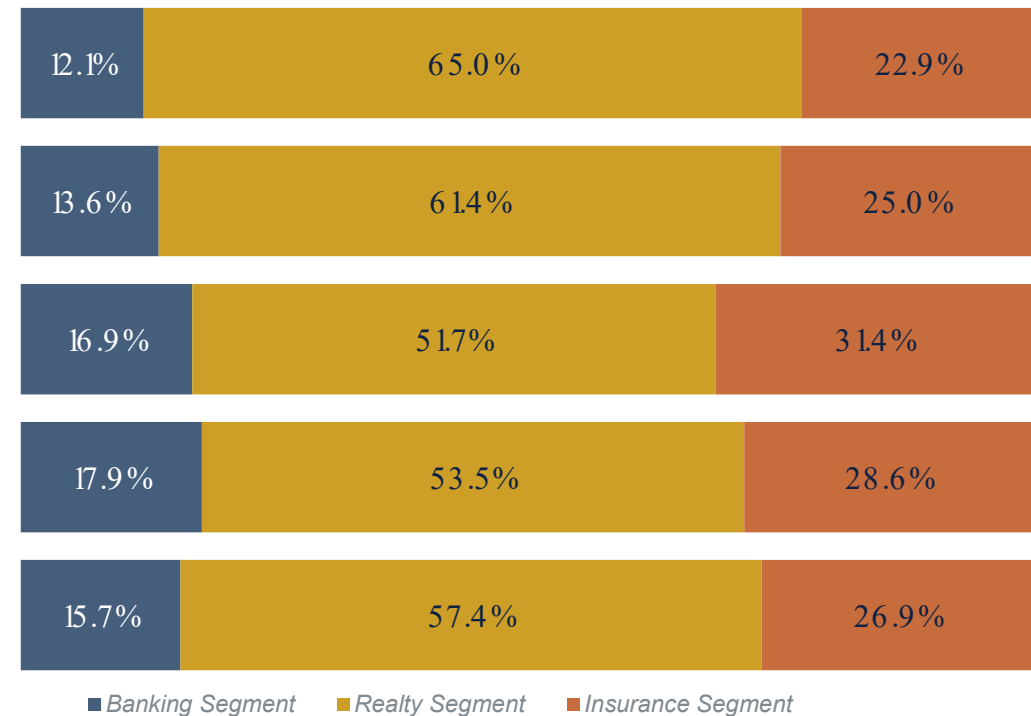
2. Growth for the period June 30, 2019-2020 - Source: FDIC Summary of Deposits

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)

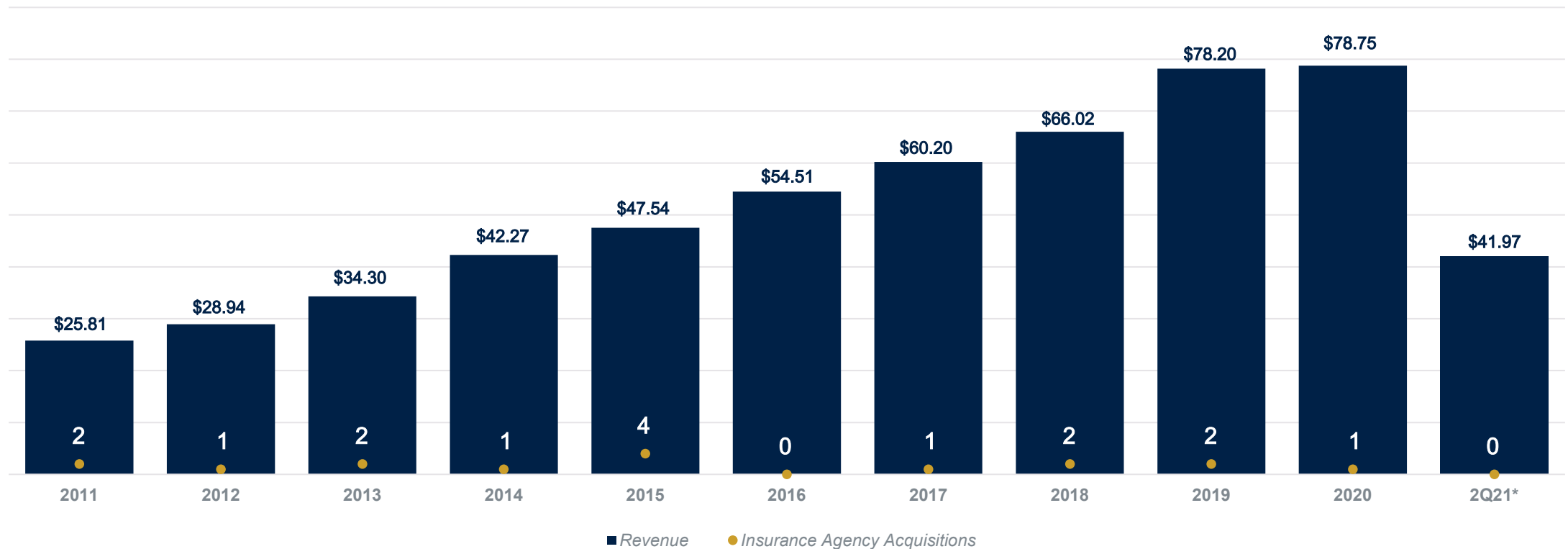
Insurance Revenue

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



**Top 4 in Assets
Under Management**
Towne Investment Group |
Towne Wealth Management*
2020



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



2nd Quarter 2021 Financial Results

Performance Highlights

Dollars in millions, except per share data	QTD					YTD		
	Q2-FY21	Q1-FY21	Q/Q Change	Q2-FY20	Y/Y Change	Q2-FY21	Q2-FY20	Y/Y Change
Net Interest Income	\$ 101.14	\$ 99.99	1.2%	\$ 93.27	8.4%	\$ 201.13	\$ 182.77	10.0%
Noninterest Income	66.18	82.52	(19.8%)	69.38	(4.6%)	148.70	117.58	26.5%
Total Revenue	167.32	182.51	(8.3%)	162.66	2.9%	349.83	300.35	16.5%
Noninterest Expense	105.39	97.33	8.3%	91.02	15.8%	202.72	187.91	7.9%
Net Income Attributable to TowneBank	55.80	69.00	(19.1%)	34.61	61.3%	124.80	60.99	104.6%
Earnings Per Share-Diluted	\$ 0.77	\$ 0.95	(19.2%)	\$ 0.48	60.7%	\$ 1.72	\$ 0.84	104.0%
Dividends Per Share	0.20	0.18	11.1%	0.18	11.1%	0.38	0.36	5.6%
Tangible Book Value per Share	18.70	17.94	4.3%	16.68	12.1%	18.70	16.68	12.1%
Assets	15,804	15,079	4.8%	15,580	1.4%	15,804	15,580	1.4%
Loans	9,424	9,735	(3.2%)	9,802	(3.9%)	9,424	9,802	(3.9%)
Deposits	12,965	12,140	6.8%	11,265	15.1%	12,965	11,265	15.1%
Return on Avg Assets	1.48%	1.92%	(22.9%)	0.97%	53.0%	1.69%	0.93%	82.6%
Return on Avg Tangible Common Equity ¹	17.57%	22.45%	(21.7%)	12.44%	41.2%	19.96%	11.25%	77.5%
Net Interest Margin (TE) ¹	2.94%	3.06%	(3.9%)	2.87%	2.4%	3.00%	3.25%	(7.8%)
Nonperforming Assets / Assets	0.10%	0.11%	(15.9%)	0.19%	(48.7%)	0.10%	0.19%	(48.7%)
Allowance for Credit Losses / Loans	1.15%	1.19%	(3.8%)	0.92%	24.3%	1.15%	0.92%	24.3%
Net Charge-offs / Average Loans	-0.01%	0.03%	(120.4%)	0.00%	35.7%	0.01%	0.01%	10.3%

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



21

consecutive years of
increased earnings

\$124.80M *

Net income in 2Q21 (\$1.72 per share)
vs. \$60.99M in 2Q20 (\$0.84 per
share)

\$349.83M *

Total revenue, an increase of \$49.48M
vs the same period of 2020

1.15%

Total loan losses allowance
(1.22 % excluding PPP loans)

2.94%

Margin included purchase accounting
accretion of 2bp

\$3.06B *

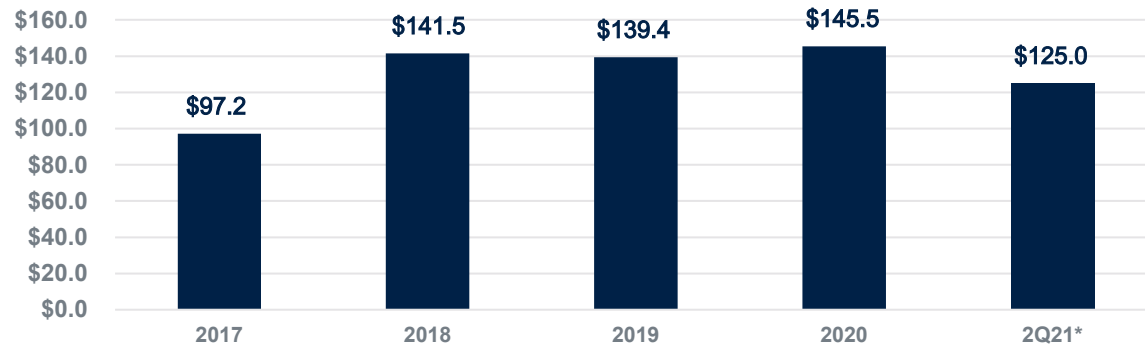
Volumes of strong mortgage
origination

Income Statement Summary

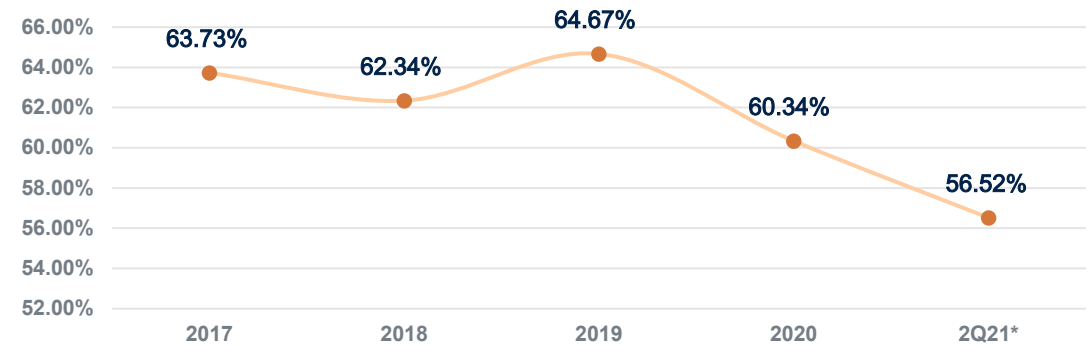
Amounts in millions	QTD					YTD		
	Q2-FY21	Q1-FY21	Q/Q Change	Q2-FY20	Y/Y Change	Q2-FY21	Q2-FY20	Y/Y Change
Interest Income	\$ 111.81	\$ 112.29	(.4%)	\$ 114.55	(2.4%)	\$ 224.11	\$ 228.65	(2.0%)
Interest Expense	10.67	12.30	(13.2%)	21.27	(49.8%)	22.97	45.88	(49.9%)
Net Interest Income	101.14	99.99	1.2%	93.27	8.4%	201.13	182.77	10.0%
Provision for Credit Losses	(10.06)	(4.03)	149.7%	26.94	(137.3%)	(14.08)	33.96	(141.5%)
Net Interest Income after Provision for Credit Losses	111.20	104.02	6.9%	66.33	67.6%	215.22	148.81	44.6%
Noninterest Income	66.18	82.52	(19.8%)	69.38	(4.6%)	148.70	117.58	26.5%
Noninterest Expense	105.39	97.33	8.3%	91.02	15.8%	202.72	187.91	7.9%
Income Before Taxes and Noncontrolling Interests	71.98	89.21	(19.3%)	44.69	61.1%	161.19	78.48	105.4%
Provision for Income Tax Expense	13.98	16.58	(15.7%)	7.46	87.3%	30.56	13.65	123.9%
Minority Interest in Unconsolidated Subs	2.20	3.64	(39.5%)	2.62	(16.0%)	5.83	3.84	52.0%
Net Income Attributable to TowneBank	\$ 55.80	\$ 69.00	(19.1%)	\$ 34.61	61.3%	\$ 124.80	\$ 60.99	104.6%

Financial Performance Trends

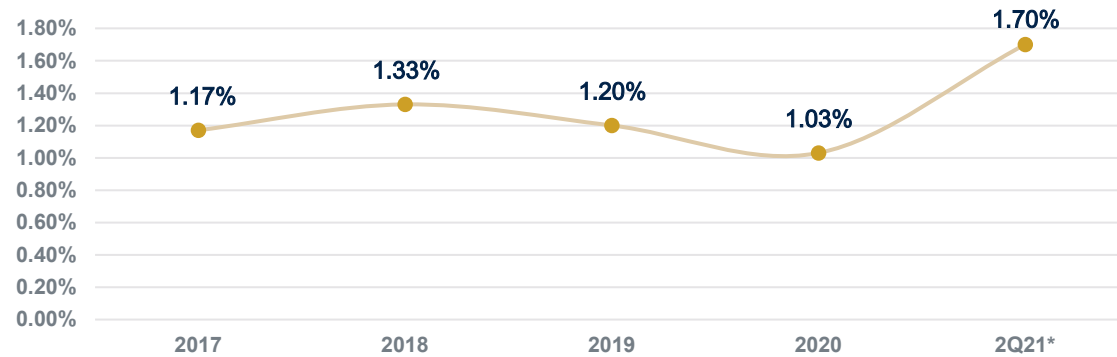
Core Net Income¹ AMOUNTS IN MILLIONS



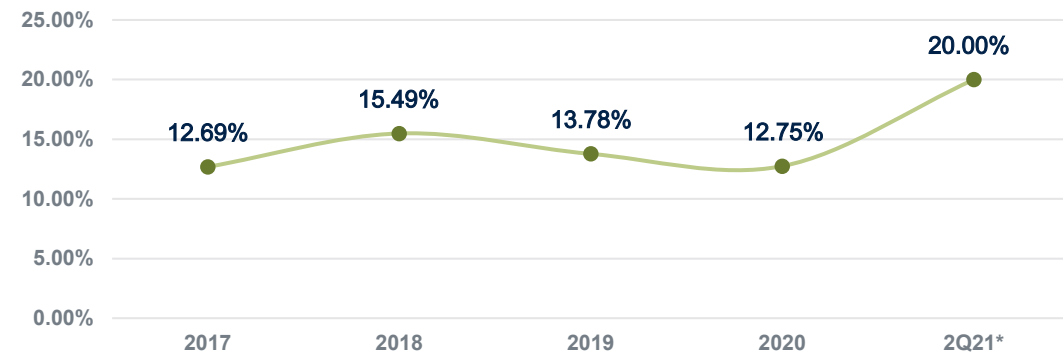
Core Efficiency Ratio¹



Core ROAA¹



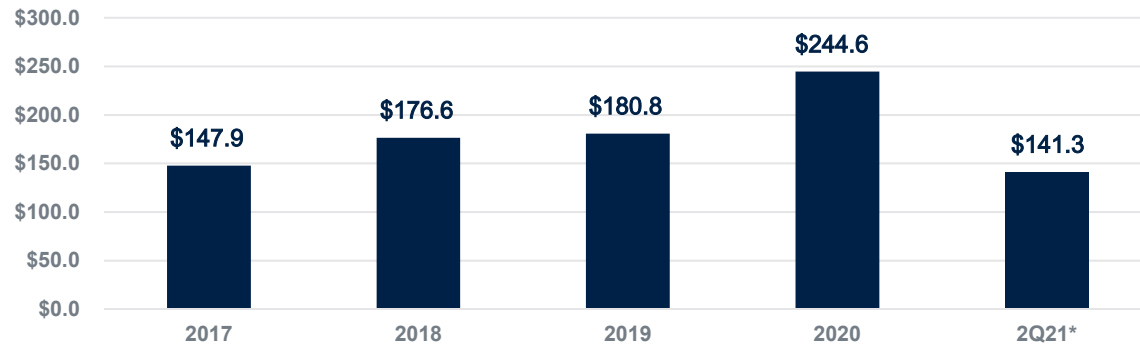
Core ROATCE¹



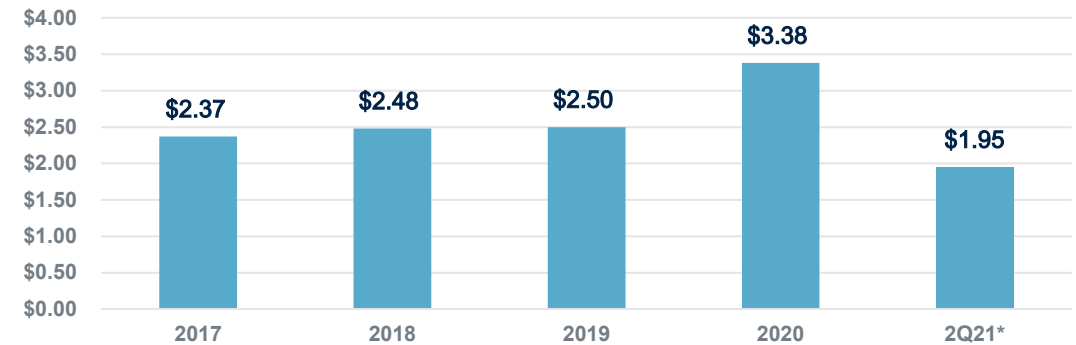
* YTD Results; 1. Non-GAAP financial measures - see non-GAAP reconciliations

Financial Performance Trends

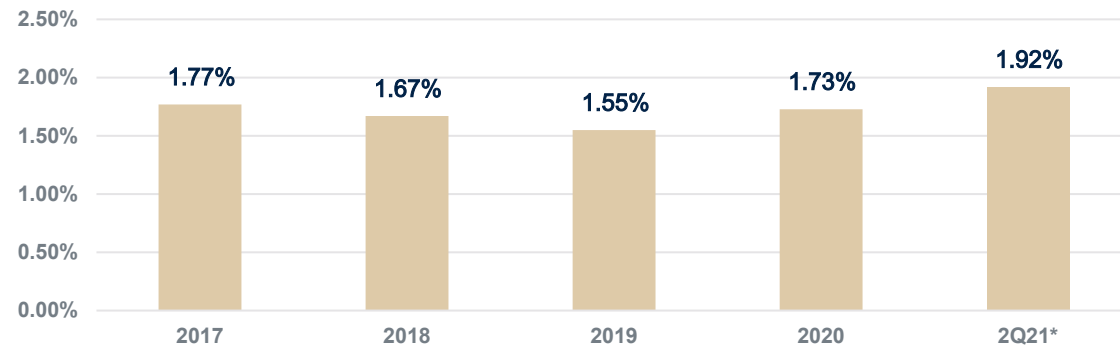
PPNR¹ AMOUNTS IN MILLIONS



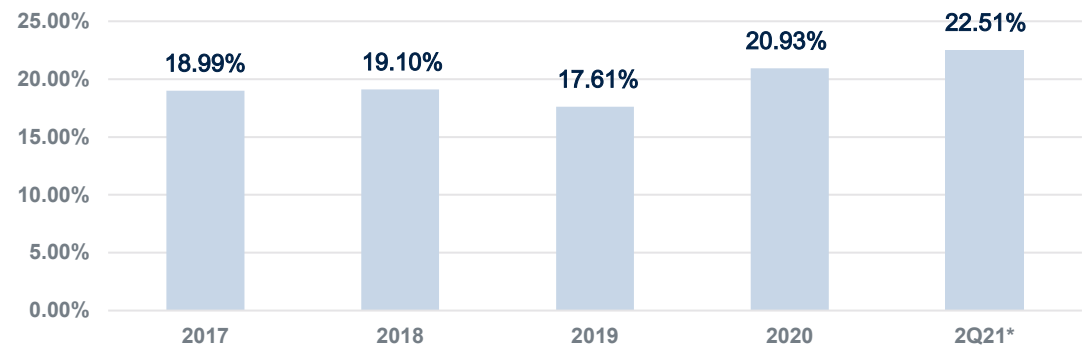
PPNR Earnings Per Share¹



PPNR ROAA¹



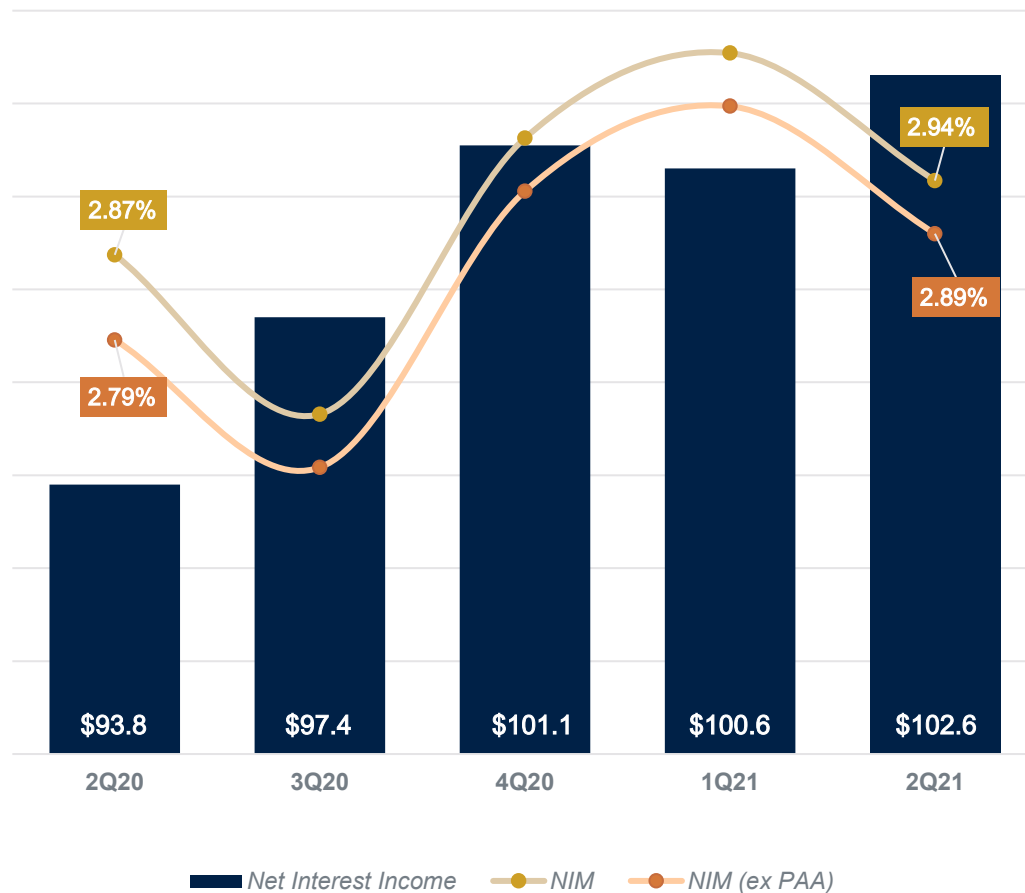
PPNR ROATCE¹



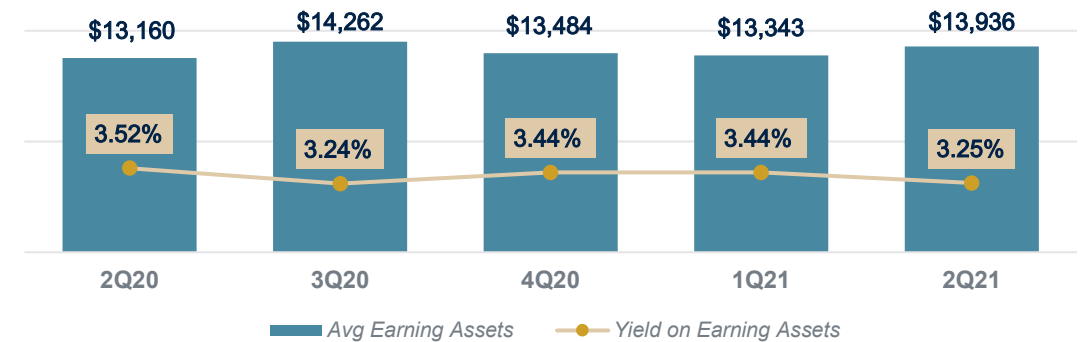
* YTD Results; 1. Non-GAAP financial measures - see non-GAAP reconciliations

Net Interest Income

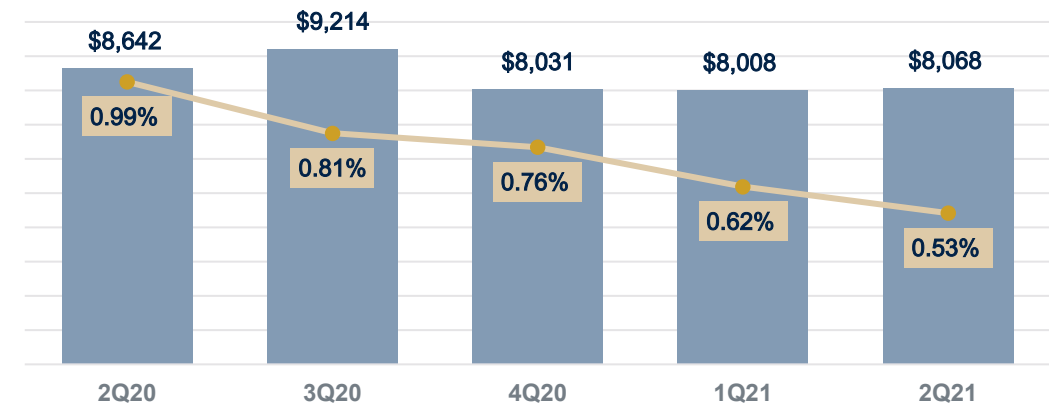
Net Interest Income & NIM (TE)¹ AMOUNTS IN MILLIONS



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



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

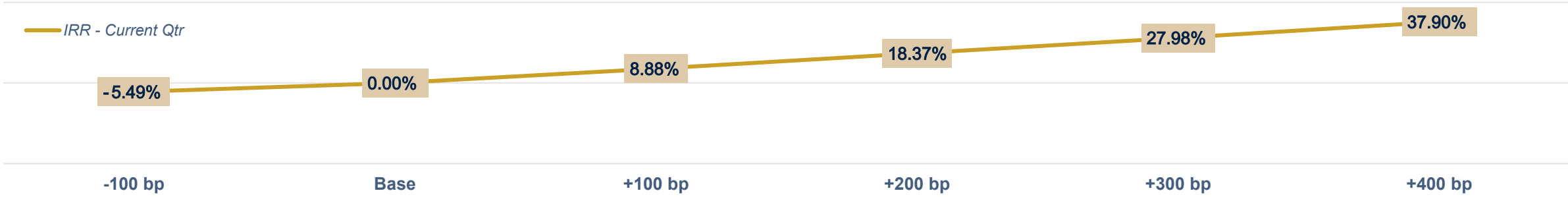


NIM & Net Interest Income Sensitivity

Net Interest NIM (TE)¹



Net Interest Income Sensitivity²

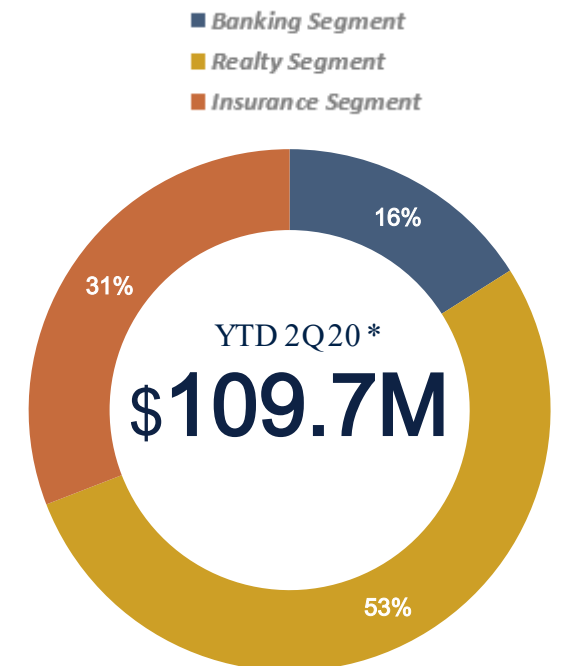
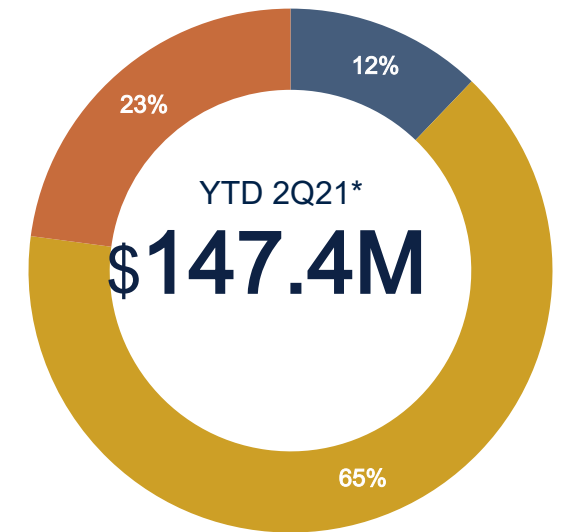


1. Non-GAAP financial measure - see non-GAAP reconciliations
 2. The interest sensitivity chart is a one-year result on net interest income of an instantaneous and permanent rate shock. The results include assumptions about deposit rate changes that may or may not occur.

Noninterest Income

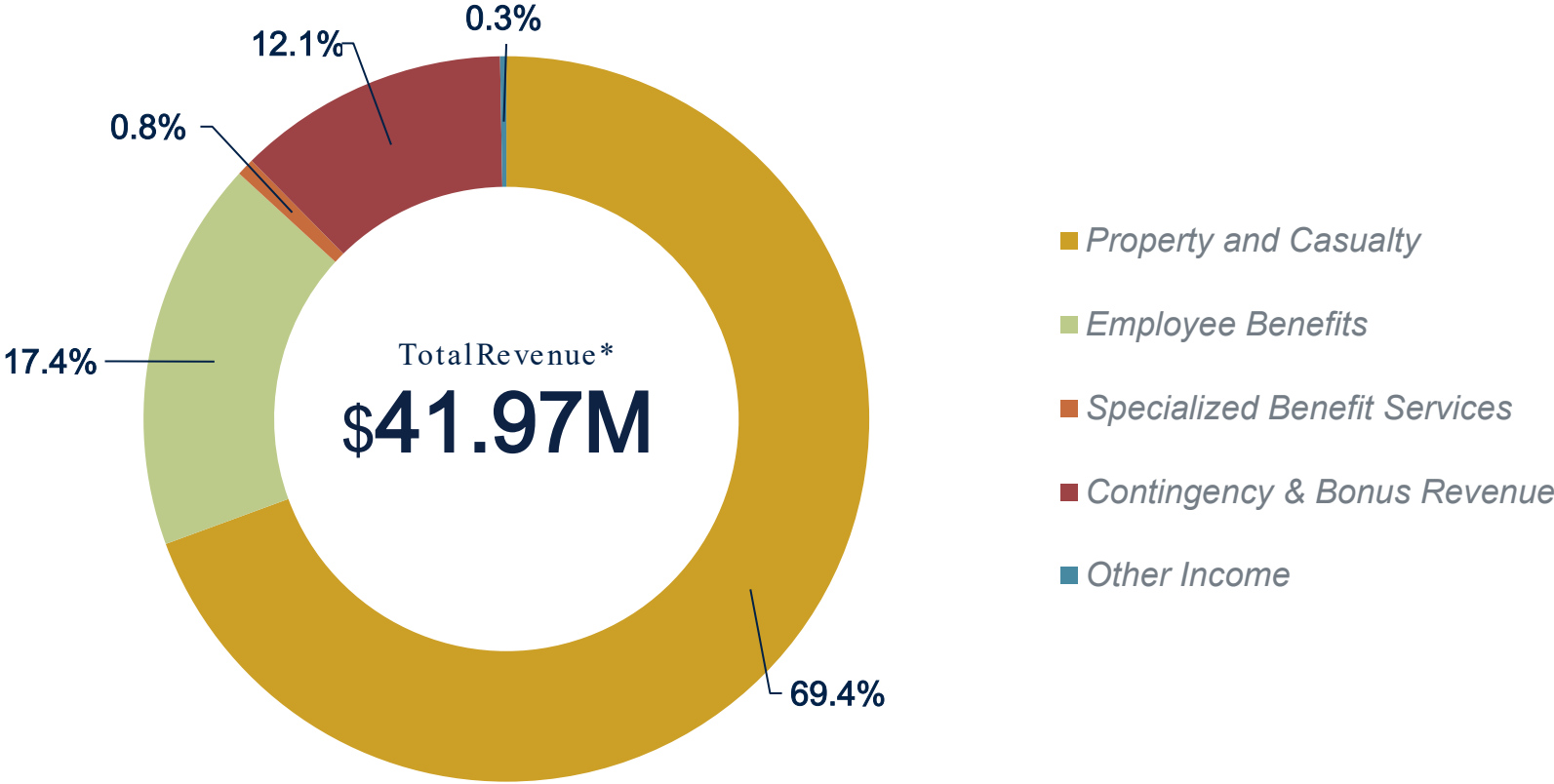
Amounts in millions	QTD					YTD		
	Q2-FY21	Q1-FY21	Q/Q Change	Q2-FY20	Y/Y Change	Q2-FY21	Q2-FY20	Y/Y Change
Residential Mortgage Banking Income Net	\$ 25.52	\$ 37.41	(31.8%)	\$ 29.71	(14.1%)	\$ 62.94	\$ 37.13	69.5%
Insurance Commissions and Other Title Fees and Income, Net	18.33	16.33	12.3%	17.61	4.1%	34.66	34.50	0.4%
Real Estate Brokerage and Property Mgmt Income, Net	10.98	17.93	(38.8%)	10.78	1.9%	28.92	17.72	63.2%
Service Charges on Deposit Accounts	2.39	2.19	9.2%	1.89	26.6%	4.58	4.33	5.8%
Credit Card Merchant Fees, Net	1.67	1.30	28.0%	1.11	50.4%	2.97	2.29	29.8%
Bank-owned Life Insurance	1.54	1.52	1.5%	1.58	(2.7%)	3.06	4.69	(34.8%)
Other Income	5.49	4.84	13.5%	3.76	45.8%	10.32	8.99	14.8%
Gain (Loss) on Investment Securities	0.25	1.00	(74.8%)	2.93	(91.4%)	1.25	7.93	(84.2%)
Noninterest Income	\$ 66.18	\$ 82.52	(19.8%)	\$ 69.38	(4.6%)	\$ 148.70	\$ 117.58	26.5%

* YTD Results; Excludes gain (loss) on investment securities



Insurance Revenue

Insurance Revenue Composition





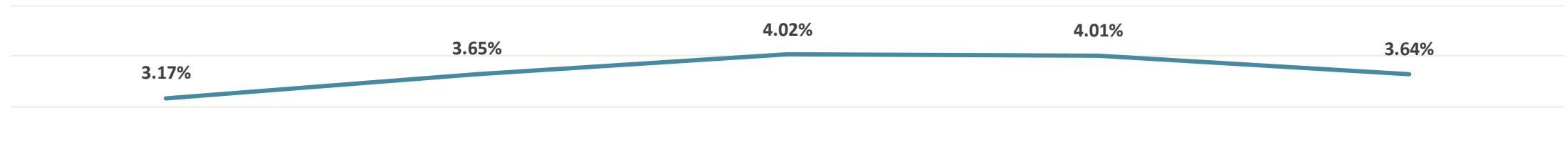
25
insurance acquisitions
since 2001

Continued efforts to
expand in growth
markets

* YTD Results

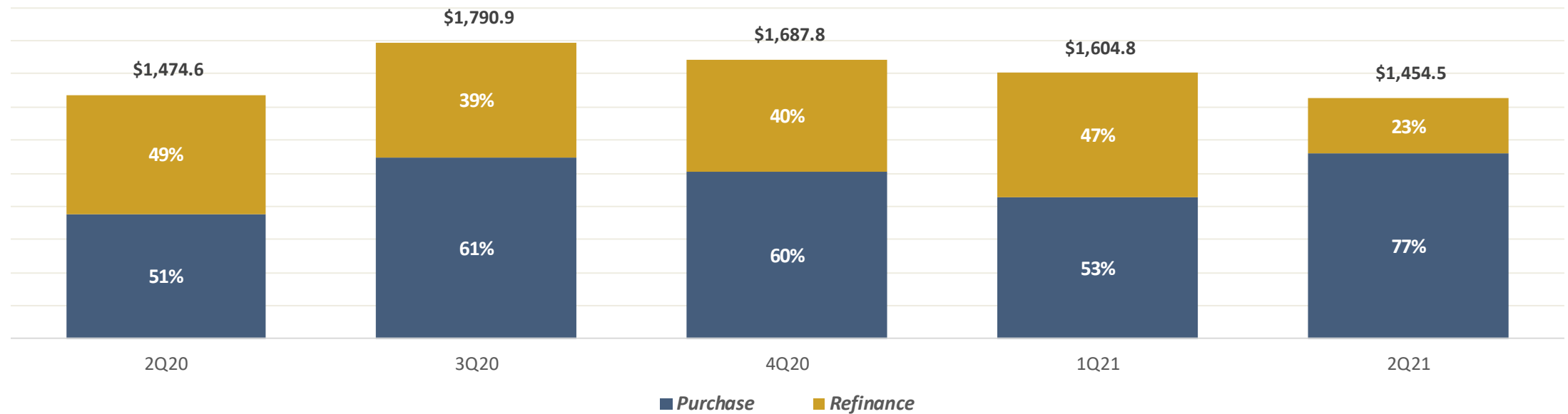
Mortgage Banking

Gain on Sales and Fees as a % of Loans Originated



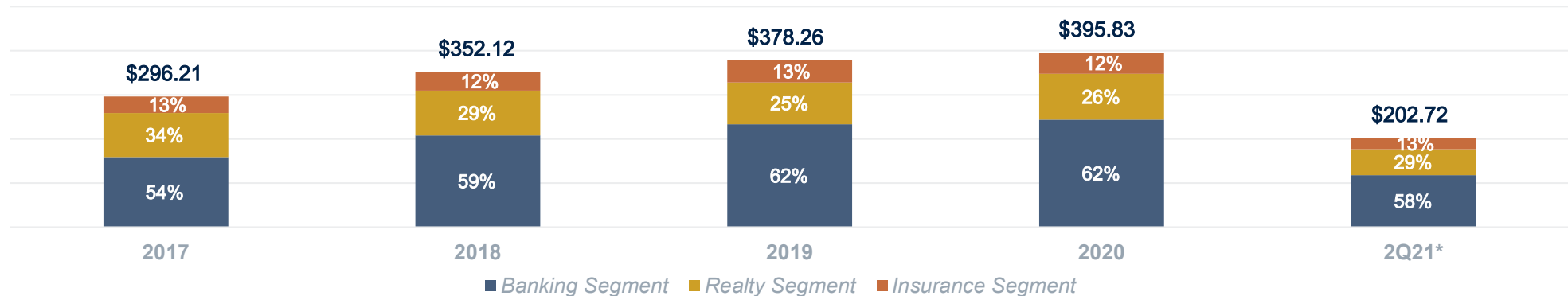
Dollars in millions

Origination Volume

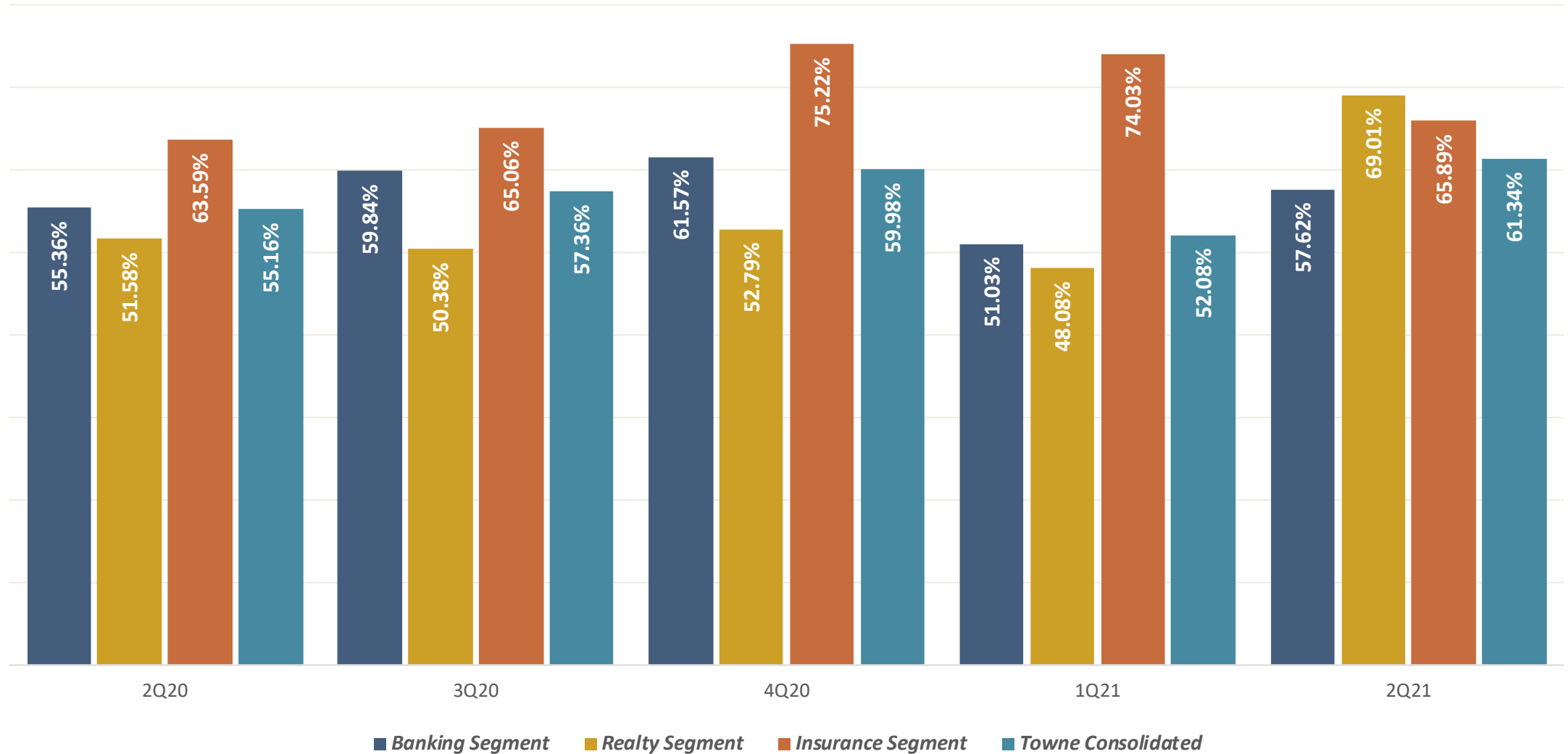


Noninterest Expense

Amounts in millions	QTD					YTD		
	Q2-FY21	Q1-FY21	Q/Q Change	Q2-FY20	Y/Y Change	Q2-FY21	Q2-FY20	Y/Y Change
Employee Compensation	\$ 61.37	\$ 58.44	5.0%	\$ 56.93	7.8%	\$ 119.80	\$ 112.79	6.2%
Occupancy Expense	7.56	8.07	(6.4%)	7.23	4.6%	15.63	14.73	6.1%
Furniture and Equipment	3.62	3.51	3.1%	3.56	1.6%	7.13	7.20	(1.0%)
Software Expense	4.49	4.19	7.1%	3.49	28.7%	8.69	6.98	24.4%
Data Processing	3.41	3.24	5.4%	2.72	25.6%	6.65	5.51	20.7%
Professional Fees	2.26	2.34	(3.4%)	2.97	(24.0%)	4.60	6.04	(23.9%)
Advertising and Marketing	3.26	2.97	9.8%	1.99	64.0%	6.23	5.57	11.8%
Amortization - Intangibles	2.72	2.72	(.2%)	2.90	(6.3%)	5.44	5.85	(7.0%)
Other Expenses	16.71	11.84	41.1%	9.24	80.8%	28.55	23.23	22.9%
Noninterest Expense	\$ 105.39	\$ 97.33	8.3%	\$ 91.02	15.8%	\$ 202.72	\$ 187.91	7.9%



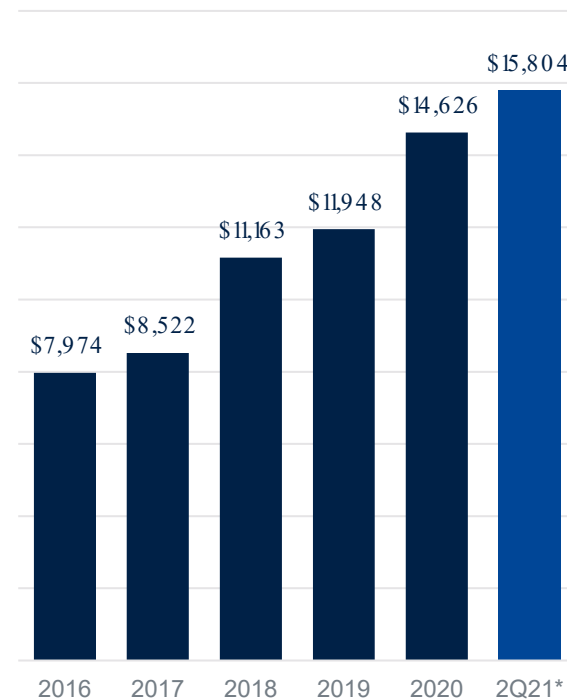
Core Efficiency Ratio¹



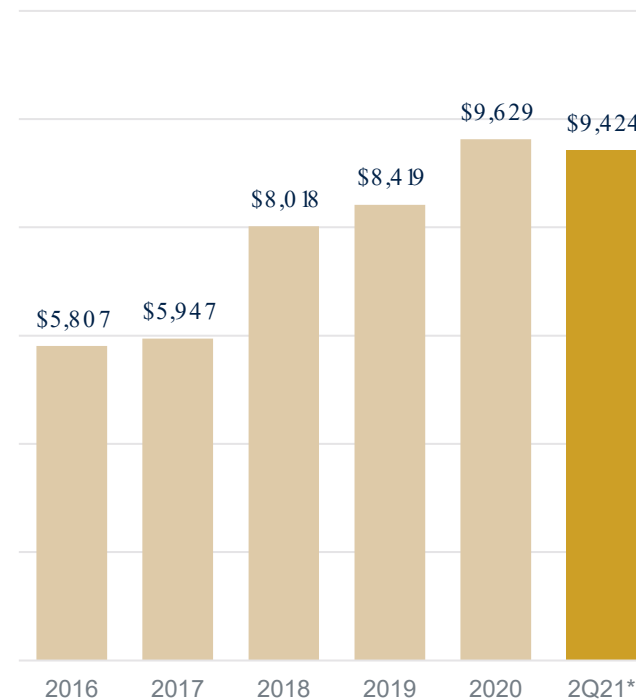
1. Non-GAAP financial measures- see non-GAAP reconciliations

Balance Sheet: Consistency & Stability

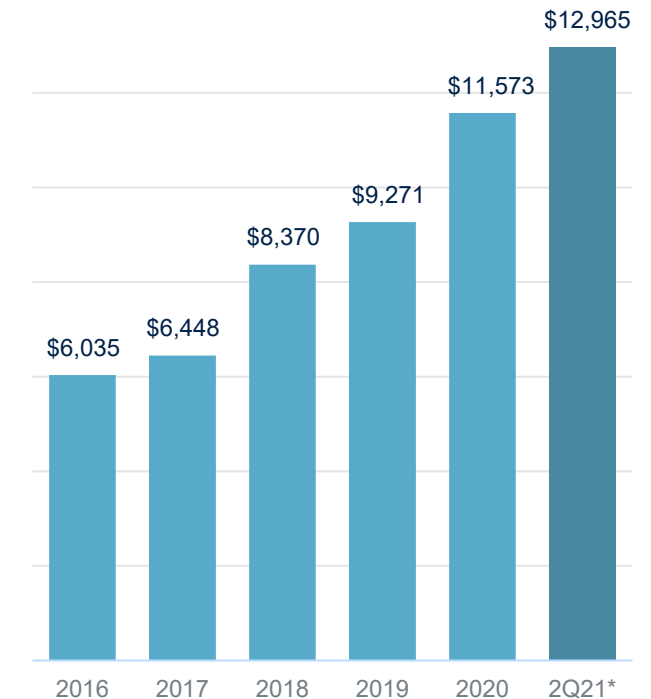
Total Assets AMOUNTS IN MILLIONS



Total Loans AMOUNTS IN MILLIONS



Total Deposits AMOUNTS IN MILLIONS



Balance Sheet Summary

Amounts in millions	Jun-2021	Mar-2021	Q/Q Change	Jun-2020	Y/Y Change
Cash and Cash Equivalents	\$ 3,120	\$ 2,108	48.0%	\$ 2,651	17.7%
Securities	1,493	1,457	2.5%	1,364	9.5%
Loans Held for Sale	554	583	(4.9%)	610	(9.2%)
Loans	9,424	9,735	(3.2%)	9,802	(3.9%)
Allowance for Credit Losses	(108)	(116)	(6.8%)	(90)	19.5%
Net Loans	9,315	9,619	(3.2%)	9,711	(4.1%)
Premises and Equipment Net	266	262	1.5%	258	3.1%
Goodwill	452	452	-	447	1.3%
Intangible Assets	42	45	(5.7%)	49	(13.1%)
Bank-owned Life Insurance	249	248	.6%	242	2.8%
Other Assets	311	306	1.6%	248	25.5%
Assets	15,804	15,079	4.8%	15,580	1.4%
Noninterest Bearing Deposits	5,243	4,841	8.3%	4,226	24.1%
Interest Bearing Deposits	7,722	7,299	5.8%	7,039	9.7%
Deposits	12,965	12,140	6.8%	11,265	15.1%
Borrowings	590	757	(22.0%)	2,327	(74.6%)
Other Liabilities	379	367	3.4%	266	42.4%
Liabilities	13,934	13,263	5.1%	13,859	.5%
Shareholders' Equity	1,854	1,800	3.0%	1,708	8.6%
Noncontrolling Interest	16	16	(.5%)	14	14.8%
Equity	1,870	1,816	2.9%	1,722	8.6%
Liabilities and Equities	\$ 15,804	\$ 15,079	4.8%	\$ 15,580	1.4%



\$15,804M

Total Assets

\$186.81M

2.1% y/y loan growth excluding SBA PPP

24.1%

y/y noninterest bearing deposit growth

40.44%

Noninterest bearing deposits % of total deposits

4.3 years

Avg duration of securities portfolio

Current Expected Credit Loss (CECL)

Allowance for Credit Losses AMOUNTS IN MILLIONS



- Q2 2021 provision benefit for on-balance sheet loan losses of \$8.08 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

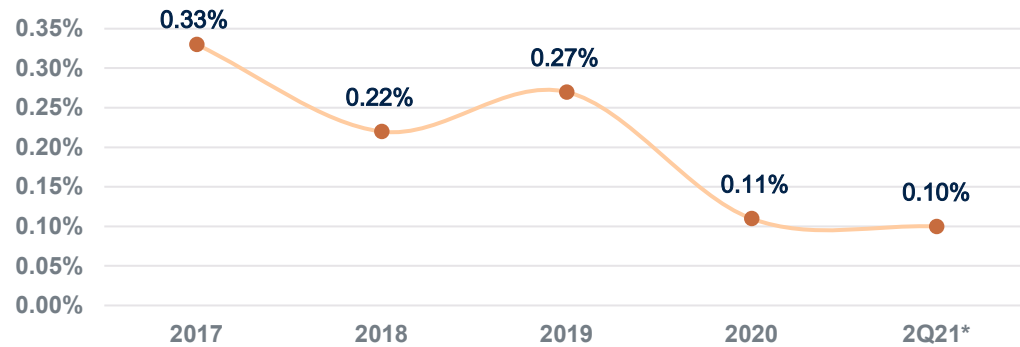
4 Quarter reversion period with a blended transition approach

KEY MACROECONOMIC VARIABLES

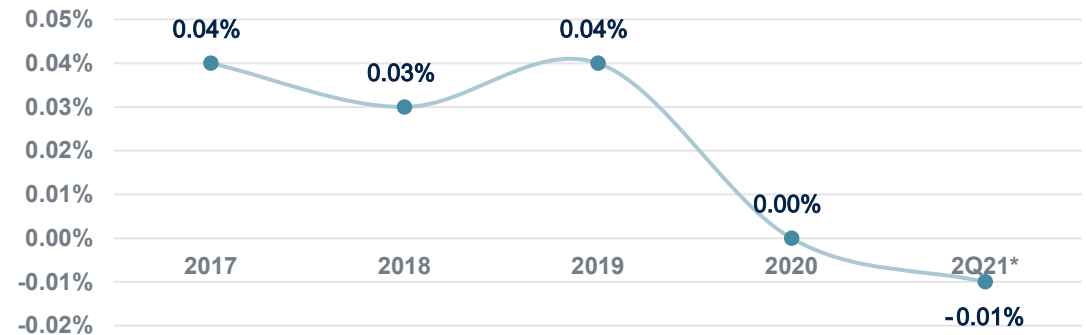
Price Indices
GDP
Interest Rates
Disposable Income

Asset Quality & Credit Focus

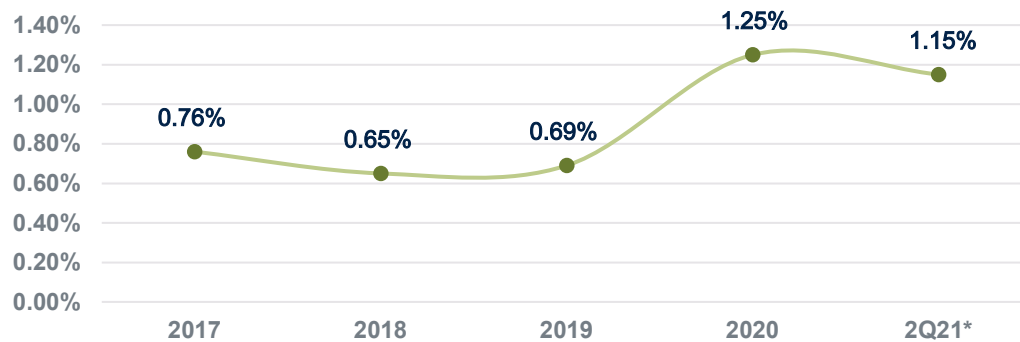
NPA¹/ Assets



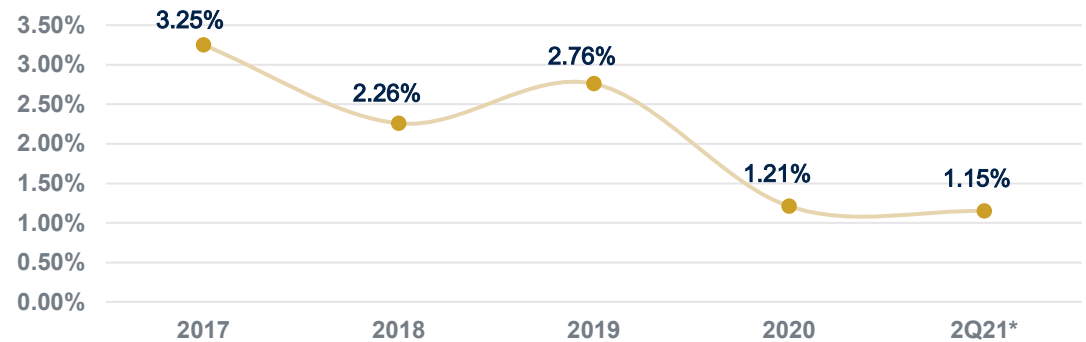
NCOs / Average Loans



Reserves / Loans



Texas Ratio²



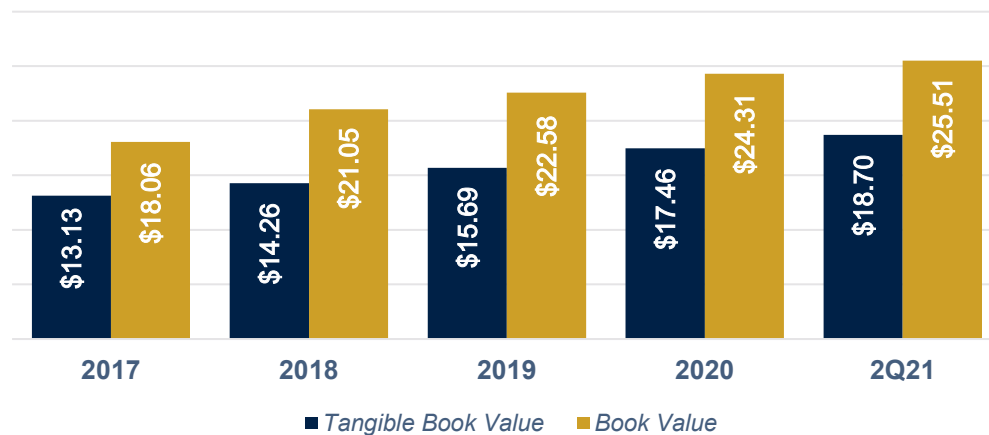
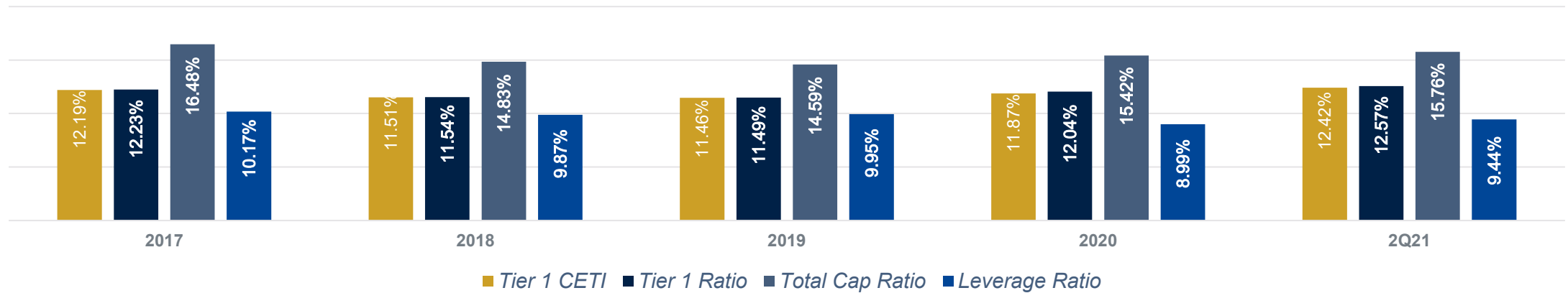
* YTD Results

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.

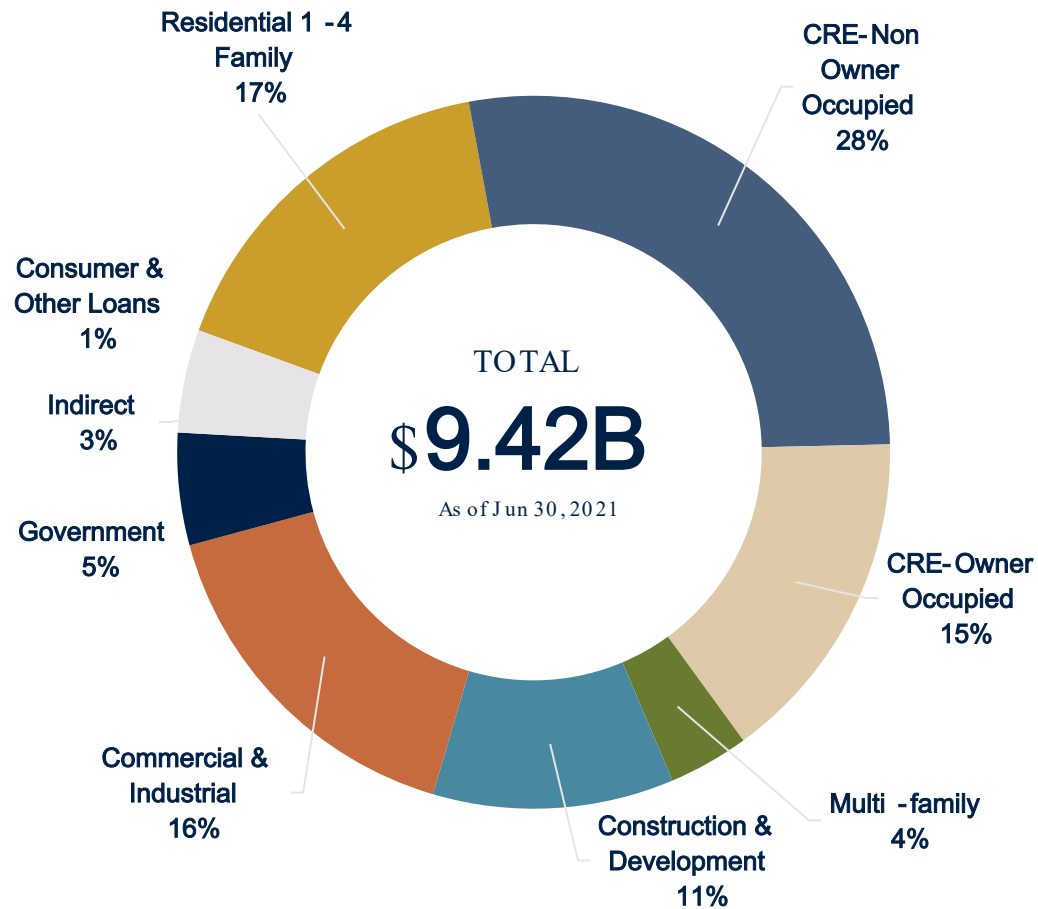
Capital

Risk Based Capital Ratios



Liquidity Sources (in millions)		Jun 30, 2021
Available Liquid Funds:		
Cash and cash equivalents		\$ 3,120
Unencumbered investment securities		986
Availability of Borrowings:		
Amount available from FHLB		1,572
Amount available from unsecured lines of credit with correspondent banks		155
Amount available from Federal Reserve discount window		394
Amount available from Federal Reserve PPP liquidity window		539

Total Loan Portfolio



Portfolio Highlights

+2.89%

YTD annualized growth in loans
excluding SBAPPP

0.10%

NPA's/ Assets

-0.01%

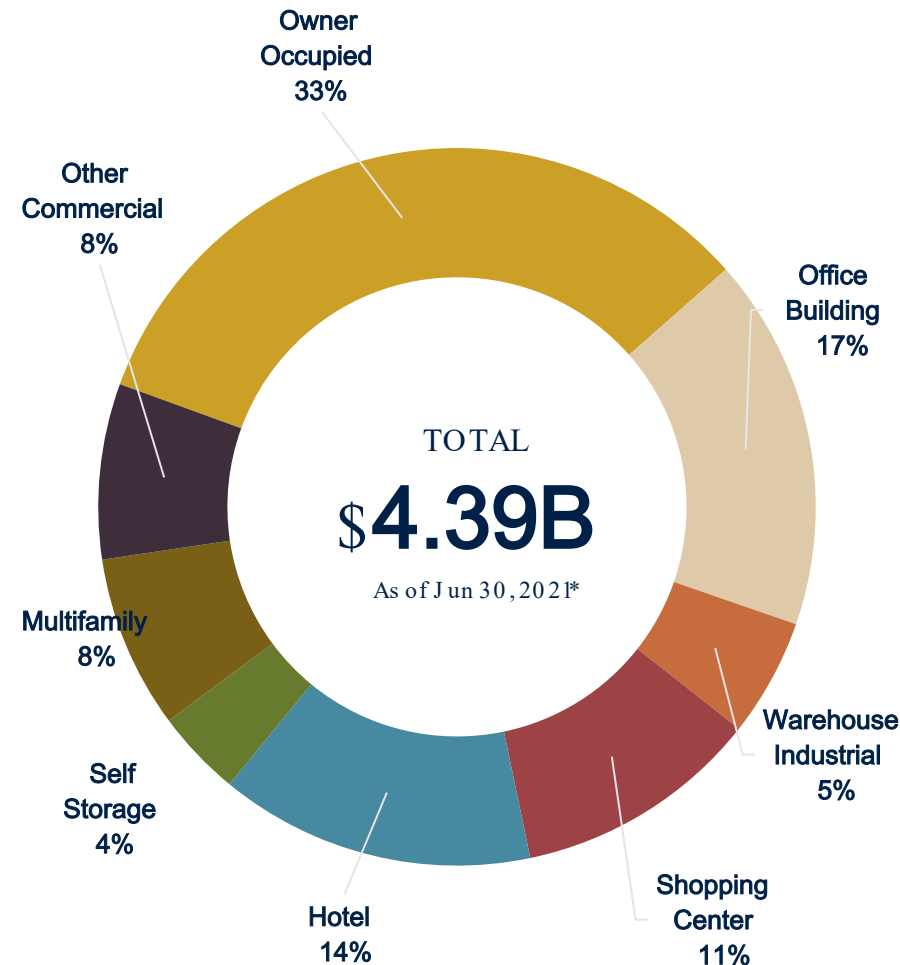
NCOs/ Average Loans

9.67x

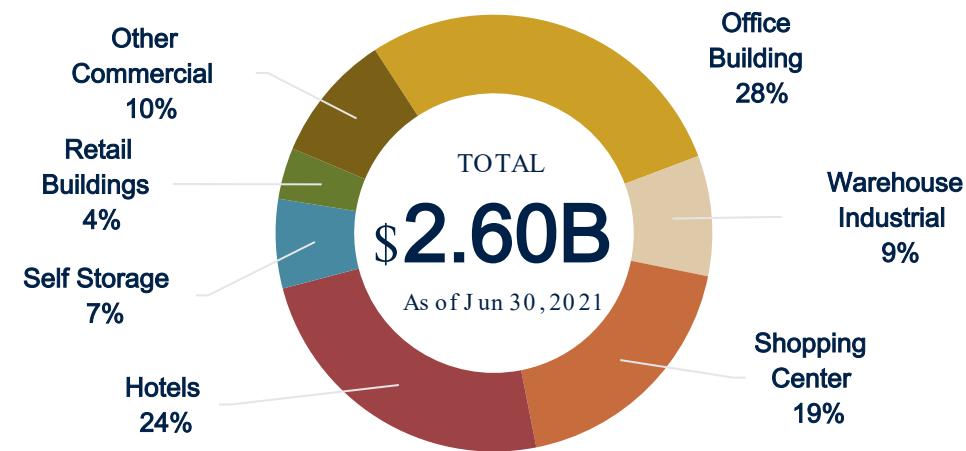
Allowance to NPLs

Variable Rate Portfolio (\$ in 000's)	Outstanding Balance	% of Total Balance
No Floor	\$ 854	32.16%
Floor Reached	\$ 1,264	47.63%
0-25 bps to Reach Floor	\$ 504	18.97%
26-50 bps to Reach Floor	\$ 10	0.36%
51-75 bps to Reach Floor	\$ 9	0.34%
76-100 bps to Reach Floor	\$ -	0.01%
101+ bps to Reach Floor	\$ 14	0.52%
TOTAL	\$ 2,678	100.00%

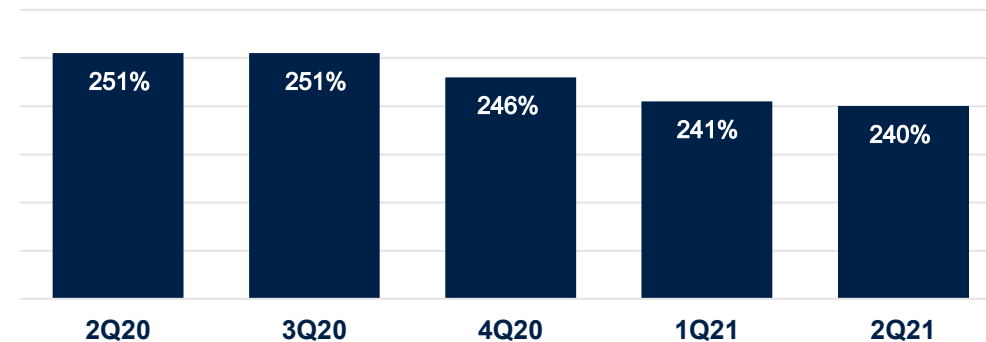
Commercial Real Estate Overview



Non-Owner Occupied Commercial Real Estate

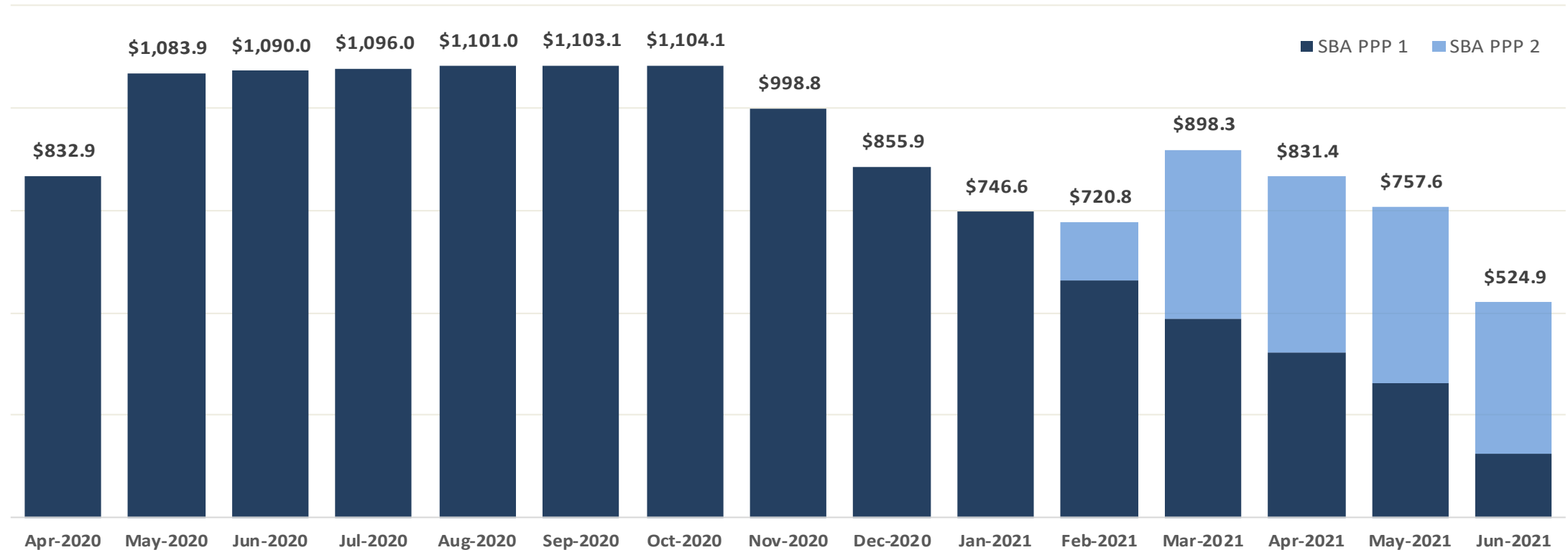


CRE / Total Risk Based Capital



SBA PPP Loans

SBA PPP Loan Balances AMOUNTS IN MILLIONS





Non-GAAP Reconciliations

Non-GAAP Reconciliations

Core Net Income and Related Metrics

Amounts in millions	YTD	Year			
	Q2-FY21	FY2020	FY2019	FY2018	FY2017
Net Income Attributable to TowneBank	\$ 124.80	\$ 145.53	\$ 138.78	\$ 133.79	\$ 87.66
Adjustments					
Acquisition Related Expenses	0.25	(0.07)	0.66	8.43	2.27
Other Adjustments	-	-	-	-	(3.89)
Income Tax Adjustments	(0.01)	-	(0.08)	(0.72)	11.14
Core Net Income	\$ 125.04	\$ 145.47	\$ 139.36	\$ 141.50	\$ 97.18
Avg Assets	\$ 14,869.68	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75	\$ 8,335.00
Return on Avg Assets	1.69%	1.03%	1.19%	1.26%	1.05%
Core Return on Avg Assets	1.70%	1.03%	1.20%	1.33%	1.17%
Avg Common Shares Outstanding-Diluted (YTD)	72.53	72.35	72.19	71.29	62.39
Earnings Per Share-Diluted	\$ 1.72	\$ 2.01	\$ 1.92	\$ 1.88	\$ 1.41
Core Earnings Per Share-Diluted	\$ 1.72	\$ 2.01	\$ 1.93	\$ 1.98	\$ 1.56
Avg Tangible Common Equity	\$ 1,304.08	\$ 1,211.93	\$ 1,082.13	\$ 972.82	\$ 804.88
Intangible Amort Net of Tax	4.30	9.08	9.77	9.24	4.98
Return on Avg Tangible Common Equity	19.96%	12.76%	13.73%	14.70%	11.51%
Core Return on Avg Tangible Common Equity	20.00%	12.75%	13.78%	15.49%	12.69%

Non-GAAP Reconciliations

Pre-tax Pre-provision Net Revenue (PPNR)

Amounts in millions	YTD	Year			
	Q2-FY21	FY2020	FY2019	FY2018	FY2017
Net Income Attributable to TowneBank	\$ 124.80	\$ 145.53	\$ 138.78	\$ 133.79	\$ 87.66
Provision for Credit Losses	(14.08)	67.18	9.37	8.54	5.43
Provision for Income Tax Expense	30.56	31.90	32.60	34.23	54.81
Pre-tax Pre-Provision Net Revenue (PPNR)	\$ 141.28	\$ 244.61	\$ 180.75	\$ 176.56	\$ 147.90
Avg Assets	\$ 14,869.68	\$ 14,172.21	\$ 11,638.43	\$ 10,594.75	\$ 8,335.00
PPNR Return on Avg Assets	1.92%	1.73%	1.55%	1.67%	1.77%
Avg Common Shares Outstanding-Diluted (YTD)	72.53	72.35	72.19	71.29	62.39
Core Earnings Per Share-Diluted	\$ 1.95	\$ 3.38	\$ 2.50	\$ 2.48	\$ 2.37
Avg Tangible Common Equity	\$ 1,304.08	\$ 1,211.93	\$ 1,082.13	\$ 972.82	\$ 804.88
Intangible Amort Net of Tax	4.30	9.08	9.77	9.24	4.98
Core Return on Avg Tangible Common Equity	22.51%	20.93%	17.61%	19.10%	18.99%

Non-GAAP Reconciliations

Core Efficiency Ratio – TowneBank Consolidated

Amounts in millions	YTD	Year			
	Q2-FY21	FY2020	FY2019	FY2018	FY2017
Total Revenue	\$ 349.83	\$ 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 on Sale of Red Sky Travel Insurance	(0.03)	17.63	-	0.14	0.01
Adjusted Total Revenue	348.61	637.08	564.79	532.52	449.23
Noninterest Expense	202.72	395.83	378.30	352.12	296.21
Less: Intangible Amortization	5.44	11.50	12.37	11.71	7.66
Less: Acquisition Related Expenses	0.25	(0.07)	0.66	8.43	2.27
Adjusted Noninterest Expense	\$ 197.02	\$ 384.40	\$ 365.27	\$ 331.99	\$ 286.29
Efficiency Ratio	56.59%	60.33%	64.79%	63.93%	64.23%
Core Efficiency Ratio	56.52%	60.34%	64.67%	62.34%	63.73%

Non-GAAP Reconciliations

Core Efficiency Ratio – Segments

Amounts in millions	Q2-FY21			Q1-FY21			Q4-FY20			Q3-FY20			Q2-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	\$ 107.85	\$ 41.68	\$ 17.80	\$ 107.07	\$ 59.48	\$ 15.96	\$ 106.48	\$ 51.96	\$ 13.41	\$ 102.94	\$ 54.58	\$ 34.62	\$ 99.48	\$ 45.95	\$ 17.22
Less: Gain (Loss) on Securities Investment	0.25	-	-	1.00	-	-	0.00	-	-	1.70	-	-	2.93	-	-
Less: Gain on Sale of Red Sky Travel Insurance	-	-	-	-	-	-	-	-	-	-	-	17.63	-	-	-
Adjusted Total Revenue	107.60	41.68	17.80	106.07	59.48	15.96	106.48	51.96	13.41	101.24	54.58	16.99	96.55	45.95	17.22
Noninterest Expense	62.91	29.58	12.91	55.09	29.19	13.05	66.57	28.09	11.28	61.64	28.15	12.18	54.57	24.38	12.08
Less: Intangible Amortization	0.91	0.59	1.22	0.96	0.59	1.17	1.01	0.66	1.13	1.06	0.66	1.13	1.11	0.66	1.13
Less: Acquisition Related Expenses	-	0.23	(0.03)	-	-	0.06	-	-	0.07	-	-	-	-	0.02	-
Adjusted Noninterest Expense	\$ 62.00	\$ 28.76	\$ 11.73	\$ 54.12	\$ 28.60	\$ 11.82	\$ 65.56	\$ 27.43	\$ 10.08	\$ 60.58	\$ 27.50	\$ 11.05	\$ 53.45	\$ 23.70	\$ 10.95
Efficiency Ratio	57.62%	69.55%	65.70%	51.01%	48.08%	74.42%	61.57%	52.79%	75.71%	59.84%	50.38%	65.05%	55.36%	51.61%	63.59%
Core Efficiency Ratio	57.62%	69.01%	65.89%	51.03%	48.08%	74.03%	61.57%	52.79%	75.22%	59.84%	50.38%	65.05%	55.36%	51.58%	63.59%

Non-GAAP Reconciliations

Net Interest Margin – Tax Equivalent (TE) Basis AMOUNTS IN MILLIONS

Amounts in millions	QTD					YTD	
	Q2-FY21	Q1-FY21	FY2018	Q3-FY20	Q2-FY20	Q2-FY21	Q2-FY21
Net Interest Income	\$ 101.14	\$ 99.99	\$ 100.61	\$ 96.76	\$ 93.27	\$ 201.13	\$ 182.77
Tax-Equivalent Adjustment	0.92	0.59	0.52	0.60	0.56	1.51	1.18
Net Interest Income Tax-Equivalent	\$ 102.06	\$ 100.58	\$ 101.13	\$ 97.36	\$ 93.83	\$ 202.64	\$ 183.95
Net Interest Margin	2.91%	3.04%	2.97%	2.70%	2.85%	2.98%	3.23%
Net Interest Margin (TE)	2.94%	3.06%	2.98%	2.72%	2.87%	3.00%	3.25%

Non-GAAP Reconciliations

Tangible Book Value AMOUNTS IN MILLIONS EXCEPT PER SHARE DATA

Amounts in millions	Jun-2021	Mar-2021	Dec-2020	Dec-2019	Dec-2018	Dec-2017
Shareholders' Equity (Common)	\$ 1,853.84	\$ 1,800.21	\$ 1,766.85	\$ 1,640.75	\$ 1,525.53	\$ 1,131.24
Goodwill	452.33	452.33	452.33	446.82	433.66	270.25
Intangible Assets	42.27	44.81	45.53	54.40	58.75	38.57
Tangible Common Equity	\$ 1,359.25	\$ 1,303.08	\$ 1,268.99	\$ 1,139.54	\$ 1,033.12	\$ 822.42
Common Shares Outstanding	72.67	72.65	72.67	72.65	72.47	62.63
Tangible Book Value	\$ 18.70	\$ 17.94	\$ 17.46	\$ 15.69	\$ 14.26	\$ 13.13

