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## Suncrest Bank Reports Second Quarter Earnings. Annualized loan growth of 8.4%

SACRAMENTO, Calif. and VISALIA, Calif. Suncrest Bank (OTCQX: SBKK) today reported unaudited financial results for the second quarter of 2019.

“This quarter saw annualized loan growth of 8.4% and annualized non-maturity deposit growth of 9.2% while our lower cost funding position remained strong with an average loan to deposit ratio of approximately 81.5%,” said Mr. Ciaran McMullan, President and CEO of Suncrest Bank. “Earnings remained consistent with Q1 as increased interest income offset one-time, elevated credit charges.”

### Second Quarter 2019 Highlights

- Total loan growth of \$13.1 million or 2.1% over the linked quarter
- New loan originations<sup>1</sup> of \$30.6 million
- Total deposits increased by \$7.6 million or 1.0% over the linked quarter
- Non-maturity deposits<sup>2</sup> increased by \$15.7 million or 2.3% over the linked quarter
- Net interest margin of 4.60%
- Efficiency ratio of 52.96%
- Return on average equity of 8.07%
- Total risk-based capital ratio increased to 14.05% and Tier 1 leverage ratio increased to 10.91%
- Named in DepositsAccounts.com Top 200 Healthiest Banks for second year in a row

### Income Statement

Net income declined slightly by approximately \$170,000 or 5.67% over the linked quarter. This decline was mainly driven by an increase of \$600,000 in our provision for loan losses related to the downgrade of a lending relationship brought about by borrower fraud which is discussed further in the Asset Quality section below. This elevated provision expense was offset by an increase in net interest income of \$421,000 or 4.5% due to improved returns on our investment securities and approximately \$643,000 in income resulting from the accelerated accretion of fair value marks on several acquired loans that paid off during the quarter. Net income increased over the same quarter in 2018 by \$1.41 million or 100.1% primarily due to heightened non-recurring costs in Q2 2018 related to our merger with Community Business Bank in May 2018.

Period	Net Income	Non-recurring Income		Non-recurring costs	Core Net Interest Income <sup>5</sup>	Core Net Income <sup>5</sup>	Core NIM <sup>5</sup>	Core Diluted EPS <sup>5</sup>
		Interest recoveries <sup>3</sup>	Income from accretion <sup>4</sup>					
Q2 2019	\$ 2,818,869	\$ 9,338	\$ 642,538	\$ -	\$ 9,126,198	\$ 2,358,869	4.29%	\$ 0.19
Q1 2019	\$ 2,988,386	\$ 6,545	\$ 36,967	\$ -	\$ 9,313,740	\$ 2,957,386	4.56%	\$ 0.24
Q2 2018	\$ 1,408,508	\$ -	\$ 80,207	\$ 1,446,000	\$ 7,036,864	\$ 2,394,508	4.36%	\$ 0.28

Core net interest income, which conservatively excludes interest recoveries and income from acquired loan mark accretion, was moderately lower than the linked quarter by \$188,000 or 2.0% caused primarily by an increase in interest expense of \$172,000.

<sup>1</sup> Includes unfunded commitments

<sup>2</sup> Includes Noninterest-bearing Demand, Savings, NOW and Money Market Accounts

<sup>3</sup> Represents interest recoveries on non-accrual loans

<sup>4</sup> Represents accretion of acquired loan fair value marks

<sup>5</sup> Excludes non-recurring income, income from accretion of fair value marks and non-recurring costs, non-GAAP financial measure

Core net interest margin (“NIM”), was 4.29% for the quarter, a decrease of 7 basis points (“bps”) from the same quarter last year due primarily to an increase in overall cost of funds due to the merger, partially offset by an increase in yields on investments. Core NIM declined over the linked quarter by 27 bps due to a combination of factors; an increase in our cost of funds by 7 bps, a decline in average portfolio core loan yield of 17 bps, and increased amortization of deferred loan costs. Approximately 7 bps of loan yield decline was driven by the increase in non-accrual loans and reduced prepayment fee income. The remainder is explained by payoffs within our commercial & industrial (“C&I”) portfolio together with several larger construction loans refinancing into lower rate term structures.

Non-interest income for the quarter did not include any income on gain on sale of loans and was steady over the linked quarter showing a slight increase of \$15,000.

Total non-interest expenses declined over the linked quarter by \$19,000 or 0.3%. Salaries and employee benefit expense declined by \$174,000 or 5.8% while other expenses increased by 150,000 or 8.0%. The increase in other expenses was driven mainly by an increase in professional services costs.

## **Balance Sheet**

The acquisition of the \$320 million Community Business Bank will affect the comparability of balance sheet information for the quarter versus the same quarter of 2018.

Total assets at June 30, 2019 were \$943.7 million representing an increase of \$12.5 million or 1.34% during the quarter. The increase was primarily the result of an increase in loans.

Total loans at June 30, 2019 were \$649.0 million, an increase of \$13.1 million or 2.1% over the linked quarter. Total loans secured by real estate increased by \$16.0 million or 3.1 % with the largest increases being in farmland and non-owner occupied real estate which increased by \$10.8 million and \$16.4 million respectively. Our C&I portfolio declined by \$7.5 million or 11.2% due to payoffs, and our construction portfolio declined by \$9.9 million or 21.6% as several projects were completed and refinanced into real estate term loans. Agricultural production loans increased as expected in advance of the upcoming growing season.

### *Agricultural Loan Portfolio*

Suncrest’s agricultural loan portfolio is highly diversified providing financing to farmers, ranchers and agribusinesses across approximately 20 different crop types including citrus, nuts, wine grapes, table grapes, tree fruit, tomatoes, rice and others. Each of these sectors are exposed to different local and international markets and are not currently significantly impacted by ongoing international tariff issues. “Credit quality in our farmland and agricultural production portfolio remains strong and reflects the diversified nature and financial strength of the agriculture sector in California,” said Mr. Peter Nutz, Chief Credit Officer.

Total deposits at June 30, 2019 were \$793.4 million, an increase of \$7.6 million or 0.97% over the linked quarter due to an increase in total non-maturity deposits of \$15.7 million and a decrease in time deposits of \$8.1 million. Total Noninterest-bearing demand<sup>6</sup> deposits declined by \$5.2 million or 1.8% over the linked quarter which we attribute partially to tax liability related payments but also the movement of funds into interest bearing products.

## **Asset Quality**

Non-performing assets were \$7.6 million or 0.81% of total assets at June 30, 2019 compared to \$1.3 million or 0.14% at March 31, 2019. This increase was driven by a lending relationship of approximately \$6.74 million being placed on non-accrual status during the quarter.

The relationship is made up of several loans which have been cross collateralized using a combination of owner occupied and non-owner occupied real estate, farmland and other non-real estate business assets. We took the

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<sup>6</sup> Including reclassified demand deposits. On a quarterly basis the bank reclassifies a portion it’s non-interest bearing demand deposits in order to reduce its reserve requirements with the Federal Reserve.

decision to downgrade the entire relationship due to; (1) the discovery that the primary borrower had provided falsified financial information which substantially misrepresented the financial condition of their manufacturing business, (2) the borrower's decision to terminate the operation of this business during the quarter. While the fraud was isolated to a C&I loan made to the manufacturing business it was prudent to downgrade the entire relationship. The borrower has listed various properties for sale to repay the outstanding debt through an orderly liquidation. However, based on our current analysis we estimate there will remain a shortfall and have therefore increased the total reserve allocated to this credit to \$1.3 million. The issues noted above are confined to this specific relationship and are not indicative of broader loss exposure in the portfolio.

During the quarter the allowance for loan loss was increased by \$850,000. The allowance as a percentage of total loans, excluding acquired loans that have been marked to fair value, was 1.32% at June 30, 2019 compared to 1.25% at March 31, 2019. The increase in the provision over the linked quarter was driven by growth in our loan portfolio and additional reserves allocated to the non-accrual relationship discussed above.

The table below provides a four-quarter trend in classified loans. Classified accruing loans declined substantially during the quarter primarily as a result of the non-accrual downgrade discussed above. Total classified loans have remained steady over the last twelve months and declined as a percentage of total loans over the linked quarter.

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Total Classified Loans (1)	\$10,506,826	\$10,867,132	\$9,618,692	\$9,248,946
Classified - Accrual Loans	\$3,217,246	\$9,870,331	\$8,834,752	\$8,878,844
Classified - Non-Accrual Loans	\$7,289,580	\$996,801	\$783,940	\$370,102
Total Classified / Total Loans	1.62%	1.71%	1.48%	1.44%

(1) Includes classified accrual loans and non-accrual loans

## Capital

Suncrest Bank remained well capitalized at June 30, 2019. All of the bank's capital ratios are above minimum regulatory standards for "well capitalized" institutions.

At June 30, 2019 tangible book value per common share was \$7.99 with common shares issued of 12,433,300 as of the same date. This compares to a tangible book value per common share of \$7.62 at March 31, 2019.

## About Suncrest Bank

Suncrest Bank, member FDIC, is locally owned and operated and offers a full range of commercial, small business and agribusiness loans, cash management services and personal deposit products throughout the Central Valley of California. It is regularly rated Five Stars by Bauer Financial as one of the nation's strongest financial institutions, and in 2017 and 2018 was named to the OTCQX® Best 50, a ranking of top performing companies traded on the OTCQX Best Market. It is a Preferred Lender with the Small Business Administration and its stock can be purchased on the open market, trading on the OTCQX under the ticker symbol SBKK. For all other information, visit [www.suncrestbank.com](http://www.suncrestbank.com)

## Forward Looking Statements

Except for the historical information in this news release, the matters described herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties include: the credit risks of lending activities, including changes in the level and trend of loan delinquencies and charge-offs, results of examinations by our banking regulators, our ability to maintain adequate levels of capital and liquidity, our ability to manage loan delinquency rates, our ability to price deposits to retain existing customers and achieve low-cost deposit growth, manage expenses and lower the efficiency ratio, expand or maintain the net interest margin, mitigate interest rate risk for changes in the interest rate environment, competitive pressures in the

banking industry, access to available sources of credit to manage liquidity, the local and national economic environment, and other risks and uncertainties. Accordingly, undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this release. Suncrest Bank undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Investors are encouraged to read the Suncrest Bank annual reports which are available on our website.

**Suncrest Bank**  
**Statements of Financial Condition**  
**(Unaudited)**

	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<b>ASSETS</b>			
Cash and Due from Banks	\$ 29,654,947	\$ 56,669,233	\$ 33,574,685
Federal Funds Sold	33,204,000	13,175,000	20,832,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>62,858,947</b>	<b>69,844,233</b>	<b>54,406,685</b>
Investment Securities Available for Sale (AFS)	163,188,023	155,130,413	122,462,570
Loans:			
Total Loans	648,985,053	635,877,677	630,867,230
Allowance for Loan Losses	( 5,473,135)	( 4,622,547)	( 3,670,947)
<b>NET LOANS</b>	<b>643,511,918</b>	<b>631,255,130</b>	<b>627,196,283</b>
Federal Home Loan Bank and Other Bank Stock, at Cost	5,472,491	5,453,891	5,456,104
Premises and Equipment	9,883,776	9,968,213	6,118,634
Other Real Estate Owned	313,720	313,720	1,713,720
Bank Owned Life Insurance	8,385,617	8,332,960	8,180,146
Goodwill	38,989,566	38,989,566	38,989,566
Core Deposit Intangible	3,563,022	3,764,477	4,408,161
Accrued Interest and Other Assets	7,525,226	8,182,326	14,018,533
	<u>\$ 943,692,306</u>	<u>\$ 931,234,929</u>	<u>\$ 882,950,402</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits:			
Noninterest-bearing Demand	\$ 48,287,484	\$ 7,488,373	\$ 283,012,411
Noninterest-bearing Demand reclassified as MMA	228,668,062	274,659,316	-
Savings, NOW and Money Market Accounts	431,065,423	410,203,806	340,190,775
Time Deposits	85,400,880	93,446,984	122,566,087
<b>TOTAL DEPOSITS</b>	<b>793,421,849</b>	<b>785,798,479</b>	<b>745,769,273</b>
Accrued Interest and Other Liabilities	8,332,164	8,074,782	10,112,328
<b>TOTAL LIABILITIES</b>	<b>801,754,013</b>	<b>793,873,261</b>	<b>755,881,601</b>
Shareholders' Equity:			
Common Stock - No par value	119,743,464	119,643,464	121,624,937
Additional Paid-in Capital	2,711,909	2,576,929	2,236,616
Retained Earnings	17,959,995	15,141,126	5,160,484
Accumulated Other Comprehensive Income (Loss) - Net			
Unrealized Gain (Loss) on Securities AFS	1,522,925	149	( 1,953,236)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>141,938,293</b>	<b>137,361,668</b>	<b>127,068,801</b>
	<u>\$ 943,692,306</u>	<u>\$ 931,234,929</u>	<u>\$ 882,950,402</u>

**Suncrest Bank**  
**Statements of Income (Unaudited)**  
**For the Three Months Ended**

	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<b>INTEREST INCOME</b>			
Interest and Fees on Loans	\$ 9,426,583	\$ 8,940,810	\$ 6,726,716
Interest on Investment Securities	1,114,847	989,491	673,392
Interest on Federal Funds Sold and Other	<u>339,046</u>	<u>357,774</u>	<u>199,233</u>
<b>TOTAL INTEREST INCOME</b>	10,880,476	10,288,075	7,599,341
<b>INTEREST EXPENSE</b>			
Interest on Savings Deposits, NOW and Money Market Accounts	859,741	689,744	240,816
Interest on Time Deposits	242,661	241,079	215,351
Interest on Other Borrowings	<u>-</u>	<u>-</u>	<u>26,103</u>
<b>TOTAL INTEREST EXPENSE</b>	<u>1,102,402</u>	<u>930,823</u>	<u>482,270</u>
<b>NET INTEREST INCOME</b>	9,778,074	9,357,252	7,117,071
Provision for Loan Losses	<u>850,000</u>	<u>250,000</u>	<u>360,000</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	8,928,074	9,107,252	6,757,071
<b>NONINTEREST INCOME</b>			
Service Charges, Fees, and Other Income	434,439	419,713	375,976
Gain on Sale of Loans	<u>-</u>	<u>-</u>	<u>332,288</u>
	434,439	419,713	708,264
<b>NONINTEREST EXPENSE</b>			
Salaries and Employee Benefits	2,820,144	2,994,541	2,236,663
Occupancy Expenses	551,401	546,096	420,289
Other Expenses	<u>2,037,399</u>	<u>1,887,142</u>	<u>2,819,675</u>
	<u>5,408,944</u>	<u>5,427,779</u>	<u>5,476,627</u>
<b>INCOME BEFORE INCOME TAXES</b>	3,953,569	4,099,186	1,988,708
Income Taxes	<u>1,134,700</u>	<u>1,110,800</u>	<u>580,200</u>
<b>NET INCOME</b>	<u>\$ 2,818,869</u>	<u>\$ 2,988,386</u>	<u>\$ 1,408,508</u>

**Suncrest Bank**  
**Statements of Income (Unaudited)**  
**For the Six Months Ended**

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
<b>INTEREST INCOME</b>		
Interest and Fees on Loans	\$ 18,367,393	\$ 11,626,340
Interest on Investment Securities	2,104,338	1,203,406
Interest on Federal Funds Sold and Other	<u>696,821</u>	<u>408,066</u>
<b>TOTAL INTEREST INCOME</b>	21,168,552	13,237,812
<b>INTEREST EXPENSE</b>		
Interest on Savings Deposits, NOW and Money Market Accounts	1,549,485	387,856
Interest on Time Deposits	483,740	334,852
Interest on Other Borrowings	<u>-</u>	<u>26,103</u>
<b>TOTAL INTEREST EXPENSE</b>	<u>2,033,225</u>	<u>748,811</u>
<b>NET INTEREST INCOME</b>	19,135,327	12,489,001
Provision for Loan Losses	<u>1,100,000</u>	<u>570,000</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	18,035,327	11,919,001
<b>NONINTEREST INCOME</b>		
Service Charges, Fees, and Other Income	854,151	672,003
Gain on Sale of Loans	<u>-</u>	<u>332,288</u>
	854,151	1,004,291
<b>NONINTEREST EXPENSE</b>		
Salaries and Employee Benefits	5,814,684	4,131,866
Occupancy Expenses	1,097,497	773,321
Other Expenses	<u>3,924,542</u>	<u>3,951,006</u>
	<u>10,836,723</u>	<u>8,856,193</u>
<b>INCOME BEFORE INCOME TAXES</b>	8,052,755	4,067,099
Income Taxes	<u>2,245,500</u>	<u>1,202,100</u>
<b>NET INCOME</b>	<u>\$ 5,807,255</u>	<u>\$ 2,864,999</u>

**Suncrest Bank**  
**Selected Financial Data & Ratios (Unaudited)**

	<b>June 30,</b> <b>2019</b>	<b>March 31,</b> <b>2019</b>	<b>June 30,</b> <b>2018</b>
<b>For the three months ended:</b>			
Return on Average Assets(ROAA)	1.21%	1.32%	0.81%
ROAA excluding non-recurring items <sup>(1)(2)</sup>	1.01%	1.30%	1.38%
Return on Average Equity(ROAE)	8.07%	8.86%	5.96%
ROAE excluding non-recurring items <sup>(1)(2)</sup>	6.76%	8.77%	10.14%
Noninterest Expense (NIE) To Average Assets	2.32%	2.39%	3.14%
NIE to Average Assets excluding non-recurring items <sup>(1)(2)</sup>	2.32%	2.39%	2.31%
Efficiency Ratio	52.96%	55.52%	69.99%
Efficiency Ratio excluding non-recurring items <sup>(1)(2)</sup>	56.58%	55.76%	52.04%
Net Interest Margin	4.60%	4.58%	4.41%
Core Net Interest Margin <sup>(1)(2)</sup>	4.29%	4.56%	4.36%
Cost of Funds	0.56%	0.49%	0.32%
Basic Earnings Per Share (EPS)	\$ 0.23	\$ 0.24	\$ 0.17
Diluted EPS	\$ 0.22	\$ 0.24	\$ 0.17
Diluted EPS excluding non-recurring items <sup>(1)(2)</sup>	\$ 0.19	\$ 0.24	\$ 0.28

	<b>June 30,</b> <b>2019</b>	<b>June 30,</b> <b>2018</b>
<b>For the six months ended:</b>		
ROAA	1.26%	0.93%
ROAA excluding non-recurring items <sup>(1)(2)</sup>	1.16%	1.28%
ROAE	8.46%	7.48%
ROAE excluding non-recurring items <sup>(1)(2)</sup>	7.74%	10.30%
NIE To Average Assets	2.36%	2.88%
NIE to Average Assets excluding non-recurring items <sup>(1)(2)</sup>	2.36%	2.37%
Efficiency Ratio	54.21%	65.63%
Efficiency Ratio excluding non-recurring items <sup>(1)(2)</sup>	56.17%	54.45%
Net Interest Margin	4.59%	4.40%
Core Net Interest Margin <sup>(1)(2)</sup>	4.42%	4.37%
Cost of Funds	0.53%	0.28%
Basic EPS	\$ 0.47	\$ 0.35
Diluted EPS	\$ 0.46	\$ 0.34
Diluted EPS excluding non-recurring items <sup>(1)(2)</sup>	\$ 0.42	\$ 0.47

(1) Non-recurring items include merger expenses, discount accretion on acquired loans and recovery of interest on non-accrual loans.

(2) These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for analyses of results reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.



**Suncrest Bank**  
**Selected Financial Data & Ratios Continued (Unaudited)**

	<b>June 30,</b> <b>2019</b>	<b>March 31,</b> <b>2019</b>	<b>June 30,</b> <b>2018</b>
<b>At Period End:</b>			
Loans to Deposits	81.80%	80.92%	84.59%
Average Loans to Average Deposits (QTD)	81.53%	81.76%	81.13%
Non-Performing Assets to Assets	0.81%	0.14%	0.24%
Outstanding Shares	12,433,300	12,420,300	12,410,800
Tangible Book Value Per Share <sup>(2)</sup>	\$ 7.99	\$ 7.62	\$ 6.56
Tangible Book Value Per Share excluding Unrealized Loss on Securities <sup>(2)</sup>	\$ 7.87	\$ 7.62	\$ 6.72
Book Value Per Share	\$ 11.42	\$ 11.06	\$ 10.24

Regulatory Capital Ratios

Tier 1 Leverage (to average assets)	10.91%	10.87%	12.72%
Common Equity Tier 1 Capital (to risk weighted assets)	13.29%	13.08%	11.66%
Tier 1 Capital (to risk weighted assets)	13.29%	13.08%	11.66%
Total Capital (to risk weighted assets)	14.05%	13.73%	12.18%

	<b>June 30,</b> <b>2019</b>	<b>March 31,</b> <b>2019</b>	<b>June 30,</b> <b>2018</b>
<u>Loan Composition</u>			
Commercial and Industrial:	\$ 59,366,842	\$ 66,886,659	\$ 74,289,286
Loans to Finance Agricultural Production and Other Loans to Farmers:	38,622,774	35,050,152	47,141,267
Loans Secured by Real Estate:			
Secured by Farmland	135,339,361	124,540,890	111,014,916
Construction, Land Development and Other Land	35,943,146	45,816,965	41,290,087
1-4 Family Residential Properties	51,759,914	54,136,828	57,231,279
Multifamily Residential Properties	42,719,058	46,422,542	45,322,224
Owner Occupied Nonresidential Properties	94,035,588	89,282,286	89,901,027
Non-Owner Occupied Nonresidential Properties	171,361,023	154,916,233	140,344,259
Total Loans Secured by Real Estate	531,158,090	515,115,744	485,103,792
Municipal Leases:	19,596,422	18,337,495	23,959,085
Other Loans:	240,925	487,627	373,800
Total Loans	<u>\$ 648,985,053</u>	<u>\$ 635,877,677</u>	<u>\$ 630,867,230</u>

(2) These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for analyses of results reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

**Suncrest Bank**  
**Average Balance Sheet and Yields (Unaudited)**  
**For the Three Months Ended**

	June 30, 2019			March 31, 2019		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest Earning Assets:</b>						
Deposits in Other Financial Institutions	\$ 53,826,806	\$ 339,046	2.53%	\$ 56,797,292	\$ 357,774	2.55%
Investment Securities	158,173,939	1,114,847	2.82%	144,325,249	989,491	2.74%
Loans	<u>640,506,723</u>	<u>9,426,583</u>	5.90%	<u>626,578,607</u>	<u>8,940,810</u>	5.79%
Total Interest Earning Assets	852,507,468	10,880,476	5.12%	827,701,148	10,288,075	5.04%
Noninterest Earning Assets	<u>81,120,229</u>			<u>81,105,917</u>		
Total Assets	<u><u>\$933,627,697</u></u>			<u><u>\$908,807,065</u></u>		
<b>Interest Bearing Liabilities</b>						
Interest Bearing Transaction Accounts	\$103,039,731	170,050	0.66%	\$ 92,485,967	116,010	0.51%
Savings and Money Market Accounts	307,778,084	689,691	0.90%	305,932,201	573,734	0.76%
Time Deposits	<u>91,964,284</u>	<u>242,661</u>	1.06%	<u>97,058,091</u>	<u>241,079</u>	1.01%
Total Interest Bearing Deposits	502,782,099	1,102,402	0.88%	495,476,259	930,823	0.76%
Other Borrowings	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Total Interest Bearing Liabilities	502,782,099	1,102,402	0.88%	495,476,259	930,823	0.76%
Noninterest Bearing Transaction Accounts <sup>(3)</sup>	<u>282,794,851</u>			<u>270,857,257</u>		
Total Funding Sources	785,576,950			766,333,516		
Noninterest Bearing Liabilities	8,410,437			7,531,653		
Shareholders' Equity	<u>139,640,310</u>			<u>134,941,896</u>		
Total Liabilities and Shareholder's Equity	<u><u>\$933,627,697</u></u>			<u><u>\$908,807,065</u></u>		
Net Interest Income		<u>\$ 9,778,074</u>			<u>\$ 9,357,252</u>	
Net Interest Margin			4.60%			4.58%

(3) Includes Noninterest Bearing Demand reclassified as MMA

**Suncrest Bank**  
**Average Balance Sheet and Yields (Unaudited)**  
**For the Three Months Ended**

	June 30, 2019			June 30, 2018		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Interest Earning Assets:</b>						
Deposits in Other Financial Institutions	\$ 53,826,806	\$ 339,046	2.53%	\$ 42,313,551	\$ 199,233	1.89%
Investment Securities	158,173,939	1,114,847	2.82%	123,284,813	673,392	2.18%
Loans	<u>640,506,723</u>	<u>9,426,583</u>	5.90%	<u>481,942,732</u>	<u>6,726,716</u>	5.60%
Total Interest Earning Assets	852,507,468	10,880,476	5.12%	647,541,096	7,599,341	4.71%
Noninterest Earning Assets	<u>81,120,229</u>			<u>49,038,637</u>		
Total Assets	<u><u>\$933,627,697</u></u>			<u><u>\$696,579,733</u></u>		
<b>Interest Bearing Liabilities</b>						
Interest Bearing Transaction Accounts	\$103,039,731	170,050	0.66%	\$ 65,141,271	24,980	0.15%
Savings and Money Market Accounts	307,778,084	689,691	0.90%	216,513,889	215,836	0.40%
Time Deposits	<u>91,964,284</u>	<u>242,661</u>	1.06%	<u>92,881,436</u>	<u>215,351</u>	0.93%
Total Interest Bearing Deposits	502,782,099	1,102,402	0.88%	374,536,596	456,167	0.49%
Other Borrowings	<u>-</u>	<u>-</u>	-	<u>5,346,703</u>	<u>26,103</u>	1.96%
Total Interest Bearing Liabilities	502,782,099	1,102,402	0.88%	379,883,299	482,270	0.51%
Noninterest Bearing Transaction Accounts <sup>(3)</sup>	<u>282,794,851</u>			<u>219,511,941</u>		
Total Funding Sources	785,576,950			599,395,240		
Noninterest Bearing Liabilities	8,410,437			2,723,628		
Shareholders' Equity	<u>139,640,310</u>			<u>94,460,865</u>		
Total Liabilities and Shareholder's Equity	<u><u>\$933,627,697</u></u>			<u><u>\$696,579,733</u></u>		
Net Interest Income		<u>\$ 9,778,074</u>			<u>\$ 7,117,071</u>	
Net Interest Margin			4.60%			4.41%

(3) Includes Noninterest Bearing Demand reclassified as MMA

**Suncrest Bank**  
**Average Balance Sheet and Yields (Unaudited)**  
**For the Six Months Ended**

	<u>June 30, 2019</u>			<u>June 30, 2018</u>		
	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>
<b>Interest Earning Assets:</b>						
Deposits in Other Financial Institutions	\$ 55,806,606	\$ 696,821	2.52%	\$ 43,688,316	\$ 408,066	1.88%
Investment Securities	151,287,850	2,104,338	2.78%	110,950,200	1,203,406	2.17%
Loans	<u>633,581,140</u>	<u>18,367,393</u>	5.85%	<u>417,691,540</u>	<u>11,626,340</u>	5.61%
Total Interest Earning Assets	840,675,596	21,168,552	5.08%	572,330,056	13,237,812	4.66%
Noninterest Earning Assets	<u>77,580,396</u>			<u>42,835,991</u>		
Total Assets	<u>\$ 918,255,992</u>			<u>\$ 615,166,047</u>		
<b>Interest Bearing Liabilities</b>						
Interest Bearing Transaction Accounts	\$ 97,792,003	286,060	0.59%	\$ 61,298,231	42,716	0.14%
Savings and Money Market Accounts	306,860,242	1,263,425	0.83%	197,433,216	345,140	0.35%
Time Deposits	<u>94,497,116</u>	<u>483,740</u>	1.03%	<u>80,784,524</u>	<u>334,852</u>	0.84%
Total Interest Bearing Deposits	499,149,361	2,033,225	0.82%	339,515,971	722,708	0.43%
Other Borrowings	<u>-</u>	<u>-</u>	-	<u>2,686,740</u>	<u>26,103</u>	1.96%
Total Interest Bearing Liabilities	499,149,361	2,033,225	0.82%	342,202,711	748,811	0.44%
Noninterest Bearing Transaction Accounts <sup>(3)</sup>	<u>273,907,307</u>			<u>194,853,679</u>		
Total Funding Sources	773,056,668			537,056,390		
Noninterest Bearing Liabilities	7,905,168			1,511,305		
Shareholders' Equity	<u>137,294,156</u>			<u>76,598,352</u>		
Total Liabilities and Shareholder's Equity	<u>\$ 918,255,992</u>			<u>\$ 615,166,047</u>		
Net Interest Income		<u>\$ 19,135,327</u>			<u>\$ 12,489,001</u>	
Net Interest Margin			4.59%			4.40%

(3) Includes Noninterest Bearing Demand reclassified as MMA