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Suncrest Bank Reports Second Quarter Earnings. Maintains Strong Net Income. Deposits Increased by over 30%. Assisted 700 PPP Customers.

SACRAMENTO, Calif. and VISALIA, Calif. Suncrest Bank (OTCQX: SBKK) today reported unaudited financial results for the second quarter of 2020.

“Despite the economic challenges brought about by the COVID-19 pandemic we maintained strong net income for the quarter of approximately \$2.7 million or 22 cents per diluted share, on par with both the linked quarter and the same quarter last year,” said Mr. Ciaran McMullan, President and CEO of Suncrest Bank.

“The bank continued to respond to these challenges by fully participating in the Paycheck Protection Program (PPP) assisting almost 700 customers to fund over \$150 million in PPP loans, as well as by proactively working with impacted borrowers to allow short term payment deferrals, currently representing approximately 9% of total loans. In addition, we prudently increased our provision for potential loan losses by \$1.2 million bringing our total allowance as a percentage of total non-acquired loans, excluding PPP loans, to 1.43%.”

“Total deposits increased by \$165 million during the quarter driven in part by approximately \$45 million of as yet unused PPP loan funds. We also added a significant number of new depositors acquired through the PPP program, with approximately 180 or 26% of our PPP borrowers being new customers to the bank,” McMullan concluded.

Second Quarter 2020 Highlights

- Net income of \$2.69 million compared to \$2.88 million for the linked quarter and \$2.82 million for Q2 2019
- Diluted EPS of \$0.22 compared to \$0.23 for the linked quarter and \$0.22 for Q2 2019
- Total deposits increased by \$255.5 million or 32.2% over Q2 2019
- Cost of Funds declined to 29 basis points
- Total loans (excluding PPP loans) increased by \$27.3 million or 4.21% over Q2 2019
- Return on average tangible assets of 0.93%
- Return on average tangible equity of 9.31%
- Efficiency ratio of 52.56%
- New loan originations¹ of \$35.3 million (excluding PPP loans)
- Tangible book value per share of \$9.62, an increase of 57 cents during the quarter
- Tier 1 leverage ratio of 9.93%

Income Statement

Net income declined slightly over the linked quarter and the same quarter last year at \$2.69 million compared to \$2.88 million for the linked quarter and \$2.82 million for the same quarter last year. The decline in net income over the linked quarter is primarily due to an increase in income taxes due to a tax credit recognized in Q1 2020 with the decline over Q2 2019 mostly driven by an increase in the provision for loan losses from \$850,000 in Q2 2019 to \$1.2 million in the current quarter.

Interest income declined slightly to \$10.6 million versus \$10.9 million for the linked and the second quarter of 2019 due to \$421,000 in non-recurring income in the linked quarter and \$652,000 in non-recurring income in the second quarter of 2019. Interest expense declined to \$750,000 as compared to \$1.1 million over the linked

¹ Includes unfunded commitments

quarter due to a decline in our cost of funds of 25 basis points (bps), while it decreased by approximately \$350,000 or 27 bps over the same quarter last year.

Since the second quarter of 2019 the Federal Reserve has cut its benchmark rate by 2.25% in response to a slowing economy and the emerging COVID-19 pandemic. As a result, the Prime rate decreased from 5.50% to 3.25% and the overnight Fed Funds rate declined to 0.25%. This dramatic change in the interest rate environment significantly impacted our Core⁴ Net Interest Margin (NIM). Core NIM declined over the linked quarter by 42 bps and by 73 bps over the same quarter last year, primarily due to the decrease in yields on earning assets.

Core NIM was also significantly impacted by the note rate of 1% on PPP loans originated during the quarter. Without PPP loans this quarter, our Core NIM would have been 3.78%, a decline of only 20 bps over the linked quarter.

Core net interest income increased over the linked quarter and same quarter last year by \$586,000 or 6.3% and \$753,000 or 8.3% respectively primarily due to a decline in the cost of funds. Our cost of funds improved by 25 bps during the quarter, declining to 29 bps overall.

Period	Net Income	NIM	Non-recurring Income		Non-recurring costs	Core Net Interest Income ⁴	Core Net Income ⁴	Core NIM ⁴	Core Diluted EPS ⁴
			Interest recoveries ²	Income from accretion ³					
Q2 2020	\$ 2,688,843	3.56%	\$ 6,663	\$ (28,495)	\$ -	\$ 9,879,346	\$ 2,704,221	3.56%	\$ 0.22
Q1 2020	\$ 2,884,904	4.16%	\$ 283,739	\$ 137,624	\$ -	\$ 9,292,999	\$ 2,588,096	3.98%	\$ 0.21
Q2 2019	\$ 2,818,869	4.60%	\$ 9,338	\$ 642,538	\$ -	\$ 9,126,198	\$ 2,358,869	4.29%	\$ 0.19

Noninterest income decreased over the linked quarter and the same quarter last year by approximately \$130,000 and \$114,000 respectively driven in part by a loss on sale of securities of \$54,000 in the current quarter together with a decline in service charges. The decline in service charges was primarily a result of reduced NSF fees and certain account fees waived as an accommodation for customers due to the impact of COVID-19.

Total noninterest expense decreased over the linked quarter and the same quarter last year by approximately \$212,000 and \$60,000 respectively, reflecting our ongoing commitment to diligent cost management especially given the economic conditions. Our key cost management performance ratios all improved significantly during the quarter. Our efficiency ratio declined to 52.56% while our burden ratio and noninterest expense to average assets improved to 1.68% and 1.79% respectively.

Income taxes increased compared to the linked quarter as a result of a \$350,000 one-time tax adjustment recorded in Q1 2020 related to net operating loss carryback provisions of the CARES Act.

Balance Sheet

Total assets at June 30, 2020 were \$1.29 billion representing an increase of \$240.4 million or 23.0% over the linked quarter, and a year over year increase of \$342.8 million or 36.3%. The increase over the linked quarter and year over year, was primarily the result of an increase in PPP loans of \$128.4 million and deposits of \$164.6 million and \$255.5 million, respectively.

Total deposits at June 30, 2020 were \$1.049 billion, an increase of \$164.6 million or 18.6% over the linked

² Represents interest recoveries on non-accrual loans

³ Represents accretion of acquired loan fair value marks

⁴ Excludes non-recurring income, income from accretion of fair value marks and non-recurring costs, non-GAAP financial measure

quarter driven by approximately \$45 million of PPP loan funds remaining in deposit accounts together with normal cyclical deposit inflows for some of our largest agribusiness accounts. Additionally, we also saw growth in new deposit relationships during the quarter as a result of acquiring approximately 180 new customers through the PPP loan program.

Total deposits increased year over year by \$255.5 million or 32.2% with the growth being in non-maturity deposits⁵ of \$264.5 million or 37.4%. Over the same period, we allowed price sensitive certificate of deposit (CD) balances to decline by \$9.0 million or 10.5%.

In order to encourage involvement in the Paycheck Protection Program, the Federal Reserve provided a liquidity facility to participating financial institutions, in the form of term financing backed by PPP loans. The PPP Liquidity Facility (PPPLF) carries an interest rate of 35 bps and at June 30, 2020 the bank had drawn \$68.6 million on the facility.

Total loans at June 30, 2020 were \$804.7 million, an increase of \$124.8 million or 18.4% over the linked quarter. The largest increase being in PPP loans which totaled \$128.4 million. Excluding PPP loans, total loans declined over the linked quarter by \$3.6 million or 0.5%, while new loan commitments (excluding PPP loans) were also slightly lower than recent quarters. This is driven in part by reduced loan demand (due to borrowers taking a more cautious approach to new projects) but also reflects the fact that our loan officers were intensely focused on delivering the Paycheck Protection Program during the quarter.

Total loans (excluding PPP loans) increased by \$27.3 million or 4.21% over Q2, 2019. The largest year over year increases have been in Non-Owner Occupied CRE which increased by \$50.7 million or approximately 30% and Farmland which increased by \$4.5 million or 3.3%.

Paycheck Protection Program Loans

Since the SBA began accepting applications for the PPP on April 3, 2020, the national response has been tremendous. Suncrest Bank fully participated in the program and experienced extraordinary demand for PPP loans. As of July 23, 2020, the bank had assisted almost 700 customers to fund \$152.4 million in loans with \$133.0 million being funded by the bank and \$19.4 million funded via a number of partners including the California Statewide CDC who financed approximately \$12 million. We expect to generate approximately \$4.3 million in fee income through the program which will be earned over the expected life of the loans.

PPP Loans	<\$0.35M	\$0.35M to \$2.0M	>\$2.0M	Total
Number through Suncrest Channel	320	82	11	413
Total Value through Suncrest Channel	\$43.8M	\$57.2M	\$32.0M	\$133.0M
Number through Partner Channels	273	7	0	280
Total Value through Partner Channels	\$15.4M	\$4.0M	0	\$19.4M
Total Number	593	89	11	693
Total Value	\$59.2M	\$61.2M	\$32.0M	\$152.4M
Estimated Fee Income	\$2.3M	\$1.7M	\$0.3M	\$4.3M

Asset Quality

Non-performing assets remained at \$4.4 million or 0.34% of total assets at June 30, 2020 compared to 0.43% at March 31, 2020.

Based on scenario analyses of potential COVID-19 impacts on the Bank's portfolio, and the downgrade of several lending relationships, we increased our total provision for loan losses by \$1.2 million during the quarter. Our allowance as a percentage of total loans (excluding PPP loans and acquired loans that have been marked to fair value) was 1.43% at June 30, 2020 compared to 1.22% at March 31, 2020.

⁵ Includes noninterest-bearing Demand, Savings, NOW and Money Market Accounts

During the quarter we prudently decided to downgrade three lending relationships to classified-accrual status, per the table below. Two of these relationships are in the retail sector and the other is in the agribusiness sector. While all three continue to pay as agreed they have each experienced deterioration in their financial performance as a direct result of the negative economic impacts of the COVID-19 pandemic including; the permanent closure of a number of retail outlets, delays in the sale of business assets, and disruption in the international shipment and sale of certain agricultural products.

	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Total Classified Loans (a)	\$14,399,989	\$7,691,907	\$8,513,450	\$10,840,514
Classified - Accrual Loans	\$10,102,519	\$3,394,437	\$3,327,728	\$3,734,612
Classified - Non-Accrual Loans	\$4,297,470	\$4,297,470	\$5,185,722	\$7,105,902
Total Classified / Total Loans	1.79%	1.13%	1.28%	1.65%
Total Classified / Total Loans (excluding PPP)	2.13%	1.13%	1.28%	1.65%

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

Initial Impacts of COVID-19

In late March and early April interagency regulatory guidance⁶ was issued encouraging banks to work with borrowers financially impacted by COVID-19. Since then we have taken actions to help our borrowers mitigate the adverse impacts of the pandemic including short-term loan modifications such as payment deferrals of principal and/or interest. Per the table above, we have approved deferred payments for approximately 9% of our loan portfolio, primarily in the hotel and restaurant sectors.

Industry Sector	Loans Modified		6 Months P&I		3 Months P&I		6 Months IO		Total Loans in Sector	Percentage of Sector Modified
Hotels	\$ 20,841,526	7	\$ 20,730,846	6	\$ 110,679	1	\$ -	0	\$ 32,650,563	63.8%
Non Owner Occupied (NOO) CRE - Retail	\$ 17,143,203	18	\$ 8,836,750	10	\$ 3,833,153	4	\$ 4,473,300	4	\$ 44,046,176	38.9%
C&I / Owner Occupied CRE	\$ 13,799,181	44	\$ 5,315,000	15	\$ 6,295,657	17	\$ 2,188,524	12	\$131,010,367	10.5%
NOO CRE-Other	\$ 12,334,971	6	\$ -	0	\$ 1,734,898	4	\$ 10,600,073	2	\$146,420,270	8.4%
Multi-Family	\$ 4,052,317	5	\$ 928,732	2	\$ -	0	\$ 3,123,586	3	\$ 47,104,342	8.6%
Restaurants	\$ 2,160,460	5	\$ 1,646,261	4	\$ -	0	\$ 514,198	1	\$ 3,181,364	67.9%
SFR Secured	\$ 435,003	2	\$ 435,003	2	\$ -	0	\$ -	0	\$ 41,099,878	1.1%
Agribusiness	\$ 798,044	1	\$ -	0	\$ 798,044	1	\$ -	0	\$106,142,320	0.8%
Total Payment Relief	\$ 71,564,705	88	\$ 37,892,592	39	\$ 12,772,431	27	\$ 20,899,681	22		
% of Total Portfolio	8.9%	4.9%	4.7%	2.2%	1.6%	1.5%	2.6%	1.2%		
% of Total Portfolio (excluding PPP)	10.6%	6.3%	5.6%	2.8%	1.9%	1.9%	3.1%	1.6%		

Capital

Suncrest Bank remained well capitalized at June 30, 2020. All of the bank's capital ratios are above minimum regulatory standards for "well capitalized" institutions.

At June 30, 2020 tangible book value per common share was \$9.62 with common shares issued of 12,443,800 as of the same date. This compares to a tangible book value per common share of \$9.05 at March 31, 2020.

⁶ Interagency Joint Press Release, March 22nd 2020 (as revised on April 7th), and CARES Act Section 4013

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 and the Greater Sacramento Region. 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

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>2020</u>	<u>March 31,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
ASSETS			
Cash and Due from Banks	\$ 13,228,364	\$ 46,172,365	\$ 29,654,947
Federal Funds Sold	142,930,000	16,252,000	33,204,000
TOTAL CASH AND CASH EQUIVALENTS	156,158,364	62,424,365	62,858,947
Investment Securities Available for Sale (AFS)	256,315,062	237,736,303	163,188,023
Loans:			
Total Loans	804,668,120	679,894,288	648,985,053
Allowance for Loan Losses	(7,261,565)	(6,061,137)	(5,473,135)
NET LOANS	797,406,555	673,833,151	643,511,918
Federal Home Loan Bank and Other Bank Stock, at Cost	5,862,141	5,471,141	5,472,491
Premises and Equipment	6,465,203	6,618,505	9,883,776
Other Real Estate Owned	129,644	130,195	313,720
Bank Owned Life Insurance	8,607,800	8,552,906	8,385,617
Goodwill	38,989,566	38,989,566	38,989,566
Core Deposit Intangible	2,844,243	3,015,551	3,563,022
Accrued Interest and Other Assets	13,738,199	9,334,350	7,525,226
	<u>\$ 1,286,516,777</u>	<u>\$ 1,046,106,033</u>	<u>\$ 943,692,306</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing Demand	\$ 417,386,498	\$ 308,415,544	\$ 327,285,111
Savings, NOW and Money Market Accounts	555,112,706	494,175,027	380,735,858
Time Deposits	76,411,399	81,681,922	85,400,880
TOTAL DEPOSITS	1,048,910,603	884,272,493	793,421,849
Accrued Interest and Other Liabilities	7,503,426	7,091,754	8,332,164
Other Borrowings	68,559,008	-	-
TOTAL LIABILITIES	1,124,973,037	891,364,247	801,754,013
Shareholders' Equity:			
Common Stock - No par value	119,676,119	119,816,864	119,743,464
Additional Paid-in Capital	3,201,835	3,061,394	2,711,909
Retained Earnings	29,635,334	26,946,491	17,959,995
Accumulated Other Comprehensive Income (Loss) - Net			
Unrealized Gain (Loss) on Securities AFS	9,030,452	4,917,037	1,522,925
TOTAL SHAREHOLDERS' EQUITY	161,543,740	154,741,786	141,938,293
	<u>\$ 1,286,516,777</u>	<u>\$ 1,046,106,033</u>	<u>\$ 943,692,306</u>

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

	June 30,	March 31,	June 30,
	2020	2020	2019
INTEREST INCOME			
Interest and Fees on Loans	\$ 9,043,344	\$ 9,311,568	\$ 9,426,583
Interest on Investment Securities	1,533,208	1,285,695	1,114,847
Interest on Federal Funds Sold and Other	31,418	262,378	339,046
TOTAL INTEREST INCOME	10,607,970	10,859,641	10,880,476
INTEREST EXPENSE			
Interest on Savings Deposits, NOW and Money Market Accounts	492,277	907,748	859,741
Interest on Time Deposits	221,256	237,531	242,661
Interest on Other Borrowings	36,923	-	-
TOTAL INTEREST EXPENSE	750,456	1,145,279	1,102,402
NET INTEREST INCOME	9,857,514	9,714,362	9,778,074
Provision for Loan Losses	1,200,000	1,100,000	850,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	8,657,514	8,614,362	8,928,074
NONINTEREST INCOME			
Service Charges, Fees, and Other Income	320,080	450,190	434,439
Gain on Sale of Loans	-	-	-
	320,080	450,190	434,439
NONINTEREST EXPENSE			
Salaries and Employee Benefits	2,910,755	3,041,167	2,820,144
Occupancy Expenses	570,479	587,987	551,401
Other Expenses	1,867,817	1,931,594	2,037,399
	5,349,051	5,560,748	5,408,944
INCOME BEFORE INCOME TAXES	3,628,543	3,503,804	3,953,569
Income Taxes	939,700	618,900	1,134,700
NET INCOME	\$ 2,688,843	\$ 2,884,904	\$ 2,818,869

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

	June 30, 2020	June 30, 2019
INTEREST INCOME		
Interest and Fees on Loans	\$ 18,354,911	\$ 18,367,393
Interest on Investment Securities	2,818,901	2,104,338
Interest on Federal Funds Sold and Other	293,797	696,821
TOTAL INTEREST INCOME	21,467,609	21,168,552
INTEREST EXPENSE		
Interest on Savings Deposits, NOW and Money Market Accounts	1,400,025	1,549,485
Interest on Time Deposits	458,787	483,740
Interest on Other Borrowings	36,923	-
TOTAL INTEREST EXPENSE	1,895,735	2,033,225
NET INTEREST INCOME	19,571,874	19,135,327
Provision for Loan Losses	2,300,000	1,100,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	17,271,874	18,035,327
NONINTEREST INCOME		
Service Charges, Fees, and Other Income	770,270	854,151
Gain on Sale of Loans	-	-
	770,270	854,151
NONINTEREST EXPENSE		
Salaries and Employee Benefits	5,951,922	5,814,684
Occupancy Expenses	1,158,466	1,097,497
Other Expenses	3,799,411	3,924,542
	10,909,799	10,836,723
INCOME BEFORE INCOME TAXES	7,132,345	8,052,755
Income Taxes	1,558,600	2,245,500
NET INCOME	\$ 5,573,745	\$ 5,807,255

Suncrest Bank

Selected Financial Data & Ratios (Unaudited)

	June 30, 2020	March 31, 2020	June 30, 2019
For the three months ended:			
Return on Average Assets(ROAA)	0.90%	1.13%	1.21%
ROAA excluding non-recurring items ^{(1) (2)}	0.90%	1.01%	1.01%
Return on Average Tangible Assets ⁽²⁾	0.93%	1.18%	1.27%
Return on Average Equity(ROAE)	6.83%	7.59%	8.07%
ROAE excluding non-recurring items ^{(1) (2)}	6.87%	6.81%	6.76%
Return on Average Tangible Equity ⁽²⁾	9.31%	10.50%	11.62%
Noninterest Expense (NIE) To Average Assets	1.79%	2.18%	2.32%
NIE to Average Assets excluding non-recurring items ^{(1) (2)}	1.79%	2.18%	2.32%
Efficiency Ratio	52.56%	54.71%	52.96%
Efficiency Ratio excluding non-recurring items ^{(1) (2)}	52.44%	57.07%	56.58%
Burden Ratio	1.68%	2.00%	2.13%
Net Interest Margin	3.56%	4.16%	4.60%
Core Net Interest Margin ^{(1) (2)}	3.56%	3.98%	4.29%
Cost of Funds	0.29%	0.54%	0.56%
Basic Earnings Per Share (EPS)	\$ 0.22	\$ 0.23	\$ 0.23
Diluted EPS	\$ 0.22	\$ 0.23	\$ 0.22
Diluted EPS excluding non-recurring items ^{(1) (2)}	\$ 0.22	\$ 0.21	\$ 0.19

	June 30, 2020	June 30, 2019
For the six months ended:		
Return on Average Assets(ROAA)	1.01%	1.26%
ROAA excluding non-recurring items ^{(1) (2)}	0.96	1.16%
Return on Average Tangible Assets ⁽²⁾	1.05%	1.33%
Return on Average Equity(ROAE)	7.20%	8.46%
ROAE excluding non-recurring items ^{(1) (2)}	6.84%	7.74%
Return on Average Tangible Equity ⁽²⁾	9.87%	12.26%
Noninterest Expense (NIE) To Average Assets	1.97%	2.36%
NIE to Average Assets excluding non-recurring items ^{(1) (2)}	1.97%	2.36%
Efficiency Ratio	53.63%	54.21%
Efficiency Ratio excluding non-recurring items ^{(1) (2)}	54.71%	56.17%
Burden Ratio	1.83%	2.17%
Net Interest Margin	3.83%	4.59%
Core Net Interest Margin ^{(1) (2)}	3.75%	4.42%
Cost of Funds	0.40%	0.53%
Basic Earnings Per Share (EPS)	\$ 0.45	\$ 0.47
Diluted EPS	\$ 0.45	\$ 0.46
Diluted EPS excluding non-recurring items ^{(1) (2)}	\$ 0.42	\$ 0.42

(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)

	<u>June 30,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
At Period End:			
Loans to Deposits	76.71%	76.89%	81.80%
Average Loans to Average Deposits (QTD)	76.80%	76.61%	81.53%
Non-Performing Assets to Assets	0.34%	0.43%	0.81%
Outstanding Shares	12,443,800	12,442,800	12,433,300
Tangible Book Value Per Share ⁽²⁾	\$ 9.62	\$ 9.05	\$ 7.99
Tangible Book Value Per Share excluding Unrealized Gain on Securities ⁽²⁾	\$ 8.90	\$ 8.66	\$ 7.87
Book Value Per Share	\$ 12.98	\$ 12.44	\$ 11.42

Regulatory Capital Ratios

Tier 1 Leverage (to average assets)	9.93%	11.00%	10.87%
Common Equity Tier 1 Capital (to risk weighted assets)	12.68%	13.80%	13.08%
Tier 1 Capital (to risk weighted assets)	12.68%	13.80%	13.08%
Total Capital (to risk weighted assets)	13.52%	14.59%	13.73%

	<u>June 30,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
<u>Loan Composition</u>			
Commercial and Industrial:	\$ 48,655,792	\$ 44,110,558	\$ 59,366,842
Paycheck Protection Program:	128,358,805	-	-
Loans to Finance Agricultural Production and Other Loans to Farmers:	36,941,792	32,561,301	38,622,774
Loans Secured by Real Estate:			
Secured by Farmland	139,799,353	142,588,684	135,339,361
Construction, Land Development and Other Land	28,680,776	33,855,844	35,943,146
1-4 Family Residential Properties	41,713,258	41,426,423	51,759,914
Multifamily Residential Properties	45,975,886	45,192,987	42,719,058
Owner Occupied Nonresidential Properties	93,341,233	97,345,299	94,035,588
Non-Owner Occupied Nonresidential Properties	<u>222,079,538</u>	<u>223,180,866</u>	<u>171,361,023</u>
Total Loans Secured by Real Estate	571,590,044	583,590,103	531,158,090
Municipal Leases:	18,961,522	19,464,532	19,596,422
Other Loans:	<u>160,165</u>	<u>167,794</u>	<u>240,925</u>
Total Loans	<u>\$ 804,668,120</u>	<u>\$ 679,894,288</u>	<u>\$ 648,985,053</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, 2020			March 31, 2020		
	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>
Interest Earning Assets:						
Deposits in Other Financial Institutions	\$ 104,997,550	\$ 31,418	0.12%	\$ 79,166,231	\$ 262,378	1.33%
Investment Securities	248,509,748	1,533,208	2.47%	201,137,316	1,285,695	2.56%
Loans	<u>761,220,714</u>	<u>9,043,344</u>	4.78%	<u>659,206,812</u>	<u>9,311,568</u>	5.68%
Total Interest Earning Assets	1,114,728,012	10,607,970	3.83%	939,510,359	10,859,641	4.65%
Noninterest Earning Assets	<u>81,563,032</u>			<u>80,808,526</u>		
Total Assets	<u><u>\$ 1,196,291,044</u></u>			<u><u>\$ 1,020,318,885</u></u>		
Interest Bearing Liabilities						
Interest Bearing Transaction Accounts	\$ 173,993,644	114,631	0.26%	\$ 128,885,992	242,934	0.76%
Savings and Money Market Accounts	361,680,471	377,646	0.42%	353,116,947	664,814	0.76%
Time Deposits	<u>78,902,446</u>	<u>221,256</u>	1.13%	<u>80,351,041</u>	<u>237,531</u>	1.19%
Total Interest Bearing Deposits	614,576,561	713,533	0.47%	562,353,980	1,145,279	0.82%
Other Borrowings	<u>42,628,331</u>	<u>36,923</u>	0.35%	<u>-</u>	<u>-</u>	-
Total Interest Bearing Liabilities	657,204,892	750,456	0.46%	562,353,980	1,145,279	0.82%
Noninterest Bearing Transaction Accounts	<u>374,417,383</u>			<u>298,089,928</u>		
Total Funding Sources	1,031,622,275			860,443,908		
Noninterest Bearing Liabilities	7,260,169			7,834,040		
Shareholders' Equity	<u>157,408,600</u>			<u>152,040,937</u>		
Total Liabilities and Shareholder's Equity	<u><u>\$ 1,196,291,044</u></u>			<u><u>\$ 1,020,318,885</u></u>		
Net Interest Income		<u>\$ 9,857,514</u>			<u>\$ 9,714,362</u>	
Net Interest Margin			3.56%			4.16%

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

	<u>June 30, 2020</u>			<u>June 30, 2019</u>		
	<u>Average</u>		<u>Average</u>	<u>Average</u>		<u>Average</u>
	<u>Balance</u>	<u>Interest</u>	<u>Yield/Rate</u>	<u>Balance</u>	<u>Interest</u>	<u>Yield/Rate</u>
Interest Earning Assets:						
Deposits in Other Financial Institutions	\$ 104,997,550	\$ 31,418	0.12%	\$ 53,826,806	\$ 339,046	2.53%
Investment Securities	248,509,748	1,533,208	2.47%	158,173,939	1,114,847	2.82%
Loans	<u>761,220,714</u>	<u>9,043,344</u>	4.78%	<u>640,506,723</u>	<u>9,426,583</u>	5.90%
Total Interest Earning Assets	1,114,728,012	10,607,970	3.83%	852,507,468	10,880,476	5.12%
Noninterest Earning Assets	<u>81,563,032</u>			<u>81,120,229</u>		
Total Assets	<u>\$ 1,196,291,044</u>			<u>\$ 933,627,697</u>		
Interest Bearing Liabilities						
Interest Bearing Transaction Accounts	\$ 173,993,644	114,631	0.26%	\$ 103,039,731	170,050	0.66%
Savings and Money Market Accounts	361,680,471	377,646	0.42%	307,778,084	689,691	0.90%
Time Deposits	<u>78,902,446</u>	<u>221,256</u>	1.13%	<u>91,964,284</u>	<u>242,661</u>	1.06%
Total Interest Bearing Deposits	614,576,561	713,533	0.47%	502,782,099	1,102,402	0.88%
Other Borrowings	<u>42,628,331</u>	<u>36,923</u>	0.35%	<u>-</u>	<u>-</u>	-
Total Interest Bearing Liabilities	657,204,892	750,456	0.46%	502,782,099	1,102,402	0.88%
Noninterest Bearing Transaction Accounts	<u>374,417,383</u>			<u>282,794,851</u>		
Total Funding Sources	1,031,622,275			785,576,950		
Noninterest Bearing Liabilities	7,260,169			8,410,437		
Shareholders' Equity	<u>157,408,600</u>			<u>139,640,310</u>		
Total Liabilities and Shareholder's Equity	<u>\$ 1,196,291,044</u>			<u>\$ 933,627,697</u>		
Net Interest Income		<u>\$ 9,857,514</u>			<u>\$ 9,778,074</u>	
Net Interest Margin			3.56%			4.60%

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

	June 30, 2020			June 30, 2019		
	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>	<u>Average Balance</u>	<u>Interest</u>	<u>Average Yield/Rate</u>
Interest Earning Assets:						
Deposits in Other Financial Institutions	\$ 91,710,912	\$ 293,797	0.64%	\$ 55,806,606	\$ 696,821	2.52%
Investment Securities	225,194,510	2,818,901	2.50%	151,287,850	2,104,338	2.78%
Loans	<u>710,213,763</u>	<u>18,354,911</u>	5.20%	<u>633,581,140</u>	<u>18,367,393</u>	5.85%
Total Interest Earning Assets	1,027,119,185	21,467,609	4.20%	840,675,596	21,168,552	5.08%
Noninterest Earning Assets	<u>81,185,778</u>			<u>77,580,396</u>		
Total Assets	<u><u>\$ 1,108,304,963</u></u>			<u><u>\$ 918,255,992</u></u>		
Interest Bearing Liabilities						
Interest Bearing Transaction Accounts	\$ 151,439,818	148,059	0.20%	\$ 97,792,003	286,060	0.59%
Savings and Money Market Accounts	357,398,709	1,251,966	0.70%	306,860,242	1,263,425	0.83%
Time Deposits	<u>79,626,743</u>	<u>458,787</u>	1.16%	<u>94,497,116</u>	<u>483,740</u>	1.03%
Total Interest Bearing Deposits	588,465,270	1,858,812	0.64%	499,149,361	2,033,225	0.82%
Other Borrowings	<u>21,314,165</u>	<u>36,923</u>	0.35%	<u>-</u>	<u>-</u>	-
Total Interest Bearing Liabilities	609,779,435	1,895,735	0.63%	499,149,361	2,033,225	0.82%
Noninterest Bearing Transaction Accounts	<u>336,253,655</u>			<u>273,907,307</u>		
Total Funding Sources	946,033,090			773,056,668		
Noninterest Bearing Liabilities	7,547,105			7,905,168		
Shareholders' Equity	<u>154,724,768</u>			<u>137,294,156</u>		
Total Liabilities and Shareholder's Equity	<u><u>\$ 1,108,304,963</u></u>			<u><u>\$ 918,255,992</u></u>		
Net Interest Income		<u>\$ 19,571,874</u>			<u>\$ 19,135,327</u>	
Net Interest Margin			3.83%			4.59%