Suncrest Bank
A new day in banking

Suncrest Agribusiness
A Division of Suncrest Bank

July, 30th, 2014

Dear Friends and Shareholders,

As we approach the height of summer, and the mercury reaches 100 degrees, we are proud to announce that the Bank has also reached (and passed) 100! For the first time in our history we have surpassed $100 million in total loans. At the end of June, total loans were $105.9 million, an 8.6% increase over last quarter and a 20.9% increase over the same period last year. Great credit for this achievement goes to our lending division and our team of outstanding loan officers.

Our deposits also continue to grow, standing at $142.6 million as of month-end June, an increase of 52.6% over the same period last year, and our total assets are now at $160.6 million, an increase of 45.6% over the same period last year. This exceptional growth is directly attributable to our outstanding personal service and core philosophy of providing fast, local decision making.

We are also happy to report that the Bank delivered its 11th consecutive quarter of profitability, posting pre-tax net income of $85,713 for the quarter. This result is entirely in line with our projections and, as we mentioned last quarter, is impacted by the costs associated with the addition of important new capability to the Bank.

Throughout 2014 the Bank is making a number of significant investments in both key personnel and improved products and services. We have hired a Chief Operating Officer, two new Branch Presidents, and a Head of Government Guaranteed Lending. This quarter saw the launch of our new Online Banking Service, including the ability for our personal customers to open a new account entirely online, without having to visit a branch. This will help us to attract new customers that do not have easy access to our branches.

The addition of this new capability is critical if Suncrest is to continue growing and remain competitive, and we wish to encourage you to visit our website, come into a branch, or give us a call to learn more about the new services we are adding and how they can help you with your day-to-day banking needs.

In closing, we will leave you with a familiar message – if you do not have an account with us please consider opening one, and encouraging your friends and colleagues to do likewise. Banking with us, rather than one of the megabanks, not only helps to protect and grow your investment, but also has a positive and direct impact on our local economy.

Sincerely,



Bill Benneyan, Chairman



Ciaran McMullan, President & CEO

Balance Sheet
Combined Bank
(Unaudited)

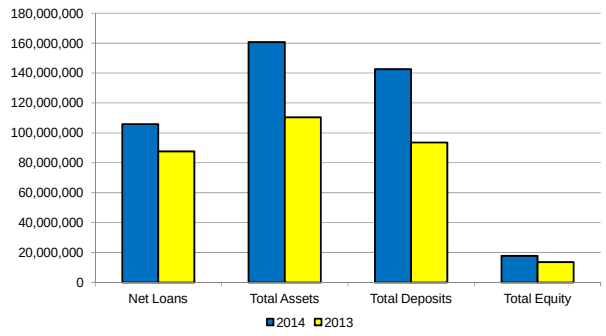
	Actual Jun 2014	Actual Jun 2013	$ Change
Assets			
Cash and due from banks	6,353,418	4,031,908	2,321,510
Fed funds sold & repos	16,887,000	7,050,000	9,837,000
Investment Securities	28,803,844	11,831,032	16,972,812
Loans, net of unearned income	105,857,604	87,551,173	18,306,431
Less: Allowance for loan losses	(1,463,381)	(1,408,381)	(55,000)
Premises and equipment, net	678,444	777,712	(99,268)
Accrued interest receivable	516,672	399,909	116,763
Other assets	3,006,528	122,860	2,883,668
Total Assets	**160,640,129**	**110,356,213**	**50,283,916**
Liabilities			
Non-Interest Bearing Deposits	48,071,940	25,267,348	22,804,592
Interest bearing demand deposits	7,565,224	4,948,780	2,616,444
Savings and Money Market Deposits	45,864,080	33,931,587	11,932,493
Time Deposits - Retail	41,147,270	29,349,116	11,798,154
Total Deposits	142,648,514	93,496,831	49,151,683
Federal Funds Purchased	-	3,000,000	(3,000,000)
Accrued expenses and other liabilities	323,980	258,506	65,474
Total Liabilities	142,972,494	96,755,337	46,217,157
Equity			
Common stock	20,238,197	19,146,645	1,091,552
Capital surplus	1,583,736	1,488,266	95,470
Retained earnings	(4,247,207)	(7,440,743)	3,193,536
Accumulated other comprehensive income (loss)	8,950	(95,726)	104,676
Net Income	83,959	502,434	(418,475)
Total Equity	17,667,635	13,600,876	4,066,759
Total Liabilities & Equity	**160,640,129**	**110,356,213**	**50,283,916**

Income Statement
Combined Bank
(Unaudited)

	YTD Actual Jun 2014	YTD Actual Jun 2013	$ Change
Interest Income			
Interest on Loans	2,616,585	2,477,604	138,981
Fees on Loans	127,275	49,744	77,531
Interest on federal funds sold	20,341	2,605	17,736
Interest on deposits with banks	13	11	2
Investment Securities - Taxable	173,898	70,745	103,153
Total Interest Income	2,938,112	2,600,709	337,403
Interest Expense			
Interest bearing demand deposits	5,212	4,592	620
Savings and Money Market Deposits	86,495	83,663	2,832
Time Deposits - Retail	134,603	99,644	34,959
Interest on other borrowings	6	711	(705)
Total Interest Expense	226,316	188,610	37,706
Net Interest Income	**2,711,796**	**2,412,099**	**299,697**
Provision for loan losses	46,000	36,000	10,000
Net Int. Inc. After Prov. for Loan Losses	**2,665,796**	**2,376,099**	**289,697**
Non Interest Income			
Service charges and fees	44,304	35,349	8,955
Other noninterest income	93,788	116,325	(22,537)
Total Non Interest Income	138,092	151,674	(13,582)
Non Interest Expense			
Salaries and employee benefits	1,531,638	1,084,249	447,389
Occupancy	391,916	374,316	17,600
Other noninterest expense	709,621	556,774	152,847
Total Non Interest Expense	2,633,175	2,015,339	617,836
Income Before Taxes	**170,713**	**512,434**	**(341,721)**
Income taxes	86,754	10,000	76,754
Net Income	**83,959**	**502,434**	**(418,475)**

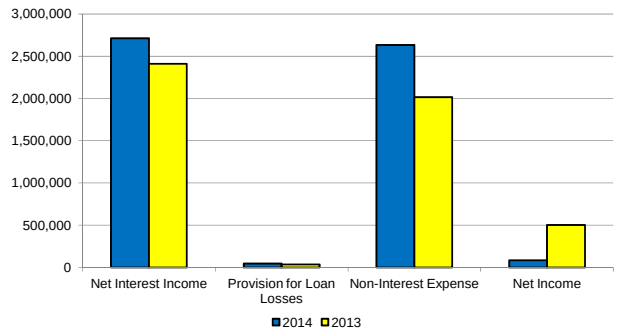
Balance Sheet Comparisons

As of June 30, 2014 (unaudited)



Income Statement Comparisons

Year-to-Date through June 30, 2014 (unaudited)



This letter includes forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this letter the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe" and similar expressions, the Company intends to identify forward-looking statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors which are beyond our control.