

CONSOLIDATED

FINANCIAL STATEMENTS

TGR FINANCIAL, INC.

AND SUBSIDIARY

FOR THE QUARTER ENDED

JUNE 30, 2016

(unaudited)

TGR Financial, Inc. and Subsidiary
Consolidated Statements of Financial Condition (unaudited)

(dollars in thousands, except per share data)	June 30, 2016	December 31, 2015
Assets:		
Cash and due from banks	$ 30,168	$ 6,999
Interest earning balances due from banks and others	87,132	28,856
Total cash and cash equivalents	117,300	35,855
Securities available-for-sale	210,711	262,714
Federal Reserve Bank stock	3,018	3,005
Federal Home Loan Bank stock	2,752	3,356
Loans, net of allowance for loan losses, $9,056 and $8,757, respectively	865,529	801,993
Premises and equipment, net	19,516	19,729
Accrued interest receivable	2,512	2,283
Goodwill and other intangibles	5,683	5,734
Bank owned life insurance	26,374	23,641
Deferred tax asset, net	7,561	9,734
Other assets	781	751
Total assets	$ 1,261,737	$ 1,168,795
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	$ 162,431	$ 155,879
Interest-bearing liabilities:		
Money market	207,714	189,169
NOW	430,920	370,694
Savings	50,062	50,330
Certificates of deposits over $250,000	67,890	49,448
Certificates of deposits equal or under $250,000	90,384	77,314
Total deposits	1,009,401	892,834
Customer repurchase agreements	103,153	114,702
Short term borrowings	20,000	55,000
Long term borrowings	20,000	3,000
Total borrowings	143,153	172,702
Other liabilities	3,586	1,839
Total liabilities	1,156,140	1,067,375
Stockholders' Equity:		
Common stock, $1 par value; 500,000,000 shares authorized, 17,227,460 and 17,227,448, issued and outstanding, respectively	17,227	17,227
Preferred stock, Nonvoting Series A Convertible, $1 par value (liquidation preference $0.001); 7,050,000 shares authorized, 1,037,984 issued and outstanding	1,038	1,038
Additional paid-in capital	91,095	90,874
Accumulated deficit	(4,217)	(6,904)
Accumulated other comprehensive income/(loss), net of tax	454	(815)
Total stockholders' equity	105,597	101,420
Total liabilities and stockholders' equity	$ 1,261,737	$ 1,168,795

TGR Financial, Inc. and Subsidiary **Consolidated Statements of Operations (unaudited)** (dollars in thousands, except per share data)	**For the Six Months Ended June 30,**		**For the Three Months Ended June 30,**	
	2016	**2015**	**2016**	**2015**
Interest income:				
Loans	**$ 16,774**	**$ 14,181**	**$ 8,445**	**$ 7,435**
Investment securities	**2,040**	**1,800**	**907**	**798**
Interest bearing balances due from banks and others	**204**	**146**	**117**	**82**
Total interest income	**19,018**	**16,127**	**9,469**	**8,315**
Interest expense:				
Deposits	**2,115**	**1,798**	**1,097**	**964**
Customer repurchase agreements	**173**	**126**	**87**	**71**
Other borrowed funds	**126**	**99**	**54**	**37**
Total interest expense	**2,414**	**2,023**	**1,238**	**1,072**
Net interest income	**16,604**	**14,104**	**8,231**	**7,243**
Provision for loan losses	**391**	**264**	**251**	**172**
Net interest income after provision for loan losses	**16,213**	**13,840**	**7,980**	**7,071**
Non-interest income:				
Service charges and fees on deposit accounts	**610**	**508**	**300**	**243**
Title and closing services revenue	**233**	**210**	**129**	**109**
Gain (loss) on sale of securities, net	**7**	**23**	**-**	**4**
Bank owned life insurance	**333**	**273**	**167**	**139**
Bargain purchase gain (adjustment)	**-**	**(79)**	**-**	**-**
Other non-interest income	**334**	**306**	**281**	**127**
Total non-interest income	**1,517**	**1,241**	**877**	**622**
Non-interest expense:				
Salaries and employee benefits	**7,962**	**7,166**	**3,850**	**3,630**
Occupancy and equipment	**1,875**	**1,725**	**959**	**857**
Professional fees	**327**	**271**	**178**	**134**
Data processing	**623**	**546**	**316**	**279**
Advertising, marketing, and business development	**543**	**417**	**247**	**164**
Regulatory assessments	**460**	**458**	**220**	**240**
Other non-interest expense	**1,753**	**1,535**	**859**	**802**
Total non-interest expense	**13,543**	**12,118**	**6,629**	**6,106**
Income before income taxes	**4,187**	**2,963**	**2,228**	**1,587**
Provision (benefit) for income taxes	**1,500**	**1,066**	**793**	**558**
Net income	**$ 2,687**	**$ 1,897**	**$ 1,435**	**$ 1,029**
Basic income per common share	**$ 0.16**	**$ 0.11**	**$ 0.08**	**$ 0.06**
Diluted income per common share	**$ 0.14**	**$ 0.10**	**$ 0.08**	**$ 0.06**
Basic weighted average number of common shares outstanding	**17,227,451**	**17,014,077**	**17,227,453**	**17,227,340**
Diluted weighted average number of common shares outstanding	**18,685,519**	**18,310,620**	**18,687,581**	**18,531,454**