

CONSOLIDATED

FINANCIAL STATEMENTS

TGR FINANCIAL, INC.

AND SUBSIDIARY

FOR THE QUARTER ENDED

SEPTEMBER 30, 2015

(unaudited)

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

(dollars in thousands, except per share data)	September 30, 2015	December 31, 2014
Assets:		
Cash and due from banks	**$ 28,589**	**$ 8,543**
Interest earning balances due from banks and others	**27,853**	**10,240**
Total cash and cash equivalents	**56,442**	**18,783**
Securities available-for-sale	**283,263**	**260,813**
Federal Reserve Bank stock	**2,818**	**2,725**
Federal Home Loan Bank stock	**2,719**	**3,496**
Loans, net of allowance for loan losses, $8,225 and $7,480, respectively	**743,038**	**645,175**
Premises and equipment, net	**19,757**	**20,138**
Other real estate owned, net	**75**	**75**
Accrued interest receivable	**2,405**	**1,929**
Goodwill and other intangibles	**5,760**	**5,837**
Bank owned life insurance	**23,470**	**19,026**
Deferred tax asset, net	**9,844**	**11,533**
Other assets	**834**	**705**
Total assets	**$ 1,150,425**	**$ 990,235**
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	**$ 133,836**	**$ 124,525**
Interest-bearing liabilities:		
Money market	**203,591**	**184,662**
NOW	**334,949**	**227,483**
Savings	**47,557**	**50,022**
Certificates of deposit $250,000 or more	**44,883**	**48,914**
Certificates of deposit under $250,000	**130,546**	**116,124**
Total deposits	**895,362**	**751,730**
Securities sold under agreements to repurchase	**106,329**	**70,259**
Short term borrowings	**20,000**	**42,625**
Long term borrowings	**23,000**	**26,000**
Total borrowings	**149,329**	**138,884**
Other liabilities	**4,756**	**4,552**
Total liabilities	**1,049,447**	**895,166**
Stockholders' Equity:		
Common stock, $1 par value; 500,000,000 shares authorized, 17,227,448 and 16,788,681, issued and outstanding, respectively	**17,227**	**16,789**
Preferred stock, Nonvoting Series A Convertible, $1 par value (liquidation preference $0.001); 20,000,000 shares authorized, 1,037,984 issued and outstanding	**1,038**	**1,038**
Additional paid-in capital	**90,771**	**88,592**
Accumulated deficit	**(8,384)**	**(11,581)**
Accumulated other comprehensive income, net of tax	**326**	**231**
Total stockholders' equity	**100,978**	**95,069**
Total liabilities and stockholders' equity	**$ 1,150,425**	**$ 990,235**

TGR Financial, Inc. and Subsidiary
Consolidated Statements of Operations (unaudited)
(dollars in thousands, except per share data)

	For the Nine Months Ended September 30,		For the Three Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Interest income:				
Loans	**$ 21,625**	**$ 19,369**	**$ 7,443**	**$ 7,287**
Investment securities	**3,062**	**3,032**	**1,262**	**966**
Interest bearing balances due from banks and others	**221**	**26**	**75**	**3**
Total interest income	**24,908**	**22,427**	**8,780**	**8,256**
Interest expense:				
Deposits	**2,821**	**2,207**	**1,023**	**713**
Customer repurchase agreements	**207**	**191**	**81**	**67**
Other borrowed funds	**139**	**147**	**40**	**54**
Total interest expense	**3,167**	**2,545**	**1,144**	**834**
Net interest income	**21,741**	**19,882**	**7,636**	**7,422**
Provision for loan losses	**530**	**1,196**	**265**	**514**
Net interest income after provision for loan losses	**21,211**	**18,686**	**7,371**	**6,908**
Non-interest income:				
Service charges and fees on deposit accounts	**769**	**636**	**261**	**238**
Title and closing services revenue	**366**	**336**	**156**	**108**
Loss on loans held for sale	**-**	**(327)**	**-**	**17**
Loss on sale of other real estate owned	**-**	**(109)**	**-**	**-**
Gain on sale of fixed assets	**-**	**6**	**-**	**-**
Gain on sale of repossessions	**-**	**21**	**-**	**(4)**
Gain (loss) on sale of securities, net	**23**	**(1,083)**	**-**	**(963)**
Bank owned life insurance	**444**	**378**	**171**	**142**
Bargain purchase gain	**(79)**	**491**	**-**	**23**
Other non-interest income	**358**	**152**	**52**	**53**
Total non-interest income	**1,881**	**501**	**640**	**(386)**
Non-interest expense:				
Salaries and employee benefits	**10,691**	**9,552**	**3,525**	**3,282**
Occupancy and equipment	**2,634**	**2,619**	**909**	**914**
Professional fees	**421**	**453**	**150**	**162**
Data processing	**839**	**645**	**293**	**229**
Advertising, marketing, and business development	**635**	**476**	**218**	**112**
Regulatory assessments	**666**	**638**	**207**	**201**
Merger and acquisition related expense	**6**	**2,135**	**-**	**65**
Reorganization expense	**-**	**88**	**-**	**-**
Other non-interest expense	**2,238**	**2,149**	**709**	**790**
Total non-interest expense	**18,130**	**18,755**	**6,011**	**5,755**
Income before income taxes	**4,962**	**432**	**2,000**	**767**
Provision (benefit) for income taxes	**1,765**	**(608)**	**700**	**28**
Net income	**$ 3,197**	**$ 1,040**	**$ 1,300**	**$ 739**
Basic income per common share	**$ 0.19**	**$ 0.06**	**$ 0.08**	**$ 0.04**
Diluted income per common share	**$ 0.17**	**$ 0.06**	**$ 0.07**	**$ 0.04**
Basic weighted average number of common shares outstanding	**17,085,958**	**16,135,871**	**17,227,375**	**16,787,677**
Diluted weighted average number of common shares outstanding	**18,384,841**	**17,150,624**	**18,530,863**	**18,039,522**