

CONSOLIDATED

FINANCIAL STATEMENTS

TGR FINANCIAL, INC.

AND SUBSIDIARY

FOR THE QUARTER ENDED

SEPTEMBER 30, 2014

(unaudited)

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

(dollars in thousands)	September 30, 2014	December 31, 2013
Assets:		
Cash and due from banks	$ 9,649	$ 4,979
Interest earning balances due from banks	7,696	11,488
Total cash and cash equivalents	17,345	16,467
Securities available-for-sale	177,589	179,592
Federal Reserve Bank stock	2,669	2,219
Federal Home Loan Bank stock	3,496	2,806
Loans, net of allowance for loan losses $6,949 and $6,560, respectively	603,853	482,759
Loans held for sale	228	8,219
Premises and equipment, net	20,311	20,375
Other real estate owned, net	309	656
Accrued interest receivable	1,903	1,756
Goodwill and other intangibles	5,864	5,256
Bank owned life insurance	18,885	10,007
Deferred tax asset, net	12,913	11,486
Other assets	808	996
Total assets	$ 866,173	$ 742,594
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	$ 105,113	$ 77,177
Interest-bearing liabilities:		
Money market	197,966	149,908
NOW	109,700	94,213
Savings	49,941	52,929
Certificates of deposit $100,000 or more	118,610	131,201
Certificates of deposit under $100,000	36,796	36,942
Total deposits	618,126	542,370
Securities sold under agreements to repurchase	86,947	76,616
Short term borrowings	25,000	10,000
Long term borrowings	36,000	36,000
Total borrowings	147,947	122,616
Other liabilities	6,463	4,261
Total liabilities	772,536	669,247
Stockholders' Equity:		
Common stock, $1 par value; 500,000,000 shares authorized, 16,787,847 and 14,333,620, issued and outstanding, respectively	16,788	14,334
Preferred stock, Nonvoting Series A Convertible, $1 par value (liquidation preference $0.001); 7,050,000 shares authorized, 1,037,984 and 126,573, issued and outstanding, respectively	1,038	127
Additional paid-in capital	88,516	75,614
Accumulated deficit	(12,140)	(13,180)
Accumulated other comprehensive loss, net of tax	(565)	(3,548)
Total stockholders' equity	93,637	73,347
Total liabilities and stockholders' equity	$ 866,173	$ 742,594

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

	For the Nine Months Ended September 30,		For the Three Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
Interest income:				
Loans	**$ 19,369**	**$ 15,091**	**$ 7,287**	**$ 5,061**
Investment securities	**3,032**	**2,803**	**966**	**905**
Interest bearing balances due from banks	**26**	**76**	**3**	**19**
Total interest income	**22,427**	**17,970**	**8,256**	**5,985**
Interest expense:				
Deposits	**2,207**	**2,170**	**713**	**658**
Customer repurchase agreements	**191**	**153**	**67**	**45**
Other borrowed funds	**147**	**77**	**54**	**28**
Total interest expense	**2,545**	**2,400**	**834**	**731**
Net interest income	**19,882**	**15,570**	**7,422**	**5,254**
Provision for loan losses	**1,196**	**1,018**	**514**	**58**
Net interest income after provision for loan losses	**18,686**	**14,552**	**6,908**	**5,196**
Non-interest income:				
Service charges and fees on deposit accounts	**636**	**465**	**238**	**176**
Title and closing services revenue	**336**	**387**	**108**	**97**
Gain/(loss) on loans held for sale	**(327)**	**-**	**17**	**-**
Gain/(loss) on sale of other real estate owned	**(109)**	**(25)**	**-**	**4**
Gain on sale of fixed assets	**6**	**-**	**-**	**-**
Gain/(loss) on sale of repossessions	**21**	**-**	**(4)**	**-**
Gain/(loss) on sale of securities, net	**(1,083)**	**584**	**(963)**	**3**
Bank owned life insurance	**378**	**-**	**142**	**-**
Bargain purchase gain	**491**	**-**	**23**	**-**
Other non-interest income	**152**	**116**	**53**	**50**
	501	**1,527**	**(386)**	**330**
Non-interest expense:				
Salaries and employee benefits	**9,552**	**8,242**	**3,282**	**2,792**
Occupancy and equipment	**2,619**	**2,152**	**914**	**726**
Professional fees	**453**	**495**	**162**	**143**
Data processing	**645**	**498**	**229**	**172**
Advertising, marketing, and business development	**476**	**434**	**112**	**150**
Collection and other real estate owned expense	**99**	**261**	**32**	**16**
Regulatory assessments	**638**	**436**	**201**	**157**
Merger and acquisition related expense	**2,135**	**-**	**65**	**-**
Reorganization expense	**88**	**-**	**-**	**-**
Other non-interest expense	**2,050**	**1,664**	**758**	**524**
	18,755	**14,182**	**5,755**	**4,680**
Income before income taxes	**432**	**1,897**	**767**	**846**
Provision/(benefit) for income taxes	**(608)**	**(8,920)**	**28**	**327**
Net income	**$ 1,040**	**$ 10,817**	**$ 739**	**$ 519**