



**CONSOLIDATED
FINANCIAL STATEMENTS**

**TGR FINANCIAL, INC.
AND SUBSIDIARY**

**FOR THE QUARTER ENDED
SEPTEMBER 30, 2016**

(unaudited)

TGR FINANCIAL, INC.

Consolidated Statements of Financial Condition

Third Quarter 2016

(unaudited)

(\$ in thousands)

	September 30, 2016	December 31, 2015
Assets:		
Cash and due from banks	\$ 32,147	\$ 6,999
Interest earning balances due from banks and others	27,273	28,856
Total cash and cash equivalents	59,420	35,855
Securities available-for-sale	203,503	262,714
Federal Reserve Bank stock	3,018	3,005
Federal Home Loan Bank stock	1,902	3,356
Loans, net of allowance for loan losses, \$9,228 and \$8,787, respectively	898,074	801,993
Premises and equipment, net	19,450	19,729
Accrued interest receivable	2,454	2,283
Goodwill and other intangibles	5,658	5,734
Bank owned life insurance	26,558	23,641
Deferred tax asset, net	6,560	9,734
Other assets	894	751
Total assets	\$ 1,227,491	\$ 1,168,795
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	\$ 173,011	\$ 155,879
Interest-bearing liabilities:		
Money market	191,171	189,169
NOW	426,889	370,694
Savings	47,311	50,330
Certificates of deposits over \$250,000	68,193	49,448
Certificates of deposits equal or under \$250,000	92,152	77,314
Total deposits	998,727	892,834
Customer repurchase agreements	96,611	114,702
Short term borrowings	-	55,000
Long term borrowings	20,000	3,000
Total borrowings	116,611	172,702
Other liabilities	4,614	1,839
Total liabilities	1,119,952	1,067,375
Stockholders' Equity:		
Common stock	17,227	17,227
Preferred stock	1,038	1,038
Additional paid-in capital	91,205	90,874
Accumulated deficit	(2,691)	(6,904)
Accumulated other comprehensive income/(loss), net of tax	760	(815)
Total stockholders' equity	107,539	101,420
Total liabilities and stockholders' equity	\$ 1,227,491	\$ 1,168,795

TGR FINANCIAL, INC.

Consolidated Statements of Income

Third Quarter 2016

(unaudited)

(\$ in thousands except for share data)

	For the Nine Months Ended September 30,		For the Three Months Ended September 30,	
	2016	2015	2016	2015
Interest income:				
Loans	\$ 25,760	\$ 21,625	\$ 8,986	\$ 7,443
Investment securities	2,883	3,062	842	1,262
Interest bearing balances due from banks and others	390	221	186	75
Total interest income	29,033	24,908	10,014	8,780
Interest expense:				
Deposits	3,417	2,821	1,302	1,023
Customer repurchase agreements	247	207	74	81
Other borrowed funds	182	139	56	40
Total interest expense	3,846	3,167	1,432	1,144
Net interest income	25,187	21,741	8,582	7,636
Provision for loan losses	721	530	330	265
Net interest income after provision for loan losses	24,466	21,211	8,252	7,371
Non-interest income:				
Service charges and fees on deposit accounts	914	769	304	261
Title and closing services revenue	363	366	130	156
Gain on sale of fixed assets	(1)	-	(1)	-
Gain (loss) on sale of securities, net	7	23	-	-
Bank owned life insurance	517	444	184	171
Bargain purchase gain (adjustment)	-	(79)	-	-
Other non-interest income	439	358	105	52
Total non-interest income	2,239	1,881	722	640
Non-interest expense:				
Salaries and employee benefits	11,928	10,691	3,966	3,525
Occupancy and equipment	2,827	2,634	952	909
Professional fees	478	421	152	150
Data processing	936	839	313	293
Advertising, marketing, and business development	727	635	184	218
Regulatory assessments	708	666	248	207
Other non-interest expense	2,551	2,244	797	709
Total non-interest expense	20,155	18,130	6,612	6,011
Income before income taxes	6,550	4,962	2,362	2,000
Provision (benefit) for income taxes	2,337	1,765	836	700
Net income	\$ 4,213	\$ 3,197	\$ 1,526	\$ 1,300
Basic income per common share	\$ 0.24	\$ 0.19	\$ 0.09	\$ 0.08
Diluted income per common share	\$ 0.23	\$ 0.17	\$ 0.08	\$ 0.07
Basic weighted average number of common shares outstanding	17,227,455	17,085,958	17,227,463	17,227,375
Diluted weighted average number of common shares outstanding	18,672,410	18,384,841	18,373,647	18,530,863