



PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact:

Regenia B. Ellis
Vice President & Corporate Secretary
Mountain Commerce Bancorp
(423) 262-5820

Mountain Commerce Bancorp, Inc. Announces Strong Earnings for Third Quarter 2017

KNOXVILLE, TN — October 23, 2017 — Mountain Commerce Bancorp, Inc. (OTCQX: MCB), the Knoxville, Tennessee-based bank holding company and parent of Mountain Commerce Bank (MCB), reported consolidated net income of \$1.775 million for the third quarter of 2017, a 59 percent increase compared with \$1.116 million for the third quarter of 2016. Earnings per fully diluted share for the quarter ended September 30, 2017 totaled \$0.29 versus \$0.26 for the same period in 2016.

For the nine months ended September 30, 2017, the company reported net income of \$4.569 million compared to \$3.096 million for the comparable 2016 period, an increase of 48 percent. Earnings per fully diluted share for the nine months ended September 30, 2017 totaled \$0.74 versus \$0.74 for the same period in 2016.

The major factor driving the modest increase in earnings per share was the company's capital raise in December 2016. At that time, the company issued 1,666,667 shares, an increase of 41 percent.

Assets as of September 30, 2017 were \$711.7 million, an increase of \$134.6 million or 23 percent from September 30, 2016. Over the same period, gross loans increased 21 percent to \$601.0 million, while deposits grew 20 percent to \$615.6 million. As of September 30, 2017, MCB's estimated Tier I leverage ratio was 10.05 percent.

Non-interest expense for the third quarter of 2017 was \$3.403 million compared to \$3.585 million during the same period in 2016, a decrease of 5 percent.

As of September 30, 2017, tangible book value per share was \$10.94 compared to \$9.55 at the same time a year ago, an increase of \$1.39 or 15 percent.

###

About Mountain Commerce Bancorp and its subsidiary Mountain Commerce Bank:

Mountain Commerce Bancorp, Inc. is a bank holding company and the parent of Mountain Commerce Bank (MCB).

MCB is a state-chartered, FDIC-insured, century-old, privately held financial services institution headquartered in Knoxville, Tennessee and serving East Tennessee. Through Hometown Service and Smart Technology, MCB provides Responsive Relationship Banking coupled with big bank products and services, with the personal attention and exceptional service of a hometown community bank.

At the end of September 2017, MCB had \$711.7 million in total assets and \$615.6 million in total deposits. MCB currently employs more than 75 individuals at five branches and one operations office. For more information, visit us at www.mcb.com or check your account any time at 1-866-MCB-1910. MCB is an equal opportunity employer.

Note to editor: For more information on Mountain Commerce Bancorp, Inc.'s 2017 performance, please see the attached consolidated balance sheets and consolidated statements of operation.



Mountain Commerce Bancorp, Inc. and Subsidiary

Consolidated Balance Sheets

(Unaudited)

	September 2017	December 2016	September 2016
ASSETS			
Cash and due from banks	\$4,635,541	\$4,651,766	\$3,908,163
Interest-earning deposits	8,542,446	23,712,480	14,124,390
Cash and cash equivalents	13,177,987	28,364,246	18,032,553
Securities available for sale	69,558,935	43,857,907	32,922,749
Loans held for sale	- 0	78,599	423,863
Loans receivable	601,024,465	515,432,541	495,244,796
Allowance for loan losses	(5,935,511)	(5,281,059)	(5,374,478)
Net loans	595,088,954	510,151,482	489,870,317
Premises and equipment, net	12,074,778	13,453,591	13,497,424
Accrued interest receivable	1,929,039	1,718,171	1,586,741
Real estate owned	6,708,510	8,781,161	8,735,661
Bank owned life insurance	7,113,910	6,991,438	6,948,441
Restricted stock	1,254,700	1,128,900	1,128,900
Prepaid expenses and other assets	1,360,495	1,190,555	1,213,057
Deferred tax asset	3,391,056	3,425,367	2,674,370
Total assets	\$711,658,364	\$619,141,417	\$577,034,078
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing	\$79,108,032	\$67,156,351	\$67,725,327
Interest-bearing	536,443,834	467,170,920	444,816,454
Total deposits	615,551,866	534,327,271	512,541,781
Federal Home Loan Bank advances	22,000,000	9,555,942	9,526,474
Senior note payable	5,954,079	9,913,921	9,904,697
Accrued interest payable	68,461	47,159	39,826
Mandatorily redeemable preferred stock	-	2,969,000	2,969,000
Other liabilities	2,644,879	4,136,654	3,172,851
Total liabilities	646,219,285	560,949,947	538,154,628
Stockholders' equity:			
Preferred stock; \$0.01 par, 1,000,000 shares authorized; 0 shares issued and outstanding at September 30, 2017 and 2,969 shares issued and outstanding at December 31, 2016 and September 30, 2016	- 0	- 0	- 0
Common stock; \$0.01 par, 10,000,000 shares authorized; 5,979,287 and 5,758,055 and 4,071,388 issued and outstanding at September 30, 2017 and December 31, 2016 and September 30, 2016, respectively	59,614	57,352	40,679
Additional paid-in capital	62,924,517	60,224,408	41,541,157
Accumulated deficit	2,534,076	(1,955,864)	(3,091,370)
Accumulated other comprehensive income	(79,128)	(134,426)	388,983
Total stockholders' equity	65,439,079	58,191,470	38,879,450
Total liabilities and stockholders' equity	\$711,658,364	\$619,141,417	\$577,034,078



Mountain Commerce Bancorp, Inc. and Subsidiary

Consolidated Statement of Operations

(Unaudited)

	Three Months Ended September 2017	September 2016	Nine Months Ended September 2017	September 2016
Interest income:				
Loans	\$7,071,573	\$5,745,245	\$19,877,075	\$16,260,499
Investment securities	419,566	186,476	1,098,754	597,048
Interest-earning deposits	23,047	20,092	73,105	43,134
Total interest income	7,514,187	5,951,812	21,048,934	16,900,682
Interest expense:				
Interest on deposits:				
Savings	831,705	650,231	2,405,248	1,683,777
Interest bearing transaction accounts	63,245	56,985	187,071	180,446
Time certificates of deposit of \$250,000 or more	192,047	196,592	578,200	611,130
Other time deposits	223,605	63,725	401,187	192,578
Other borrowings	151,324	234,275	607,943	692,523
Total interest expense	1,461,927	1,201,808	4,179,648	3,360,453
Net interest income	6,052,260	4,750,004	16,869,286	13,540,229
Provision for loan losses	231,000	- 0	755,124	157,500
Net interest income after provision for loan losses	5,821,260	4,750,004	16,114,162	13,382,729
Noninterest income:				
Service charges and other fees on deposit accounts	348,633	286,609	948,113	825,684
Gain on sale of investment securities	3,112	54,804	86,141	98,075
Gain on sale of loans	23,755	200,747	200,926	449,523
Other operating income	66,860	88,066	154,637	264,975
Total noninterest income	442,361	630,226	1,389,816	1,638,257
Noninterest expenses:				
Compensation and employee benefits	\$1,838,686	\$1,665,461	\$5,435,232	\$4,913,975
Occupancy expenses	327,981	322,514	1,002,353	993,238
Furniture and equipment costs	81,351	64,973	252,242	226,776
Data processing fees	279,736	294,669	843,383	830,191
FDIC Insurance	126,879	123,271	346,472	372,474
Office expense	99,294	101,975	306,131	309,568
Advertising	56,971	63,156	137,128	176,602
Professional fees	150,498	162,257	552,802	521,364
Real estate owned	39,265	585,124	413,545	1,100,170
Other operating costs	402,133	201,562	853,117	559,455
Total noninterest expenses	3,402,794	3,584,962	10,142,405	10,003,814
Income before income taxes	2,860,827	1,795,269	7,361,574	5,017,172
Income tax expense	1,086,136	679,456	2,792,207	1,921,440
Net income	\$1,774,691	\$1,115,813	\$4,569,367	\$3,095,732
Less Preferred dividends to Retained Earnings	\$-0	\$(74,225)	\$(74,225)	\$(148,450)
Net income available to common shareholders	\$1,774,691	\$1,041,588	\$4,495,142	\$2,947,282
Earnings per common share:				
Basic	\$0.297	\$0.264	\$0.761	\$0.750
Diluted	\$0.288	\$0.258	\$0.740	\$0.735