

(In thousands, except ratios and per share data)

6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
ASSETS				
Cash and cash equivalents				
Cash and due from banks \$ 27,163	\$ 21,597	\$ 37,493	\$ 20,804	\$ 14,801
Federal funds sold 4,104	5,316			4,674
Total cash and cash equivalents 31,267	26,913	37,493	20,804	19,475
Investment securities available for sale, at fair value 20,806	47,009	51,314	51,854	37,274
Investment securities held to maturity, at carrying value 27,422 Restricted equity securities, at cost 4,737	27,469 5,545	27,517 4,241	27,566 3,898	27,615
Loans, net of allowance for loan losses 815,875	702,700	654,339	569,137	3,895 525,989
Premises and equipment, net 14,660	14,568	13,965	13,997	12,008
Other real estate owned, net	-	-	-	135
Accrued interest and other receivables 4.695	3,938	3,849	3,076	2,737
Bank owned life insurance 13,851	13,743	13,637	13,526	13,417
Other assets 2,842	1,794	1,596	1,687	1,715
Total Assets \$ 936,155	\$ 843,679	\$ 807,951	\$ 705,545	\$ 644,260
LIABILITIES AND STOCKHOLDERS' EQUITY Liabilities:				
Non-interest bearing deposits \$ 179,827	\$ 164,795	\$ 171,572	\$ 155,586	\$ 139,023
Interest bearing DDA deposits 60,389	54,097	48,432	25,888	27,639
Savings and NOW deposits 48,659	49,935	47,855	42,908	48,268
Money market deposits 118,194	118,532	82,828	69,425	86,009
Other time deposits 394,433	303,575	316,968	302,689	237,853
Total deposits 801,502	690,934	667,655	596,496	538,792
Federal Home Loan Bank advances and other borrowings 45,117	64,129	53,780	42,604	40,167
Subordinated Debt 14,762 Other liabilities 2,617	14,755 3,298	14,747 2,968	14,740 1,647	14,733 1,807
Total Liabilities 863,998	773,116	739,150	655,487	595,499
Stockholders' Equity:				
Common stock 22,691	21,579	21,442	16,835	16,808
Capital surplus 40,731	35,769	35,693	22,336	22,229
Retained earnings 9,020	13,368	11,682	10,922	9,777
Accumulated other comprehensive income (loss) (285)	(153)	(16)	(35)	(53)
Total Stockholders' Equity 72,157	70,563	68,801	50,058	48,761
Total Liabilities and Stockholders' Equity \$ 936,155	\$ 843,679	\$ 807,951	\$ 705,545	\$ 644,260
Other Financial Highlights				
Annualized return on average assets 0.76%	0.84%	0.60%	0.68%	0.68%
Annualized return on average equity 8.90%	9.64%	7.44%	8.22%	8.26%
Annualized net interest margin 3.57%	3.57%	3.49%	3.52%	3.64%
Efficiency ratio 61.44%	62.85%	66.90%	66.95%	68.47%
Gross loans to deposits 103.10%	102.69%	98.86%	96.25%	98.45%
Allowance for loan losses to total loans 0.94%	0.89%	0.86%	0.87%	0.84%
Past due loans 30-89 days to total gross loans 0.01%	0.02%	0.03%	0.03%	0.37%
Past due loans 90 days or more to total gross loans 0.00% Non-accrual loans to total gross loans 0.24%	0.00% 0.27%	0.00% 0.31%	0.48% 0.35%	0.00% 0.02%
Non-accrual loans to total gross loans 0.2470	0.2/70			\$ 39
		4 3		
Quarterly net loan charge-offs (recoveries) \$ (2)	\$ 7	\$ 3 \$ 11.99	\$ 7 \$ 10.91	
		\$ 3 \$ 11.99 \$ 17.52	\$ 10.91 \$ 16.30	\$ 10.63 \$ 16.05
Quarterly net loan charge-offs (recoveries) \$ (2) Book value per share (1) \$ 12.42 Closing stock price \$ 20.75	\$ 7 \$ 12.16	\$ 11.99	\$ 10.91	\$ 10.63
Quarterly net loan charge-offs (recoveries) \$ (2) Book value per share (1) \$ 12.42 Closing stock price \$ 20.75 Regulatory Capital Ratios (Bank Only)	\$ 7 \$ 12.16 \$ 20.95	\$ 11.99 \$ 17.52	\$ 10.91 \$ 16.30	\$ 10.63 \$ 16.05
Quarterly net loan charge-offs (recoveries) \$ (2) Book value per share (1) \$ 12.42 Closing stock price \$ 20.75	\$ 7 \$ 12.16	\$ 11.99	\$ 10.91	\$ 10.63
Quarterly net loan charge-offs (recoveries) \$ (2) Book value per share (1) \$ 12.42 Closing stock price \$ 20.75 Regulatory Capital Ratios (Bank Only) Tier 1 risk-based capital ratio 9.25%	\$ 7 \$ 12.16 \$ 20.95	\$ 11.99 \$ 17.52	\$ 10.91 \$ 16.30	\$ 10.63 \$ 16.05

⁽¹⁾ Amounts for all periods presented are adjusted to reflect a 5% stock dividend effective April 9, 2018.



(In thousands, except ratios and per share data)



UNAUDITED CONSOLIDATED STATEMENTS OF INCOME INFORMATION (Unaudited)

(In thousands, except share and per share data)

	Year-	to-Date		Three Months Ended			
	6/30/18	6/30/17	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
INTEREST INCOME:							
Interest and fees on loans	\$ 17,965	\$ 11,070	\$ 9,649	\$ 8,316	\$ 7,437	\$ 6,573	\$ 5,717
Interest on investment securities	748	809	407	341	343	424	413
Interest on federal funds sold	215	87	115	100	122	88	47
Total interest income	18,928	11,966	10,171	8,757	7,902	7,085	6,177
INTEREST EXPENSE:							
Interest on interest bearing DDA deposits	386	84	222	164	70	40	43
Interest on savings and NOW deposits	109	90	63	46	42	50	47
Interest on money market deposits	678	266	414	264	151	148	150
Interest on other time deposits	2,604	1,130	1.513	1,091	1,109	875	594
Interest on Federal Home Loan Bank	2,004	1,130	1,515	1,071	1,107	073	374
advances and other borrowings	389	192	210	179	141	119	108
Interest on Subordinated Debt	479	482	241	238	239	243	241
Total interest expense	4,645	2,244	2,663	1,982	1,752	1,475	1,183
Total interest expense	4,043	2,244	2,003	1,962	1,732	1,475	1,103
Net interest income	14,283	9,722	7,508	6,775	6,150	5,610	4,994
Provision for loan losses	2,030	620	1,395	635	715	550	425
Net interest income after provision	2,030	020	1,373	033	, 15	220	
for loan losses	12,253	9,102	6,113	6,140	5,435	5,060	4,569
OTHER INCOME:	12,233	7,102	0,113	0,140	3,733	3,000	7,507
Deposit account service charges	472	394	259	213	221	221	202
Bank owned life insurance income	215	216	109	106	111	108	110
Other fee income	404	595	215	189	174	237	246
Total other income	1,091	1,205	583	508	506	566	558
OTHER EXPENSES:	1,071	1,203	363	300	300	300	336
Salaries and employee benefits	5,560	4.821	2,811	2,749	2,400	2,431	2,449
Furniture and equipment expenses	832	592	451	381	347	333	306
Advertising and marketing	297	57	141	156	127	80	26
Occupancy expenses	310	324	159	151	143	138	153
Outside services	436	242	240	196	209	212	113
Administrative expenses	273	188	155	118	145	115	98
Other operating expenses	1,738	1,258	912	826	838	657	608
Total other expenses	9,446	7,482	4,869	4,577	4,209	3,966	3,753
Total other expenses	9,440	7,462	4,009	4,377	4,209	3,900	3,733
INCOME BEFORE INCOME TAXES	3,898	2,825	1,827	2,071	1,732	1,660	1,374
Income tax expense	709	848	324	385	971	516	427
NET INCOME	\$ 3,189	\$ 1,977	\$ 1,503	\$ 1,686	\$ 761	\$ 1,144	\$ 947
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Net income per common share,	\$ 0.55	\$ 0.44	\$ 0.26	\$ 0.29	\$ 0.14	\$ 0.25	\$ 0.21
basic and diluted (1) Weighted average number of shares, basic and diluted (1)	5,801,541	4,525,320	5,803,967	5,799,496	5,502,419	4,526,114	4,525,688

⁽¹⁾ Amounts for all periods presented are adjusted to reflect a 5% stock dividend effective April 9, 2018.



(In thousands)

	June 30, 2018		March 31, 2018		June 30, 2017		Percentage Change	
-	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	Last 3 Mos	Last 12 Mos
LOANS:								
Construction and land development loans	\$ 125,475	15.2%	\$ 105,192	14.8%	\$ 61,038	11.5%	19.3%	105.6%
Residential real estate loans	124,253	15.1%	118,295	16.7%	103,085	19.4%	5.0%	20.5%
Commercial real estate loans	342,757	41.6%	278,127	39.2%	208,298	39.2%	23.2%	64.6%
Commercial industrial loans	127,678	15.5%	110,068	15.5%	71,545	13.5%	16.0%	78.5%
Consumer loans	104,286	12.6%	97,821	13.8%	86,781	16.4%	6.6%	20.2%
Total Gross Loans	\$ 824,449	100.0%	\$ 709,503	100.0%	\$ 530,747	100.0%	16.2%	55.3%
Less: Allowance for loan losses	(7,731)		(6,334)		(4,450)			
Net deferred loan fees	(843)		(469)		(308)			
Net Loans	\$ 815,875		\$ 702,700		\$ 525,989			
DEPOSITS:								
	£ 150 025	22.40/	0.164.705	22.00/	A 120 002	25.00/	0.10/	20.20/
Non-interest bearing demand deposits Interest bearing demand deposits:	\$ 179,827	22.4%	\$ 164,795	23.9%	\$ 139,082	25.8%	9.1%	29.3%
Savings and NOW deposits	48,660	6.1%	49,935	7.2%	48,268	9.0%	-2.6%	0.8%
Money market accounts	108,182	13.5%	113,528	16.4%	86,009	16.0%	-4.7%	25.8%
Certificates of deposit:								
\$100,000 or more	135,322	16.9%	92,727	13.4%	76,684	14.2%	45.9%	76.5%
Less than \$100,000	29,410	3.7%	22,785	3.3%	19,501	3.6%	29.1%	50.8%
Third party public funds	69,942	8.7%	85,030	12.3%	52,408	9.7%	-17.7%	33.5%
CD Rateline	51,632	6.4%	45,490	6.6%	66,709	12.4%	13.5%	-22.6%
QwickRate certificates of deposit ICS	51,809 25,359	6.5% 3.2%	7,440 24,075	1.1% 3.5%	27,639	0.0% 5.1%	596.4% 5.3%	N/M -8.2%
CDARS	53,088	5.2% 6.6%	50,103	7.2%	22,492	4.2%	5.5% 6.0%	-8.2% 136.0%
Brokered deposits	48,271	6.0%	35,026	5.1%	22,492	0.0%	37.8%	N/M
Total Deposits	\$ 801,502	100.0%	\$ 690,934	100.0%	\$ 538,792	100.0%	16.1%	48.8%
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BORROWINGS:					_			
Federal funds purchased	\$	0.0%	\$ <u> </u>	0.0%	\$ <u> </u>	0.0%	0.0%	-100.0%
Federal Home Loan Bank advances	45,117	75.3%	64,129	81.3%	40,167	73.2%	-29.6%	12.3%
Subordinated debt	14,762	24.7%	14,755	18.7%	14,733	26.8%	0.1%	0.2%
Total Borrowings	\$ 59,879	100.0%	\$ 78,884	100.0%	\$ 54,900	100.0%	-24.1%	9.1%
Total Deposits and Borrowings	\$ 861,381		\$ 769,818		\$ 593,692		11.9%	45.1%
Core customer funding sources (1)	\$ 579,848	67.3%	\$ 517,948	67.3%	\$ 419,675	70.7%	12.0%	38.2%
Wholesale funding sources (2)	. ,			20.00/		26.007	12.50/	67.50/
	266,771	31.0%	237,115	30.8%	159,284	26.8%	12.5%	67.5%
Subordinated debt (3)	266,771 14,762	31.0% 1.7%	237,115 14,755	30.8% 1.9%	159,284 14,733	26.8%	0.1%	0.2%

⁽¹⁾Includes ICS and CDARS, which are all reciprocal deposits maintained by customers, which represent sweep accounts tied to customer operating accounts.

⁽²⁾Consists of CD Rateline and QwickRate certificates of deposit, third party public funds, brokered deposits and Federal Home Loan Bank advances.

⁽³⁾Subordinated debt obligation qualifies as Tier 2 capital.



	Six Mont	ths Ended June 3	30, 2018	Six Months Ended June 30, 2017			
	Average Balance	Interest Income/ Expense	Average Yields/ Rate	Average Balance	Interest Income/ Expense	Average Yields/ Rate	
ASSETS:							
Interest earning assets: Loans (1) Investment securities Federal funds and repos sold Total interest earning assets	\$ 721,101 55,453 29,338 \$ 805,892	\$ 17,965 748 215 \$ 18,928	5.02% 2.72% 1.48% 4.74%	\$ 478,493 54,041 19,667 \$ 552,201	\$ 11,070 809 87 \$ 11,966	4.67% 3.02% 0.89% 4.37%	
Other assets	35,765			28,872			
Total assets	\$ 841,657			\$ 581,073			
Liabilities and Stockholders' Equity: Interest-bearing liabilities: Interest-bearing demand deposits	\$ 54,728	\$ 386	1.42%	\$ 27,474	\$ 84	0.62%	
Money market deposit accounts Savings and NOW deposits Time deposits	109,671 48,922 326,276	678 109 2,604	1.24% 0.45% 1.61%	78,776 45,609 208,216	266 90 1.130	0.68% 0.40% 1.09%	
Total interest-bearing deposits	539,597	3,777	1.41%	\$ 360,075	\$ 1,570	0.88%	
Federal funds and repos purchased Subordinated debt FHLB borrowings Total interest-bearing liabilities	885 14,755 45,589 \$ 600,826	12 479 377 \$ 4,645	2.73% 6.55% 1.67% 1.56%	226 14,914 44,490 \$ 419,705	2 482 190 \$ 2,244	1.78% 6.52% 0.86% 1.08%	
Demand deposits and other liabilities Total liabilities	170,177 \$ 771,003			101,209 520,914			
Stockholders' Equity Total Liabilities and Stockholders' Equity	70,654 \$ 841,657			60,340 \$ 581,254			
Interest Rate Spread			3.18%			3.29%	
Net Interest Income and Margin	_	\$ 14,283	3.57%	_	\$ 9,722	3.55%	

⁽¹⁾ Includes loans classified as non-accrual.