



PRESS RELEASE

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Mountain Commerce Bancorp, Inc. Delivers Strong Q2 2018 Earnings

KNOXVILLE, TN — July 24, 2018 — Mountain Commerce Bancorp, Inc. (OTCQX: MCBI), the Knoxville, Tennessee-based bank holding company and parent of Mountain Commerce Bank (MCB), reported consolidated net income of \$2.449 million for the second quarter of 2018. Earnings per fully diluted share for the quarter ended June 30, 2018 totaled \$0.39 versus \$0.24 for the second quarter of 2017.

For the six months ended June 30, 2018, the company reported net income of \$4.777 million, a 71% increase over the comparable period in 2017. Earnings per fully diluted share for the six months ended June 30, 2018 totaled \$0.77 versus \$0.45 for the same period in 2017.

Assets as of June 30, 2018 were \$807.3 million, an increase of \$128.5 million or 19 percent from June 30, 2017. Over the same period, gross loans increased 18 percent to \$676.7 million, while deposits grew 19 percent to \$706.3 million.

For the second quarter of 2018, non-interest expenses increased less than 2 percent compared to the same period in 2017.

As of June 30, 2018, tangible book value per share was \$11.51 compared to \$10.64 at the same time a year ago, an increase of \$0.87 or 8 percent.

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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 offers big bank products and services, with the personal attention and exceptional service of a hometown community bank.

At the end of June 2018, MCB had \$807.2 million in total assets and \$710.0 million in total deposits. MCB currently employs more than 80 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 2018 performance, please see the attached consolidated balance sheets and consolidated statements of operation.



Mountain Commerce Bancorp, Inc. and Subsidiary

Consolidated Balance Sheets

(Unaudited)

	June 2018	December 2017	June 2017
ASSETS			
Cash and due from banks	\$ 8,137,351	\$ 4,671,548	\$ 5,410,477
Interest-earning deposits	16,002,679	14,154,741	7,171,533
Cash and cash equivalents	24,140,030	18,826,289	12,582,009
Securities available for sale	78,187,440	74,448,002	61,255,477
Loans held for sale	239,729	270,393	60,000
Loans receivable	676,657,767	626,102,168	575,396,025
Allowance for loan losses	(6,587,041)	(6,153,044)	(5,706,048)
Net loans	670,070,726	619,949,124	569,689,976
Premises and equipment, net	11,819,079	12,029,223	12,036,061
Accrued interest receivable	2,304,321	2,119,284	1,888,872
Real estate owned	8,233,236	7,480,339	8,491,576
Bank owned life insurance	7,232,133	7,154,341	7,073,298
Restricted stock	1,403,000	1,303,000	1,254,700
Prepaid expenses and other assets	3,677,099	3,279,952	4,489,710
Total assets	<u>\$ 807,306,793</u>	<u>\$ 746,859,947</u>	<u>\$ 678,821,679</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing	\$ 100,952,549	\$ 80,066,789	\$ 83,451,243
Interest-bearing	605,385,631	560,065,109	511,426,858
Total deposits	706,338,179	640,131,898	594,878,101
Federal Home Loan Bank advances	11,000,000	28,000,000	8,000,000
Senior note payable	15,983,095	9,981,723	9,932,371
Accrued interest payable	150,350	94,870	48,025
Other liabilities	3,408,204	2,499,276	2,334,183
Total liabilities	736,879,829	680,707,767	615,192,680
Stockholders' equity:			
Common stock; \$0.01 par, 10,000,000 shares authorized; 6,118,497 and 5,994,287 and 5,979,287 issued and outstanding at June 30, 2018 and December 31, 2017 and June 30, 2017, respectively	61,185	59,764	59,614
Additional paid-in capital	63,879,148	63,046,362	62,873,898
Accumulated deficit	8,098,109	3,437,713	760,128
Accumulated other comprehensive income	(1,611,478)	(391,659)	(64,641)
Total stockholders' equity	70,426,964	66,152,180	63,628,999
Total liabilities and stockholders' equity	<u>\$ 807,306,793</u>	<u>\$ 746,859,947</u>	<u>\$ 678,821,679</u>



Mountain Commerce Bancorp, Inc. and Subsidiary

Consolidated Statement of Operations

(Unaudited)

	Three Months Ended June 2018	June 2017	Six Months Ended June 2018	June 2017
Interest income:				
Loans	\$ 8,198,246	\$ 6,585,994	\$ 15,859,574	\$ 12,805,502
Investment securities	541,960	368,021	1,070,304	678,201
Interest-earning deposits	31,773	20,447	67,996	51,044
Total interest income	8,771,978	6,974,462	16,997,875	13,534,747
Interest expense:				
Interest on deposits:				
Savings	931,882	812,234	1,763,273	1,573,543
Interest bearing transaction accounts	99,923	65,006	196,800	123,825
Time certificates of deposit of \$250,000 or more	411,116	187,762	762,765	386,153
Other time deposits	501,487	111,070	829,191	177,829
Other borrowings	163,512	219,285	344,450	456,372
Total interest expense	2,107,920	1,395,357	3,896,479	2,717,721
Net interest income	6,664,058	5,579,105	13,101,396	10,817,026
Provision for loan losses	225,000	293,124	450,000	524,124
Net interest income after provision for loan losses	6,439,058	5,285,981	12,651,396	10,292,902
Noninterest income:				
Service charges and other fees on deposit accounts	349,379	343,044	716,371	599,480
Gain on sale of investment securities	-	83,029	-	83,029
Gain on sale of loans	22,162	164,691	36,655	177,171
Other operating income	74,352	14,310	108,976	87,777
Total noninterest income	445,893	605,073	862,002	947,456
Noninterest expenses:				
Compensation and employee benefits	\$ 2,048,392	\$ 1,789,183	\$ 4,008,841	\$ 3,596,546
Occupancy expenses	327,569	326,546	673,418	674,371
Furniture and equipment costs	100,331	82,793	209,571	170,891
Data processing fees	297,428	275,342	615,803	563,646
FDIC Insurance	108,184	119,588	227,794	219,594
Office expense	117,471	106,497	216,539	206,837
Advertising	68,599	42,960	137,673	80,158
Professional fees	198,211	208,219	369,356	402,305
Real estate owned	56,996	318,030	113,246	374,280
Other operating costs	255,768	245,629	496,057	450,984
Total noninterest expenses	3,578,949	3,514,788	7,068,297	6,739,611
Income before income taxes	3,306,002	2,376,267	6,445,100	4,500,747
Income tax expense	856,519	901,668	1,668,467	1,706,071
Net income	\$ 2,449,483	\$ 1,474,599	\$ 4,776,633	\$ 2,794,676
Less Preferred dividends to Retained Earnings	\$ -	\$ -	\$ -	\$ (74,225)
Net income available to common shareholders	\$ 2,449,483	\$ 1,474,599	\$ 4,776,633	\$ 2,720,451
Earnings per common share:				
Basic	\$ 0.401	\$ 0.247	\$ 0.786	\$ 0.464
Diluted	\$ 0.393	\$ 0.240	\$ 0.767	\$ 0.451