



FOR IMMEDIATE RELEASE

## **TGR FINANCIAL, INC. ANNOUNCES THIRD QUARTER FINANCIAL PERFORMANCE**

NAPLES, FL, October 26, 2016 – TGR Financial, Inc. (OTCQX:TGRF), the holding company for First Florida Integrity Bank, announced third quarter performance as of September 30, 2016.

Net income for the third quarter 2016 was \$1.5 million, a 6% increase over the prior linked quarter and 17% higher than the same period one year ago. Earnings per diluted common share were \$0.08 for the quarter.

### **Third Quarter Highlights**

- Average loans increased \$51 million or 6% over the second quarter of 2016, on an annual basis period end loans increased by \$156 million or 21%
- Average deposits and customer repurchase agreements increased \$90 million or 9% over the second quarter of 2016, on an annual basis period end deposits and customer repurchase agreements increased by \$94 million or 9%
- Net interest income increased by \$351,000 or 4% on a linked quarter basis, resulting in a net interest margin of 2.86%
- Assets per employee were \$8.6 million as of September 30, 2016
- The return on average assets increased to 0.48% during the third quarter of 2016 compared to 0.45% during the third quarter of 2015. On a year to date basis the return on average assets increased to 0.47% in 2016 from 0.40% in 2015
- Asset quality remained strong with nonperforming assets representing only 0.13% of total assets at September 30, 2016 down from 0.29% at September 30, 2015

### **Earnings Summary**

Net income increased to \$1.5 million during the third quarter of 2016 from \$1.3 million during the third quarter of 2015, an increase of over 17%. Quarter to date net interest income included a 12% increase in net interest income, over the third quarter of 2015. Non-interest income for the quarter increased 13%, year over year. Non-interest expenses increased by 10% over the third quarter of 2015, the increase in non-interest expenses supported overall growth and represented only 2.08% of average assets during the third quarter of 2016, a slight reduction from 2.10% during the third quarter of 2015.

Net income for the nine months ended September 30, 2016 was \$4.2 million, representing an increase of \$1 million or 32% over the same period one year ago. Despite the flat rate environment net interest income increased by \$3.4 million to \$25.2 million. This increase was supported by loan growth and a commitment to maintaining the cost of funds. Additionally superior asset quality and expense containment have contributed to the year over year improvement in net income. Year to date earnings per diluted common share were \$0.23 compared to \$0.17 for the nine months ended September 30, 2015.

## **Balance Sheet Highlights**

Total assets were \$1.2 billion as of September 30, 2016, an increase of \$59 million over December 31, 2015. Total short and long term investments declined from year end by \$62 million due to a strategic shift in asset mix in favor of higher yielding loans. Outstanding loans increased \$97 million during the year to \$907 million representing 74% of total assets at quarter end, compared to 69% at December 31, 2015. Deposits and customer repurchase agreements increased \$88 million for the nine months of 2016 to a total of \$1.1 billion. The leverage ratio declined slightly from 8.14% at December 31, 2015 to 7.91% at September 30, 2016. Tangible book value per share increased to \$5.58 per share at September 30, 2016, from \$5.24 per share at December 31, 2015.

## **Comments from the Chairman**

Chairman and Chief Executive Officer Gary L. Tice stated “Our favorable results are indicative of a company transitioning from a pure growth company to a company now focused on earnings enhancement.” Additionally Tice stated, “We are very pleased with the market’s initial reception of our common stock being traded on the OTCQX market.” TGR Financial began trading on August 25, 2016 under the symbol TGRF.

## **About TGR Financial, Inc.**

TGR Financial, Inc. is the parent company for First Florida Integrity Bank. First Florida Integrity Bank, achieving 5th place in deposit market share according to the FDIC Summary of Deposits Market Share Report as of June 30, 2016, is the largest community bank headquartered in Collier County.

## **Forward-Looking Statements**

Information in this press release contains forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates, and the effects of competition. TGR Financial, Inc. does not undertake a duty to update any forward-looking statements in this press release.

For more information about the Company visit [www.ffibank.com](http://www.ffibank.com).

**TGR FINANCIAL, INC.****Consolidated Financial Highlights**

Third Quarter 2016

(unaudited)

(\$ in thousands except for share data)	Quarterly					Year to Date	
	3rd Qtr 2016	2nd Qtr 2016	1st Qtr 2016	4th Qtr 2015	3rd Qtr 2015	9 Mths 2016	9 Mths 2015
<b>\$ Earnings</b>							
Net interest income	\$ 8,582	8,231	8,374	8,097	7,636	25,187	21,741
Provision for loan loss	\$ 330	251	140	540	265	721	530
Other income	\$ 722	877	639	659	640	2,239	1,881
Other expense	\$ 6,612	6,629	6,915	5,893	6,011	20,155	18,130
Pre-tax income	\$ 2,362	2,228	1,958	2,323	2,000	6,550	4,962
Taxes	\$ 836	793	707	843	700	2,337	1,765
Net income	\$ 1,526	1,435	1,251	1,480	1,300	4,213	3,197
Earnings per share (basic)**	\$ 0.08	0.08	0.07	0.08	0.07	0.23	0.18
Earnings per share (diluted)	\$ 0.08	0.08	0.07	0.08	0.07	0.23	0.17
<b>Performance Ratios</b>							
Return on average assets*	0.48%	0.49%	0.43%	0.51%	0.45%	0.47%	0.40%
Return on average equity*	5.68%	5.52%	4.88%	5.79%	5.17%	5.37%	4.35%
Yield on earning assets	3.34%	3.43%	3.45%	3.34%	3.28%	3.41%	3.31%
Cost of funds	0.49%	0.47%	0.44%	0.42%	0.44%	0.47%	0.44%
Net interest margin*	2.86%	2.97%	3.02%	2.93%	2.85%	2.95%	2.89%
Net overhead ratio	1.85%	1.97%	2.16%	1.80%	1.88%	1.99%	2.02%
<b>Capital</b>							
Tier 1 leverage capital ratio	7.90%	8.31%	8.17%	8.11%	8.12%	7.90%	8.12%
Common equity risk-based capital ratio	10.10%	10.26%	10.64%	10.75%	11.39%	10.54%	11.70%
Tier 1 risk-based capital ratio	10.54%	10.69%	11.07%	11.08%	11.70%	10.54%	11.70%
Total risk-based capital ratio	11.52%	11.69%	12.11%	12.12%	12.74%	11.52%	12.74%
Book value per share	\$ 5.89	5.78	5.68	5.55	5.53	5.89	5.53
Tangible book value per share	\$ 5.58	5.47	5.36	5.24	5.21	5.58	5.21
Outstanding shares**	18,265,451	18,265,444	18,265,432	18,265,432	18,265,432	18,265,451	18,265,432
Average outstanding shares (diluted)	18,673,647	18,687,581	18,683,457	18,529,600	18,530,862	18,672,410	18,384,841
<b>Asset Quality</b>							
Net charge-offs (recoveries)	\$ 158	97	(5)	9	(80)	250	(216)
Net charge-offs to average loans*	0.07%	0.05%	0.00%	0.00%	-0.04%	0.04%	-0.04%
Allowance for loan losses	\$ 9,228	9,056	8,901	8,757	8,225	9,228	8,225
Allowance to total loans	1.02%	1.04%	1.08%	1.08%	1.09%	1.02%	1.09%
Nonperforming loans	1,631	1,823	1,962	3,163	3,262	1,631	3,262
Other real estate owned	\$ -	-	-	-	75	-	75
Nonperforming loans to total loans	0.18%	0.21%	0.24%	0.39%	0.44%	0.18%	0.44%
Nonperforming assets to total assets	0.13%	0.14%	0.17%	0.27%	0.29%	0.13%	0.29%
<b>End of Period Balances</b>							
Assets	\$ 1,227,491	1,261,738	1,174,315	1,168,795	1,150,425	1,227,491	1,150,425
Total S/T and L/T Investments	\$ 235,696	303,613	263,495	297,931	316,651	235,696	316,651
Loans	\$ 907,302	874,585	825,316	810,750	751,263	907,302	751,263
Deposits	\$ 998,727	1,009,401	919,303	892,834	895,362	998,727	895,362
Customer Repurchase Agreements	\$ 96,611	103,153	132,297	114,702	106,329	96,611	106,329
Borrowings	\$ 20,000	40,000	15,000	58,000	43,000	20,000	43,000
Shareholders' equity	\$ 107,539	105,597	103,668	101,420	100,978	107,539	100,978
<b>Average Balances</b>							
Assets	\$ 1,266,784	1,176,589	1,171,446	1,158,801	1,132,629	1,205,165	1,072,025
Total S/T and L/T Investments	\$ 284,738	254,650	277,005	310,243	324,364	272,177	300,447
Loans	\$ 894,947	843,625	821,612	777,777	732,296	853,546	695,287
Deposits	\$ 1,025,711	918,053	887,433	858,148	890,172	944,031	828,115
Customer Repurchase Agreements	\$ 100,967	118,737	118,612	117,874	107,847	112,729	92,631
Borrowings	\$ 29,015	31,854	59,734	76,013	36,399	40,160	48,088
Shareholders' equity	\$ 106,834	104,536	103,092	101,732	99,968	104,828	98,224
<b>Stock Valuation</b>							
Closing Market Price (OTCQX)	\$ 6.85	N/A	N/A	N/A	N/A	N/A	N/A
% of Tangible Book Value	1.23	N/A	N/A	N/A	N/A	N/A	N/A

\* annualized with quarterly data

\*\* includes convertible preferred shares

# TGR FINANCIAL, INC.

## Consolidated Statements of Financial Condition

Third Quarter 2016

(unaudited)

(\$ in thousands)

	September 30, 2016	December 31, 2015
<b>Assets:</b>		
Cash and due from banks	\$ 32,147	\$ 6,999
Interest earning balances due from banks and others	27,273	28,856
<b>Total cash and cash equivalents</b>	<b>59,420</b>	<b>35,855</b>
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
<b>Total assets</b>	<b>\$ 1,227,491</b>	<b>\$ 1,168,795</b>
<b>Liabilities and Stockholders' Equity:</b>		
<b>Liabilities:</b>		
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
<b>Total deposits</b>	<b>998,727</b>	<b>892,834</b>
Customer repurchase agreements	96,611	114,702
Short term borrowings	-	55,000
Long term borrowings	20,000	3,000
<b>Total borrowings</b>	<b>116,611</b>	<b>172,702</b>
Other liabilities	4,614	1,839
<b>Total liabilities</b>	<b>1,119,952</b>	<b>1,067,375</b>
<b>Stockholders' Equity:</b>		
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)
<b>Total stockholders' equity</b>	<b>107,539</b>	<b>101,420</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,227,491</b>	<b>\$ 1,168,795</b>

## 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
<b>Total interest income</b>	<b>29,033</b>	<b>24,908</b>	<b>10,014</b>	<b>8,780</b>
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
<b>Total interest expense</b>	<b>3,846</b>	<b>3,167</b>	<b>1,432</b>	<b>1,144</b>
<b>Net interest income</b>	<b>25,187</b>	<b>21,741</b>	<b>8,582</b>	<b>7,636</b>
Provision for loan losses	721	530	330	265
<b>Net interest income after provision for loan losses</b>	<b>24,466</b>	<b>21,211</b>	<b>8,252</b>	<b>7,371</b>
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
<b>Total non-interest income</b>	<b>2,239</b>	<b>1,881</b>	<b>722</b>	<b>640</b>
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
<b>Total non-interest expense</b>	<b>20,155</b>	<b>18,130</b>	<b>6,612</b>	<b>6,011</b>
<b>Income before income taxes</b>	<b>6,550</b>	<b>4,962</b>	<b>2,362</b>	<b>2,000</b>
Provision (benefit) for income taxes	2,337	1,765	836	700
<b>Net income</b>	<b>\$ 4,213</b>	<b>\$ 3,197</b>	<b>\$ 1,526</b>	<b>\$ 1,300</b>
<b>Basic income per common share</b>	<b>\$ 0.24</b>	<b>\$ 0.19</b>	<b>\$ 0.09</b>	<b>\$ 0.08</b>
<b>Diluted income per common share</b>	<b>\$ 0.23</b>	<b>\$ 0.17</b>	<b>\$ 0.08</b>	<b>\$ 0.07</b>
<b>Basic weighted average number of common shares outstanding</b>	<b>17,227,455</b>	<b>17,085,958</b>	<b>17,227,463</b>	<b>17,227,375</b>
<b>Diluted weighted average number of common shares outstanding</b>	<b>18,672,410</b>	<b>18,384,841</b>	<b>18,373,647</b>	<b>18,530,863</b>