

Severn Bancorp, Inc.
Selected Financial Data

(dollars in thousands, except per share data)

(Unaudited)

	For The Quarters Ended			
	December 31, 2016	December 31, 2015	Variance	
			Dollars	Percent
Summary Operating Results:				
Interest income	\$ 7,762	\$ 7,582	\$ 180	2.37%
Interest expense	2,066	2,264	(198)	-8.75%
Net interest income	5,696	5,318	378	7.11%
Provision for loan losses	(500)	(480)	(20)	4.17%
Net interest income after provision for loan losses	6,196	5,798	398	6.86%
Non-interest income	1,582	1,409	173	12.28%
Non-interest expense	5,873	6,127	(254)	-4.15%
Income before income tax provision	1,905	1,080	825	76.39%
Income tax (benefit) provision	802	2	800	40000.00%
Net income	\$ 1,103	\$ 1,078	\$ 25	2.32%
Net income available to common shareholders	\$ 965	\$ 484	\$ 481	99.38%
Per Share Data:				
Basic earnings per share	\$ 0.08	\$ 0.05		
Diluted earnings per share	\$ 0.08	\$ 0.05		
Average basic shares outstanding	12,111,055	10,088,879		
Average diluted shares outstanding	12,215,629	10,133,663		
Performance Ratios:				
Return on average assets	0.56%	0.56%		
Return on average equity	5.05%	5.13%		
Net interest margin	3.19%	3.10%		
Efficiency ratio	80.56%	89.43%		

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(Unaudited)

	For The Years Ended		Variance	
	December 31, 2016	December 31, 2015	Dollars	Percent
Summary Operating Results:				
Interest income	\$ 30,749	\$ 31,153	\$ (404)	-1.30%
Interest expense	8,561	8,992	(431)	-4.79%
Net interest income	<u>22,188</u>	<u>22,161</u>	27	0.12%
Provision for loan losses	(350)	(280)	(70)	25.00%
Net interest income after provision for loan losses	22,538	22,441	97	0.43%
Non-interest income	6,361	6,110	251	4.11%
Non-interest expense	23,374	23,926	(552)	-2.31%
Income before income tax provision	<u>5,525</u>	<u>4,625</u>	900	19.46%
Income tax (benefit) provision	(10,014)	90	(10,104)	-11226.67%
Net income	<u>\$ 15,539</u>	<u>\$ 4,535</u>	<u>\$ 11,004</u>	242.65%
Net income available to common shareholders	<u>\$ 13,829</u>	<u>\$ 2,159</u>	<u>\$ 11,670</u>	540.53%
Per Share Data:				
Basic earnings per share	\$ 1.20	\$ 0.21		
Diluted earnings per share	\$ 1.19	\$ 0.21		
Average basic shares outstanding	11,522,333	10,083,942		
Average diluted shares outstanding	11,574,892	10,112,653		
Performance Ratios:				
Return on average assets	1.99%	0.59%		
Return on average equity	17.08%	5.45%		
Net interest margin	3.11%	3.18%		
Efficiency ratio	81.19%	83.82%		

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	December 31,		As of	
	2016	2015	Dollars	Percent
Balance Sheet Data:				
Total assets	\$ 787,485	\$ 762,079	\$ 25,406	3.33%
Total loans receivable	610,278	598,414	11,864	1.98%
Allowance for loan losses	(8,969)	(8,758)	(211)	2.41%
Net loans	601,309	589,656	11,653	1.98%
Deposits	571,946	523,771	48,175	9.20%
Borrowings	103,500	115,000	(11,500)	-10.00%
Subordinated Debentures	20,619	24,119	(3,500)	-14.51%
Stockholders' equity	87,930	86,456	1,474	1.70%
Bank's Tier 1 core capital to total assets	12.7%	14.8%		
Book value per common share	\$ 6.98	\$ 5.93	\$ 1.05	17.71%
Asset Quality Data:				
Non-accrual loans	\$ 9,853	\$ 8,974	\$ 879	9.79%
Foreclosed real estate	973	1,744	(771)	-44.21%
Total non-performing assets	10,826	10,718	108	1.01%
Total non-accrual loans to net loans	1.6%	1.5%		
Total non-accrual loans to total assets	1.3%	1.2%		
Allowance for loan losses	8,969	8,758		
Allowance for loan losses to total loans	1.5%	1.5%		
Allowance for loan losses to total non-accrual loans	91.0%	97.6%		
Total non-performing assets to total assets	1.4%	1.4%		
Non-accrual troubled debt restructurings (included above)	2,392	1,329	1,063	79.98%
Performing troubled debt restructurings	18,066	24,386	(6,320)	-25.92%
Loan to deposit ratio	106.7%	114.3%		