

Severn Bancorp, Inc.
Consolidated Income Statement
(dollars in thousands, except per share data)
(Unaudited)

Quarter-to-Date income statement results:

	Three Months Ended March 31, 2019		\$ Change	% Change
	2019	2018		
Interest Income				
Interest on loans	\$ 9,167	\$ 8,371	\$ 796	10%
Interest on securities	259	320	(61)	-19%
Other interest income	1,117	186	931	501%
Total interest income	10,543	8,877	1,666	19%
Interest Expense				
Interest on deposits	1,869	1,133	736	65%
Interest on long term borrowings	589	760	(171)	-23%
Total interest expense	2,458	1,893	565	30%
Net interest income	8,085	6,984	1,101	16%
Provision for (reversal of) loan losses	0	0	-	0%
Net interest income after provision for (reversal of) loan losses	8,085	6,984	1,101	16%
Noninterest Income				
Mortgage-banking revenue	720	595	125	21%
Real Estate Commissions	482	385	97	25%
Real Estate Management Income	164	183	(19)	-11%
Other noninterest income	894	630	264	42%
Total noninterest income	2,260	1,793	467	26%
Net interest income plus noninterest income after provision for (reversal of) loan losses	10,345	8,777	1,568	18%
Noninterest Expense				
Compensation and related expenses	4,525	4,278	247	6%
Net Occupancy & Depreciation	415	344	71	21%
Net Costs of Foreclosed Real Estate	125	32	93	291%
Other	1,685	1,493	192	13%
Total noninterest expense	6,750	6,147	603	10%
Income before income tax provision	3,595	2,630	965	37%
Income tax provision	986	745	241	32%
Net income	\$ 2,609	\$ 1,885	\$ 724	38%
Net income available to common shareholders	\$ 2,609	\$ 1,815	\$ 794	44%

Severn Bancorp, Inc.
Consolidated Balance Sheet
(dollars in thousands, except per share data)
(Unaudited)

Balance Sheet Data:	March 31, 2019	December 31, 2018	\$ Change	% Change
ASSETS				
Cash	\$ 3,276	\$ 2,880	\$ 396	14%
Federal funds and interest bearing deposits in other banks	109,825	185,460	(75,635)	-41%
Certificates of deposit held as investment	8,780	8,780	0	0%
Investment securities available for sale, at fair value	10,992	11,978	(986)	-8%
Investment securities held to maturity	35,793	38,912	(3,119)	-8%
Loans held for sale, at fair value	6,660	9,686	(3,026)	-31%
Loans receivable	674,220	682,349	(8,129)	-1%
Allowance for loan losses	(8,085)	(8,044)	(41)	1%
Accrued interest receivable	2,632	2,848	(216)	-8%
Foreclosed real estate, net	1,601	1,537	64	4%
Premises and equipment, net	22,483	22,745	(262)	-1%
Restricted stock investments	2,856	3,766	(910)	-24%
Bank owned life insurance	5,264	5,225	39	1%
Deferred income taxes, net	2,159	2,363	(204)	-9%
Prepaid expenses and other assets	6,587	3,748	2,839	76%
	\$ 885,043	\$ 974,233	\$ (89,190)	-9%
LIABILITIES AND STOCKHOLDERS EQUITY				
Deposits	\$ 709,873	\$ 779,506	(69,633)	-9%
Borrowings	48,500	73,500	(25,000)	-34%
Subordinated debentures	20,619	20,619	-	0%
Accounts payable and accrued expenses	5,223	2,155	3,068	142%
Total Liabilities	784,215	875,780	(91,565)	-10%
Common stock	128	128	-	0%
Additional paid-in capital	65,662	65,538	124	0%
Retained earnings	35,087	32,860	2,227	7%
Accumulated comprehensive income (loss)	(49)	(73)	24	-33%
Total Stockholders' Equity	100,828	98,453	2,375	2%
	\$ 885,043	\$ 974,233	\$ (89,190)	-9%

Severn Bancorp, Inc.
Selected Financial Data

(dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31, 2019			
	2019		2018	
Per Share Data:				
Basic earnings per share	\$	0.20	\$	0.15
Diluted earnings per share	\$	0.20	\$	0.15
Average basic shares outstanding		12,773,259		12,241,554
Average diluted shares outstanding		12,857,643		12,334,637
Tangible Book Value Per Share	\$	7.81	\$	7.46

Performance Ratios:				
Return on average assets		1.14%		0.94%
Return on average equity		10.47%		8.11%
Net interest margin		3.65%		3.66%
Efficiency ratio*		64.04%		69.67%

	March 31, 2019		December 31, 2018	
	Asset Quality Data:			
Non-accrual loans	\$	3,795	\$	4,656
Foreclosed real estate		1,601		1,537
Total non-performing assets		5,396		6,193
Total non-accrual loans to total loans		0.6%		0.7%
Total non-accrual loans to total assets		0.4%		0.5%
Allowance for loan losses		8,085		8,044
Allowance for loan losses to total loans		1.2%		1.2%
Allowance for loan losses to total non-accrual loans		213.0%		172.8%
Total non-performing assets to total assets		0.6%		0.6%
Non-accrual troubled debt restructurings (included above)		443		446
Performing troubled debt restructurings		10,618		10,698
Loan to deposit ratio		95.0%		87.5%

* This non-GAAP financial measure is calculated as noninterest expenses less OREO expenses divided by net interest income plus noninterest income