

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

Balance Sheet Data:	June 30, 2019	December 31, 2018	\$ Change	% Change
ASSETS				
Cash	\$ 3,644	\$ 2,880	\$ 764	27%
Federal funds and interest bearing deposits in other banks	73,693	185,460	(111,767)	-60%
Certificates of deposit held as investment	7,540	8,780	(1,240)	-14%
Investment securities available for sale, at fair value	11,031	11,978	(947)	-8%
Investment securities held to maturity	33,562	38,912	(5,350)	-14%
Loans held for sale, at fair value	17,987	9,686	8,301	86%
Loans receivable	679,573	682,349	(2,776)	0%
Allowance for loan losses	(8,093)	(8,044)	(49)	1%
Accrued interest receivable	2,605	2,848	(243)	-9%
Foreclosed real estate, net	1,430	1,537	(107)	-7%
Premises and equipment, net	22,452	22,745	(293)	-1%
Restricted stock investments	2,857	3,766	(909)	-24%
Bank owned life insurance	5,303	5,225	78	1%
Deferred income taxes, net	2,167	2,363	(196)	-8%
Prepaid expenses and other assets	6,361	3,748	2,613	70%
	\$ 862,112	\$ 974,233	\$ (112,121)	-12%
LIABILITIES AND STOCKHOLDERS EQUITY				
Deposits	\$ 685,416	\$ 779,506	\$ (94,090)	-12%
Borrowings	48,500	73,500	(25,000)	-34%
Subordinated debentures	20,619	20,619	-	0%
Accounts payable and accrued expenses	4,886	2,155	2,731	127%
Total Liabilities	\$759,421	\$875,780	(116,359)	-13%
Preferred stock	-	-	-	-
Common stock	128	128	-	0%
Additional paid-in capital	65,696	65,538	158	0%
Retained earnings	36,878	32,860	4,018	12%
Accumulated comprehensive income (loss)	(11)	(73)	62	-85%
Total Stockholders' Equity	102,691	98,453	4,238	4%
	\$ 862,112	\$ 974,233	\$ (112,121)	-12%

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

Quarterly income statement results:

	Three Months Ended June 30,		\$ Change	% Change
	2019	2018		
Interest Income				
Interest on loans	\$ 9,226	\$ 8,516	\$ 710	8%
Interest on securities	241	307	(66)	-21%
Other interest income	757	178	579	325%
Total interest income	10,224	9,001	1,223	14%
Interest Expense				
Interest on deposits	1,898	1,274	624	49%
Interest on long term borrowings	481	800	(319)	-40%
Total interest expense	2,379	2,074	305	15%
Net interest income	7,845	6,927	918	13%
Provision for (reversal of) loan losses	-	-	-	-
Net interest income after provision for (reversal of) loan losses	7,845	6,927	918	13%
Noninterest Income				
Mortgage-banking revenue	1,087	635	452	71%
Real Estate Commissions	378	360	18	5%
Real Estate Management Fees	162	187	(25)	-13%
Other noninterest income	988	886	102	12%
Total noninterest income	2,615	2,068	547	26%
Net interest income plus noninterest income after provision for (reversal of) loan losses	10,460	8,995	1,465	16%
Noninterest Expense				
Compensation and related expenses	4,909	4,420	489	11%
Net Occupancy & Depreciation	389	391	(2)	-1%
Net Costs of Foreclosed Real Estate	24	(18)	42	-233%
Other	2,191	1,560	631	40%
Total noninterest expense	7,513	6,353	1,160	18%
Income before income tax provision	2,947	2,642	305	12%
Income tax provision	771	724	47	6%
Net income	\$ 2,176	\$ 1,918	\$ 258	13%
Net income available to common shareholders	\$ 2,176	\$ 1,918	\$ 258	13%

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

Year-to-Date income statement results:

	<u>Six Months Ended June 30,</u>		\$ Change	% Change
	2019	2018		
Interest Income				
Interest on loans	\$ 18,393	\$ 16,887	\$ 1,506	9%
Interest on securities	500	627	(127)	-20%
Other interest income	1,874	364	1,510	415%
Total interest income	20,767	17,878	2,889	16%
Interest Expense				
Interest on deposits	3,767	2,407	1,360	57%
Interest on long term borrowings	1,070	1,560	(490)	-31%
Total interest expense	4,837	3,967	870	22%
Net interest income	15,930	13,911	2,019	15%
Provision for (reversal of) loan losses	-	-	-	-
Net interest income after provision for (reversal of) loan losses	15,930	13,911	2,019	15%
Noninterest Income				
Mortgage-banking revenue	1,807	1,230	577	47%
Real Estate Commissions	860	745	115	15%
Real Estate Management Fees	326	370	(44)	-12%
Other noninterest income	1,882	1,516	366	24%
Total noninterest income	4,875	3,861	1,014	26%
Net interest income plus noninterest income after provision for (reversal of) loan losses	20,805	17,772	3,033	17%
Noninterest Expense				
Compensation and related expenses	9,434	8,698	736	8%
Net Occupancy & Depreciation	804	735	69	9%
Net Costs of Foreclosed Real Estate	149	14	135	964%
Other	3,876	3,053	823	27%
Total noninterest expense	14,263	12,500	1,763	14%
Income before income tax provision	6,542	5,272	1,270	24%
Income tax provision	1,757	1,469	288	20%
Net income	\$ 4,785	\$ 3,803	\$ 982	26%
Net income available to common shareholders	\$ 4,785	\$ 3,733	\$ 1,052	28%

Severn Bancorp, Inc.
Selected Financial Data

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

	Six Months Ended June 30, 2019		Three Months Ended June 30, 2019	
	2019	2018	2019	2018
Per Share Data:				
Basic earnings per share	\$ 0.37	\$ 0.30	\$ 0.17	\$ 0.15
Diluted earnings per share	\$ 0.37	\$ 0.30	\$ 0.17	\$ 0.15
Average basic shares outstanding	12,774,191	12,463,132	12,775,123	12,684,711
Average diluted shares outstanding	12,859,980	12,559,069	12,862,291	12,781,037
Performance Ratios:				
Return on average assets	1.04%	0.95%	0.95%	0.95%
Return on average equity	9.50%	9.04%	8.56%	8.12%
Net interest margin	3.60%	3.62%	3.55%	3.57%
Efficiency ratio*	67.83%	70.26%	71.59%	71.23%

	June 30, 2019	December 31, 2018
Asset Quality Data:		
Non-accrual loans	\$ 4,887	\$ 4,656
Foreclosed real estate	1,430	1,537
Total non-performing assets	6,317	6,193
Total non-accrual loans to total loans	0.7%	0.7%
Total non-accrual loans to total assets	0.6%	0.5%
Allowance for loan losses	8,093	8,044
Allowance for loan losses to total loans	1.2%	1.2%
Allowance for loan losses to total non-accrual loans	165.6%	172.8%
Total non-performing assets to total assets	0.7%	0.6%
Non-accrual troubled debt restructurings (included above)	422	446
Performing troubled debt restructurings	10,537	10,698
Loan to deposit ratio	99.1%	87.5%

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