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NEWS RELEASE

State Bank Corp. Reports Record Earnings of \$1.84 Million, or \$0.23 per Diluted Share, in 3Q17

LAKE HAVASU CITY, Arizona, October 30, 2017 – State Bank Corp. (OTCPink:SBAZ) (“Company”), the holding company for Mohave State Bank (“Bank”), today announced net income increased 24.5% to \$1.84 million, or \$0.23 per diluted share, for the third quarter ended September 30, 2017, compared to \$1.48 million, or \$0.18 per diluted share, in the second quarter of 2017, and increased 54.8% compared to \$1.19 million, or \$0.16 per diluted share, for the third quarter of 2016.

For the nine months of 2017, net income grew 66.0% to \$4.75 million, or \$0.59 per diluted share, compared to \$2.86 million, or \$0.45 per diluted share, for the same period of 2016.

“We produced record financial results during the third quarter, with strong revenue growth, robust mortgage production, 5% annualized loan growth and an improving net interest margin,” stated Brian M. Riley, President and Chief Executive Officer. “Our focus on gathering core deposits, growing the loan portfolio and expanding our customer base throughout Arizona continues to gain momentum. Our performance metrics continue to improve with a return on average assets of 1.20%, a return on average equity of 12.71% and an improved efficiency ratio of 59.57%, for the third quarter of 2017. This solid financial performance is a reflection of the hard work of our employees and their commitment to our customers.”

Third Quarter 2017 Financial Highlights:

- Reported record earnings of \$1.84 million, or \$0.23 per diluted share
- Mortgage originations totaled 129 loans, funding \$29.4 million and generating an operating profit of \$243,000.
- Return on average assets, excluding merger related expenses, was 1.23%.
- Return on average equity, excluding merger related expenses, was 13.06%.
- Core deposits represent nearly 89% of total deposits.
- Total 2017 loan and deposit growth was \$22 million and \$45 million, respectively.

Net interest margin was 3.99% in the third quarter 2017 compared to 3.84% in the preceding quarter and 4.14 % in the third quarter a year ago.

The provision for loan losses was \$50,000 during the third quarter of 2017, with net credit losses of \$19,000. The allowance for loan losses totaled \$3.0 million at September 30, 2017, or 0.87% of total loans. Excluding acquired loans, the reserve ratio was 1.06%, which is in line with industry peers. On the acquired portfolio, the credit component of the loan purchase discount remains greater than an imputed reserve.

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Total assets were \$632.1 million at September 30, 2017, an increase of \$28.7 million, or 4.8%, from \$603.4 million at June 30, 2017, and an increase of \$32.0 million, or 5.3%, compared to \$600.1 million a year ago. Total loans held for investment were \$345.2 million as compared to \$335.5 million at June 30, 2017, and \$329.2 million at September 30, 2016.

Total deposits were \$561.1 million at quarter-end, an increase of \$27.1 million, or 5.1%, from \$534.0 million at June 30, 2017, and an increase of \$28.3 million, or 5.3%, compared to \$532.8 million a year ago. Core deposits, defined as noninterest bearing demand, money market, NOW and savings accounts, increased 8.6% compared to September 30, 2016. Core deposits now comprise 88.5% of total deposits.

Non-performing assets were \$3.0 million at September 30, 2017, a 19.0% decrease from \$3.8 million at June 30, 2017 and a 54.7% decrease compared to \$6.7 million at September 30, 2016. Nonperforming assets represented 0.48% of total assets at September 30, 2017, which represents its lowest level since fourth quarter 2007.

Shareholder equity increased to \$58.2 million at September 30, 2017, from \$54.5 million a year ago. At September 30, 2017, tangible book value per share was \$6.31 per share compared to \$5.79 per share a year ago.

Capital Management

Community banking organizations, including State Bank Corp. and Mohave State Bank, became subject to new capital requirements on January 1, 2015, and certain provisions of the new rules will be phased in from 2015 through 2019. The Company's consolidated capital ratios and the Bank's capital ratios exceeded the regulatory guidelines for a well-capitalized financial institution under the Basel III and Dodd Frank Wall Street Reform requirements at September 30, 2017. The Bank reported the following capital ratios at September 30, 2017:

Common Equity Tier 1 Capital Ratio	13.91%
Tier 1 Leverage Ratio	9.64%
Tier 1 Capital Ratio	13.91%
Total Capital Ratio	14.63%

Use of Non-GAAP Financial Information

This press release contains both financial measures based on accounting principles generally accepted in the United States ("GAAP") and non-GAAP based financial measures, which are used where management believes this disclosure can be helpful in understanding the Company's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in this press release. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

About the Company

State Bank Corp., headquartered in Lake Havasu City, Arizona, is the parent company of Mohave State Bank, the largest community bank headquartered in Arizona. Mohave State Bank is a full-service bank providing deposit and loan products, and convenient on-line banking to individuals, businesses and professionals. The Bank was established in October 1991, and the holding company was formed in 2004. The Bank has nine full-service branches: two in Lake Havasu City, two in Kingman, two in Prescott, one in Bullhead City, one in Prescott Valley, and one in Cottonwood, as well as a loan production office in Sedona, Arizona. The Company is traded over-the-counter as SBAZ. For further information, please visit the web site: www.mohavestbank.com.

Forward-looking Statements

This press release may include forward-looking statements about State Bank Corp. and Mohave State Bank. These statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors: the expected cost savings, synergies and other financial benefits from the merger might not be realized within the expected time frames or at all.; Annualized, pro forma, projected and estimated numbers in this press release are used for illustrative purposes only, are not forecasts and may not reflect actual results. All forward-looking statements included in this press release are based on information available at the time of the release, and State Bank Corp. and Mohave State Bank assume no obligation to update any forward-looking statements.

UNAUDITED FINANCIAL STATEMENTS FOLLOW

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State Bank Corp.
Statement of Operations

<i>Dollars in thousands - Unaudited</i>	For the Quarter Ended			Year to Date	
	9/30/2017	6/30/2017	9/30/2016	9/30/2017	9/30/2016
Statements of Operations					
Interest income					
Loans, including fees	\$ 5,033	\$ 4,816	\$ 4,594	\$ 14,614	\$ 10,530
Securities	753	653	394	1,988	830
Fed funds and other	124	89	71	283	165
Total interest income	<u>5,910</u>	<u>5,558</u>	<u>5,059</u>	<u>16,885</u>	<u>11,525</u>
Interest expense					
Deposits	177	171	198	532	512
Borrowings	108	105	96	315	225
Total interest expense	<u>285</u>	<u>276</u>	<u>294</u>	<u>847</u>	<u>737</u>
Net interest income	<u>5,625</u>	<u>5,282</u>	<u>4,765</u>	<u>16,038</u>	<u>10,788</u>
Provision for loan losses	50	(440)	-	(390)	-
Net interest income after loan loss provision	<u>5,575</u>	<u>5,722</u>	<u>4,765</u>	<u>16,428</u>	<u>10,788</u>
Noninterest income					
Service charges on deposits	151	138	116	428	273
Mortgage loan fees	461	380	272	1,184	736
Gain on sale of loans	449	400	306	1,296	836
(Loss)/Gain on securities	-	-	-	-	(2)
Other income	336	457	274	1,076	638
Total noninterest income	<u>1,397</u>	<u>1,375</u>	<u>968</u>	<u>3,984</u>	<u>2,481</u>
Noninterest expense					
Salaries and employee benefits	2,521	2,586	2,004	7,590	4,764
Net occupancy expense	197	154	87	510	196
Equipment expense	101	100	70	294	149
Data processing	413	429	261	1,270	743
Director fees & expenses	77	78	37	198	114
Insurance	32	32	33	96	93
Marketing & promotion	147	139	119	414	251
Professional fees	110	129	103	332	308
Office expense	33	34	25	132	102
Regulatory assessments	56	47	58	182	169
OREO and repossessed assets	29	594	109	648	204
Other expenses	389	437	425	1,268	766
	<u>4,105</u>	<u>4,759</u>	<u>3,331</u>	<u>12,934</u>	<u>7,859</u>
Acquisition related costs	78	40	378	170	697
Total noninterest expense	<u>4,183</u>	<u>4,799</u>	<u>3,709</u>	<u>13,104</u>	<u>8,556</u>
Income (loss) before provision (benefit) for income taxes	<u>2,789</u>	<u>2,298</u>	<u>2,024</u>	<u>7,308</u>	<u>4,713</u>
Provision (benefit) for income taxes	947	818	834	2,554	1,849
Net Income (Loss)	<u>\$ 1,842</u>	<u>\$ 1,480</u>	<u>\$ 1,190</u>	<u>\$ 4,754</u>	<u>\$ 2,864</u>
Per Share Data					
Basic EPS	\$ 0.23	\$ 0.18	\$ 0.16	\$ 0.59	\$ 0.45
Diluted EPS	\$ 0.23	\$ 0.18	\$ 0.16	\$ 0.59	\$ 0.45
Average shares outstanding					
Basic	8,043,938	8,039,567	7,292,583	8,037,784	6,329,153
Effect of dilutive shares	27,253	19,767	-	15,773	-
Diluted	<u>8,071,191</u>	<u>8,059,334</u>	<u>7,292,583</u>	<u>8,053,557</u>	<u>6,329,153</u>

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State Bank Corp.
Balance Sheets

Dollars in thousands - Unaudited

	9/30/2017	6/30/2017	12/31/2016	9/30/2016
Consolidated Balance Sheets				
Assets				
Cash and cash equivalents	\$ 3,195	\$ 3,023	\$ 5,202	\$ 6,595
Interest bearing deposits	8,254	10,292	24,524	30,151
Overnight Funds	28,865	43,860	33,680	49,520
Held for maturity securities	1	1	2	2
Available for sale securities	204,396	169,125	147,574	135,773
Total cash and securities	244,711	226,301	210,982	222,041
Loans held for sale, before reserves	4,289	3,205	5,870	5,987
Gross loans held for investment	345,202	335,454	323,210	329,208
Loan loss reserve	(3,032)	(3,001)	(3,058)	(3,046)
Total net loans	346,459	335,658	326,022	332,149
Premises and equipment, net	14,732	14,828	15,071	15,140
Other real estate owned	577	836	3,955	4,398
Federal Home Loan Bank and other stock	3,867	3,867	3,308	3,308
Company owned life insurance	11,477	11,410	11,275	11,190
Other assets	10,255	10,451	12,554	11,923
Total Assets	\$ 632,078	\$ 603,351	\$ 583,167	\$ 600,149
Liabilities				
Non interest bearing demand	\$ 138,629	\$ 119,116	\$ 116,696	\$ 129,993
Money market, NOW and savings	357,867	346,022	326,269	327,216
Time deposits <\$250K	59,804	62,948	67,845	30,037
Time deposits >\$250K	4,777	5,933	5,688	45,598
Total Deposits	561,077	534,019	516,498	532,844
Securities sold under repurchase agreements	2,932	3,263	4,188	3,752
Federal Home Loan Bank advances	-	-	-	-
Subordinated debt, net of debt issuance costs	7,354	7,348	7,336	7,329
Total Debt	10,286	10,611	11,524	11,081
Other Liabilities	2,480	1,826	1,366	1,736
Total Liabilities	573,843	546,456	529,388	545,661
Shareholders' Equity				
Common stock	39,260	39,255	39,146	39,146
Accumulated retained earnings	19,660	18,140	15,791	15,161
Accumulated other comprehensive income	(685)	(500)	(1,158)	181
Total shareholders equity	58,235	56,895	53,779	54,488
Total liabilities and shareholders' equity	\$ 632,078	\$ 603,351	\$ 583,167	\$ 600,149

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State Bank Corp.
Five-Quarter Performance Summary

<i>Dollars in thousands - Unaudited</i>	For the Quarter Ended				
	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Performance Highlights					
Earnings:					
Total revenue (Net int. income + nonint. income)	\$ 7,307	\$ 6,657	\$ 6,349	\$ 6,303	\$ 5,733
Net interest income	\$ 5,625	\$ 5,282	\$ 5,137	\$ 5,070	\$ 4,765
Provision for loan losses	\$ 50	\$ (440)	\$ -	\$ -	\$ -
Noninterest income	\$ 1,397	\$ 1,375	\$ 1,212	\$ 1,233	\$ 968
Noninterest expense	\$ 4,183	\$ 4,799	\$ 4,128	\$ 4,911	\$ 3,709
Net income (loss)	\$ 1,842	\$ 1,480	\$ 1,433	\$ 911	\$ 1,190
Per Share Data:					
Net income (loss), basic	\$ 0.23	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.16
Net income (loss), diluted	\$ 0.23	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.16
Cash dividends declared	\$ 0.04	\$ 0.035	\$ 0.035	\$ 0.04	\$ -
Book value	\$ 7.24	\$ 7.07	\$ 6.86	\$ 6.70	\$ 6.79
Tangible book value	\$ 6.31	\$ 6.13	\$ 5.90	\$ 5.72	\$ 5.79
Performance Ratios:					
Return on average assets	1.20%	0.99%	0.98%	0.62%	0.91%
Return on average equity	12.71%	10.51%	10.48%	6.77%	9.69%
Net interest margin, taxable equivalent	3.99%	3.84%	3.89%	3.85%	4.14%
Average cost of funds	0.20%	0.21%	0.21%	0.23%	0.29%
Average yield on loans	5.83%	5.94%	5.73%	5.81%	6.68%
Efficiency ratio	59.57%	72.09%	65.02%	77.92%	64.70%
Non-interest income to total revenue	19.89%	20.65%	19.09%	19.56%	16.88%
Capital & Liquidity:					
Total equity to total assets (EOP)	9.21%	9.43%	9.34%	9.22%	9.08%
Tangible equity to tangible assets	8.12%	8.27%	8.13%	7.98%	7.85%
Total loans to total deposits	62.29%	63.41%	64.23%	63.71%	62.91%
Mohave State Bank					
Common equity tier 1 ratio	13.91%	13.56%	13.24%	13.17%	12.95%
Tier 1 leverage ratio	9.64%	9.65%	9.63%	9.40%	10.55%
Tier 1 risk based capital	13.91%	13.56%	13.24%	13.17%	12.95%
Total risk based capital	14.63%	14.27%	13.95%	13.90%	13.67%
Asset Quality:					
Gross charge-offs	\$ 27	\$ 59	\$ 84	\$ -	\$ 67
Net charge-offs (NCOs)	\$ 19	\$ (456)	\$ 73	\$ (11)	\$ 56
NCO to average loans, annualized	0.02%	-0.54%	0.09%	-0.01%	0.08%
Non-accrual loans/securities	\$ 2,467	\$ 2,923	\$ 1,872	\$ 2,185	\$ 2,321
Other real estate owned	\$ 577	\$ 836	\$ 3,261	\$ 3,955	\$ 4,398
Repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -
Non-performing assets (NPAs)	\$ 3,044	\$ 3,759	\$ 5,133	\$ 6,140	\$ 6,719
NPAs to total assets	0.48%	0.62%	0.87%	1.05%	1.12%
Loans >90 days past due	\$ 3	\$ -	\$ -	\$ -	\$ -
NPAs + 90 days past due	\$ 3,047	\$ 3,759	\$ 5,133	\$ 6,140	\$ 6,719
NPAs + loans 90 days past due to total assets	0.48%	0.62%	0.87%	1.05%	1.12%
Allowance for loan losses to total loans	0.87%	0.90%	0.89%	0.93%	0.91%
Allowance for loan losses to NPAs	99.61%	80.66%	58.17%	49.80%	45.51%
Period End Balances:					
Assets	\$ 632,078	\$ 603,351	\$ 590,276	\$ 583,167	\$ 600,320
Total Loans (before reserves)	\$ 349,491	\$ 338,635	\$ 335,563	\$ 329,080	\$ 335,195
Deposits	\$ 561,077	\$ 534,019	\$ 522,463	\$ 516,498	\$ 532,844
Stockholders' equity	\$ 58,235	\$ 56,895	\$ 55,110	\$ 53,779	\$ 54,488
Common stock market capitalization	\$ 66,284	\$ 65,957	\$ 63,033	\$ 61,427	\$ 55,003
Full-time equivalent employees	117	127	127	120	114
Shares outstanding	8,044,184	8,043,517	8,029,691	8,029,691	8,029,691
Average Balances:					
Assets	\$ 616,175	\$ 598,933	\$ 583,909	\$ 589,896	\$ 523,785
Earning assets	\$ 567,105	\$ 552,731	\$ 534,369	\$ 530,112	\$ 462,668
Total Loans (before reserves)	\$ 345,042	\$ 339,062	\$ 332,487	\$ 331,806	\$ 288,558
Deposits	\$ 545,944	\$ 522,443	\$ 516,107	\$ 514,366	\$ 411,676
Other borrowings	\$ 10,622	\$ 11,028	\$ 11,198	\$ 11,446	\$ 11,628
Stockholders' equity	\$ 57,968	\$ 56,305	\$ 54,673	\$ 53,800	\$ 49,134
Shares outstanding, basic - wtd	8,043,938	8,039,567	8,029,691	8,029,691	7,292,583
Shares outstanding, diluted - wtd	8,071,191	8,059,334	8,029,691	8,029,691	7,292,583

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NON-GAAP FINANCIAL INFORMATION

(Unaudited)

NON-GAAP PERFORMANCE MEASURES

	Three Months Ended		
	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017
Return on average common equity, excluding acquisition related costs, net (1)	13.06%	10.70%	10.73%
Return on average assets, excluding acquisition related costs, net (1)	1.23%	1.01%	1.00%
Efficiency ratio, excluding acquisition related costs, net (2)	56.18%	71.49%	64.20%

NON-GAAP EARNINGS PER SHARE

Basic (3)	\$ 0.24	\$ 0.19	\$ 0.18
Diluted (3)	\$ 0.23	\$ 0.19	\$ 0.18

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)

	Three Months Ended		
	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017
		<i>(in thousands)</i>	
Net income	\$ 1,842	\$ 1,480	\$ 1,433
Acquisition related costs, net	78	40	52
Tax effect on acquisition related costs, net	(27)	(14)	(18)
Net income, excluding acquisition related costs, net (3)	<u>\$ 1,893</u>	<u>\$ 1,506</u>	<u>\$ 1,467</u>

	Three Months Ended		
	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017
		<i>(in thousands)</i>	
Total non-interest expenses	\$ 4,183	\$ 4,799	\$ 4,128
Acquisition related costs, net	78	40	52
Total non-interest expenses, excluding acquisition related costs, net (3)	<u>\$ 4,105</u>	<u>\$ 4,759</u>	<u>\$ 4,076</u>

(1) The Company believes these non-GAAP ratios provide a useful metric with which to analyze and evaluate the financial condition of the Company

(2) The Company believes this non-GAAP ratio provides a useful metric to measure the operating efficiency of the Company

(3) The Company believes these non-GAAP measurements are a key indicator of the ongoing earnings power of the Company

Transmitted on Globe Newswire on October 30, 2017 at 10:01 a.m. PT.