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NEWS RELEASE

State Bank Corp. Earnings Double YOY to \$1.43 million, or \$0.18 per Diluted Share, in 1Q17; Non-performing Assets Decline to Lowest Levels Since 2007

LAKE HAVASU CITY, Arizona, April 28, 2017 – State Bank Corp. (OTCPink:SBAZ) (“Company”), the holding company for Mohave State Bank (“Bank”), today announced net income increased 104.3% to \$1.43 million, or \$0.18 per diluted share, for the first quarter ended March 31, 2017, as compared to net income of \$700,000, or \$0.12 per diluted share, for the first quarter of 2016. Excluding costs related to its acquisition of Country Bank, net income for the quarter would have been \$1.47 million, a 110.0% increase compared to the first quarter one year ago. (See “Non-GAAP Financial Information” table)

“Our first quarter’s strong operating performance, improved efficiencies, growing balance sheet and decline in non-performing assets contributed to the near record first quarter net income,” stated Brian M. Riley, President and Chief Executive Officer. “The profitability of our bank is growing as the markets we serve in Arizona continue to benefit from a strong economy and a population that is rising faster than the national average.”

First Quarter 2017 Financial Highlights:

- Completion of the Bank’s core processing conversion.
- Net income, excluding merger related expenses, was \$1.47 million, or \$0.18 per diluted share.
- Non-performing assets fell below 1.0% of total assets for the first time since 2007.
- Return on average assets, excluding merger related expenses, was 1.00%.
- Return on average equity, excluding merger related expenses, was 10.73%.

“Our net interest margin increased four basis points compared to the preceding quarter and decreased 19 basis points compared to the first quarter a year ago. The slight increase from the prior quarter is primarily due to lower cost of funds,” said Riley. Net interest margin was 3.89% in the first quarter 2017 compared to 3.85% in the preceding quarter and 4.08% in the first quarter a year ago.

There was no provision for loan losses in the first quarter, with net charge-offs of \$73,000. The allowance for loan losses totaled \$3.0 million at March 31, 2017, or 0.89% of total loans. Excluding acquired loans, the reserve ratio was 1.17%, in line with industry peers. On the acquired portfolio, the credit component of the loan purchase discount remains greater than an imputed reserve.

Total assets were \$590.3 million at March 31, 2017, an increase of \$7.1 million, or 1.22%, from \$583.2 million at December 31, 2016, and an increase of \$252.1 million, or 74.5%, compared to \$338.2 million a year ago. Total loans held for investment were \$333.0 million as compared to \$323.2 million at December 31, 2016, and \$216.5 million at March 31, 2016. Total loan comparisons were affected by the addition of \$107.0 million in loans from the acquisition of Country Bank.

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Total deposits were \$522.5 million, an increase of \$6.0 million, or 1.16%, from \$516.5 million at December 31, 2016, and an increase of \$233.9 million, or 81.1%, compared to \$288.6 million a year ago. Core deposits, defined as noninterest bearing demand, money market, NOW and savings accounts, increased 2.09% compared to three months earlier and increased 96.5% compared to a year earlier to \$452.2 million at March 31, 2017. Total deposits and core deposit comparisons were affected by the acquisition of Country Bank by \$202.2 million and \$186.6 million, respectively. Core deposits now comprise 86.6% of total deposits.

Non-performing assets were \$5.1 million at March 31, 2017, a 16.4% decrease from \$6.1 million at December 31, 2016. Nonperforming assets represented 0.87% of total assets at March 31, 2017, which represents its lowest level since fourth quarter 2007.

Shareholder equity increased to \$55.1 million at March 31, 2017, from \$53.8 million at December 31, 2016. At March 31, 2017, tangible book value per share was \$5.90 per share compared to \$5.76 per share at December 31, 2016.

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 March 31, 2017. The Bank reported the following capital ratios at March 31, 2017:

Common Equity Tier 1 Capital Ratio	13.24%
Tier 1 Leverage Ratio	9.63%
Tier 1 Capital Ratio	13.24%
Total Capital Ratio	13.95%

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, Arizona. The Company is traded over-the-counter as SBAZ. For further information, please visit the web site: www.mohavestbank.com.

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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		
	3/31/2017	12/31/2016	3/31/2016
Statements of Operations			
Interest income			
Loans, including fees	\$ 4,765	\$ 4,816	\$ 2,956
Securities	582	501	215
Fed funds and other	70	56	35
Total interest income	<u>5,417</u>	<u>5,373</u>	<u>3,206</u>
Interest expense			
Deposits	184	206	153
Borrowings	96	97	34
Total interest expense	<u>280</u>	<u>303</u>	<u>187</u>
Net interest income	<u>5,137</u>	<u>5,070</u>	<u>3,019</u>
Provision for loan losses	-	-	-
Net interest income after loan loss provision	<u>5,137</u>	<u>5,070</u>	<u>3,019</u>
Noninterest income			
Service charges on deposits	139	131	79
Mortgage loan fees	343	351	174
Gain on sale of loans	447	357	173
(Loss)/Gain on securities	-	-	-
Other income	283	394	167
Total noninterest income	<u>1,212</u>	<u>1,233</u>	<u>593</u>
Noninterest expense			
Salaries and employee benefits	2,483	2,555	1,330
Net occupancy expense	159	129	53
Equipment expense	93	106	40
Data processing	428	370	242
Director fees & expenses	43	75	44
Insurance	32	39	30
Marketing & promotion	128	134	78
Professional fees	99	108	159
Office expense	65	57	50
Regulatory assessments	79	13	60
OREO and repossessed assets	25	299	53
Other expenses	442	530	216
Total noninterest expense	<u>4,076</u>	<u>4,415</u>	<u>2,355</u>
Acquisition related costs	52	496	178
Total noninterest expense	<u>4,128</u>	<u>4,911</u>	<u>2,533</u>
Income (loss) before provision (benefit) for income taxes	<u>2,221</u>	<u>1,392</u>	<u>1,079</u>
Provision (benefit) for income taxes	<u>788</u>	<u>481</u>	<u>379</u>
Net Income	<u>\$ 1,433</u>	<u>\$ 911</u>	<u>\$ 700</u>
Per Share Data			
Basic EPS	\$ 0.18	\$ 0.11	\$ 0.12
Diluted EPS	\$ 0.18	\$ 0.11	\$ 0.12
Average shares outstanding			
Basic	8,029,691	8,029,691	5,842,145
Effect of dilutive shares	-	-	-
Diluted	<u>8,029,691</u>	<u>8,029,691</u>	<u>5,842,145</u>

State Bank Corp.
Balance Sheets

Dollars in thousands - Unaudited

3/31/2017 **12/31/2016** **3/31/2016**

Consolidated Balance Sheets

Assets

Cash and cash equivalents	\$ 3,130	\$ 5,202	\$ 2,949
Interest bearing deposits	17,495	24,524	2,832
Overnight Funds	33,425	33,680	37,795
Held for maturity securities	2	2	17
Available for sale securities	159,335	147,574	51,752
Total cash and securities	213,387	210,982	95,345
Loans held for sale, before reserves	2,524	5,870	4,499
Gross loans held for investment	333,039	323,210	216,547
Loan loss reserve	(2,986)	(3,058)	(3,098)
Total net loans	332,577	326,022	217,948
Premises and equipment, net	14,965	15,071	8,134
Other real estate owned	3,261	3,955	3,995
Federal Home Loan Bank and other stock	3,307	3,308	2,126
Company owned life insurance	11,343	11,275	6,073
Other assets	11,436	12,554	4,584
Total Assets	\$ 590,276	\$ 583,167	\$ 338,205

Liabilities

Non interest bearing demand	\$ 120,191	\$ 116,696	\$ 71,361
Money market, NOW and savings	332,047	326,269	158,830
Time deposits <\$250K	64,574	67,845	55,538
Time deposits >\$250K	5,651	5,688	2,836
Total Deposits	522,463	516,498	288,565
Securities sold under repurchase agreements	3,942	4,188	3,100
Federal Home Loan Bank advances	-	-	-
Subordinated debt	7,341	7,336	7,500
Total Debt	11,283	11,524	10,600
Other Liabilities	1,420	1,366	952
Total Liabilities	535,166	529,388	300,117

Shareholders' Equity

Common stock	39,146	39,146	24,927
Accumulated retained earnings	16,942	15,791	12,997
Accumulated other comprehensive income	(978)	(1,158)	164
Total shareholders equity	55,110	53,779	38,088
Total liabilities and shareholders' equity	\$ 590,276	\$ 583,167	\$ 338,205

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State Bank Corp.
Five-Quarter Performance Summary

<i>Dollars in thousands - Unaudited</i>	For the Quarter Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Performance Highlights					
Earnings:					
Total revenue (Net int. income + nonint. income)	\$ 6,349	\$ 6,303	\$ 5,733	\$ 3,925	\$ 3,612
Net interest income	\$ 5,137	\$ 5,070	\$ 4,765	\$ 3,003	\$ 3,019
Provision for loan losses	\$ -	\$ -	\$ -	\$ -	\$ -
Noninterest income	\$ 1,212	\$ 1,233	\$ 968	\$ 922	\$ 593
Noninterest expense	\$ 4,128	\$ 4,911	\$ 3,709	\$ 2,315	\$ 2,533
Net income (loss)	\$ 1,433	\$ 911	\$ 1,190	\$ 974	\$ 700
Per Share Data:					
Net income (loss), basic	\$ 0.18	\$ 0.11	\$ 0.16	\$ 0.17	\$ 0.12
Net income (loss), diluted	\$ 0.18	\$ 0.11	\$ 0.16	\$ 0.17	\$ 0.12
Cash dividends declared	\$ 0.035	\$ 0.035	\$ -	\$ -	\$ 0.10
Book value	\$ 6.86	\$ 6.70	\$ 6.79	\$ 6.71	\$ 6.52
Tangible book value	\$ 5.90	\$ 5.76	\$ 5.83	\$ 6.71	\$ 6.52
Performance Ratios:					
Return on average assets	0.98%	0.62%	0.91%	1.13%	0.86%
Return on average equity	10.48%	6.77%	9.69%	10.05%	7.40%
Net interest margin, taxable equivalent	3.89%	3.85%	4.14%	3.85%	4.08%
Average cost of funds	0.21%	0.23%	0.29%	0.34%	0.26%
Average yield on loans	5.73%	5.81%	6.68%	5.38%	5.34%
Efficiency ratio	65.02%	77.92%	64.70%	58.98%	70.13%
Non-interest income to total revenue	19.09%	19.56%	16.88%	23.49%	16.42%
Capital & Liquidity:					
Total equity to total assets (EOP)	9.34%	9.22%	9.08%	11.32%	11.26%
Tangible equity to tangible assets	9.34%	8.03%	7.90%	11.32%	11.26%
Total loans to total deposits	64.23%	63.71%	62.91%	75.13%	76.60%
Mohave State Bank					
Common equity tier 1 ratio	13.24%	13.17%	12.95%	14.62%	14.62%
Tier 1 leverage ratio	9.63%	9.40%	10.55%	11.08%	11.51%
Tier 1 risk based capital	13.24%	13.17%	12.95%	14.62%	14.62%
Total risk based capital	13.95%	13.90%	13.67%	15.81%	15.82%
Asset Quality:					
Gross charge-offs	\$ 84	\$ -	\$ 67	\$ 4	\$ -
Net charge-offs (NCOs)	\$ 73	\$ (11)	\$ 56	\$ (5)	\$ (9)
NCO to average loans, annualized	0.09%	-0.01%	0.08%	-0.01%	-0.02%
Non-accrual assets	\$ 1,872	\$ 2,185	\$ 2,321	\$ 2,683	\$ 2,229
Other real estate owned	\$ 3,261	\$ 3,955	\$ 4,398	\$ 4,039	\$ 3,995
Repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -
Non-performing assets (NPAs)	\$ 5,133	\$ 6,140	\$ 6,719	\$ 6,722	\$ 6,224
NPAs to total assets	0.87%	1.05%	1.12%	1.94%	1.84%
Loans >90 days past due	\$ -	\$ -	\$ -	\$ -	\$ -
NPAs + 90 days past due	\$ 5,133	\$ 6,140	\$ 6,719	\$ 6,722	\$ 6,224
NPAs + loans 90 days past due to total assets	0.87%	1.05%	1.12%	1.94%	1.84%
Allowance for loan losses to total loans	0.89%	0.93%	0.91%	1.40%	1.40%
Allowance for loan losses to NPAs	58.17%	49.80%	45.51%	46.16%	49.78%
Period End Balances:					
Assets	\$ 590,276	\$ 583,167	\$ 600,320	\$ 346,458	\$ 338,205
Total Loans (before reserves)	\$ 335,563	\$ 329,080	\$ 335,195	\$ 221,628	\$ 221,046
Deposits	\$ 522,463	\$ 516,498	\$ 532,844	\$ 295,010	\$ 288,565
Stockholders' equity	\$ 55,110	\$ 53,779	\$ 54,488	\$ 39,229	\$ 38,088
Common stock market capitalization	\$ 63,033	\$ 61,427	\$ 55,003	\$ 37,390	\$ 37,974
Full-time equivalent employees	127	120	114	75	72
Shares outstanding	8,029,691	8,029,691	8,029,691	5,842,145	5,842,145
Average Balances:					
Assets	\$ 583,909	\$ 589,896	\$ 523,785	\$ 345,348	\$ 327,228
Earning assets	\$ 534,369	\$ 530,112	\$ 462,668	\$ 318,415	\$ 301,084
Total Loans (before reserves)	\$ 332,487	\$ 331,806	\$ 288,558	\$ 221,608	\$ 221,499
Deposits	\$ 516,107	\$ 514,366	\$ 411,676	\$ 294,645	\$ 282,123
Other borrowings	\$ 11,198	\$ 11,446	\$ 11,628	\$ 10,933	\$ 6,105
Stockholders' equity	\$ 54,673	\$ 53,800	\$ 49,134	\$ 38,753	\$ 37,855
Shares outstanding, basic - wtd	8,029,691	8,029,691	7,292,583	5,842,145	5,842,145
Shares outstanding, diluted - wtd	8,029,691	8,029,691	7,292,583	5,842,145	5,842,145

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NON-GAAP FINANCIAL INFORMATION
(Unaudited)

NON-GAAP PERFORMANCE MEASURES

	Three Months Ended		
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016
Return on average common equity, excluding acquisition related costs, net (1)	10.73%	9.15%	8.62%
Return on average assets, excluding acquisition related costs, net (1)	1.00%	0.83%	1.00%
Efficiency ratio, excluding acquisition related costs, net (2)	64.20%	70.05%	65.20%

NON-GAAP EARNINGS PER SHARE

Basic (3)	\$ 0.18	\$ 0.15	\$ 0.14
Diluted (3)	\$ 0.18	\$ 0.15	\$ 0.14

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited)

	Three Months Ended		
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016
		<i>(in thousands)</i>	
Net income	\$ 1,433	\$ 911	\$ 700
Acquisition related costs, net	52	496	178
Tax effect on acquisition related costs, net	(18)	(176)	(62)
Net income, excluding acquisition related costs, net (3)	<u>\$ 1,467</u>	<u>\$ 1,231</u>	<u>\$ 816</u>

	Three Months Ended		
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2016
		<i>(in thousands)</i>	
Total non-interest expenses	\$ 4,128	\$ 4,911	\$ 2,533
Acquisition related costs, net	52	496	178
Total non-interest expenses, excluding acquisition related costs, net (3)	<u>\$ 4,076</u>	<u>\$ 4,415</u>	<u>\$ 2,355</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 April 28, 2017 at 6:00 a.m. PDT.