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Triad Business Bank Delivers Immediate Results for the Business Community and its Shareholders

Greensboro, N.C. (July 29, 2020) — Triad Business Bank today reported financial results for the quarter ended June 30, 2020.

Second Quarter 2020 Highlights:

- Originated \$106 million of Paycheck Protection Program (“PPP”) Loans to more than 340 businesses
- Received fees from the Small Business Administration of \$2.9 million
- Opened approximately 400 commercial and retail deposit accounts totaling \$69.6 million
- Non-interest bearing deposits totaled \$32.6 million at June 30
- Core commercial loans total \$13.9 million and loan pipeline climbed to more than \$120 million

Triad Business Bank was approved to conduct banking operations beginning March 16, 2020, and immediately began delivering on the Bank’s vision to be “Pivotal to the Economic Success of Businesses in the Triad,” said Ramsey K. Hamadi, the Bank’s Chief Executive Officer. “In the first two months of operations, our team originated \$106 million of PPP loans to businesses in our communities. These loans helped preserve more than 12,000 jobs. In addition, the Bank received \$2.9 million in fees from the Small Business Administration (“SBA”) of which \$200,000 was earned during the quarter. While the PPP program dominated our efforts for the quarter, our lending team also originated \$13.9 million of core commercial loans and built a loan pipeline of more than \$120 million that we expect will fuel the Bank’s growth through the rest of the year. The loan pipeline includes 46 commercial and industrial (“C&I”) loans to businesses and 26 commercial real estate loans. In addition, our team opened approximately 400 commercial, business and private bank checking and money market accounts.”

Net Income

In its first full quarter of operations, the Bank had a loss of \$1.2 million, or \$(0.23) per share. Net interest income totaled \$443,000 and the provision for loan loss expense totaled \$174,000. The net interest margin was 1.45% for the quarter as earning assets consisted primarily of PPP loans yielding 2.06% and cash deposits which yielded 0.16%. Noninterest expense totaled \$1.5 million for the quarter.

PPP Program

During the quarter, the Bank had some small payoffs of PPP loans and at June 30, 2020, the Bank had \$101.8 million of PPP loans outstanding to more than 340 Triad and regional businesses. In addition, the Bank had deferred fees of \$2.7 million on these loans. Approximately \$200,000 of the PPP fees were realized as interest income in the second quarter from the \$2.9 million of fees paid by the SBA. The \$2.7 million in unamortized fees will be realized as interest income as the loans are repaid or forgiven over the next 21 months. PPP customers opened more than 200 business checking accounts in the process of receiving their PPP loans. At June 30, 2020, these PPP loan customers had balances of more than \$30 million in commercial deposit accounts.

Core Lending and Deposit Activity

Excluding the PPP loans, the Bank grew commercial loans by \$13.9 million during the quarter. Despite having a narrow focus on the PPP customers for much of the quarter, the lending team also built a pipeline of core loans totaling more than \$120 million at June 30, 2020. The pipeline stemmed from business owners who invested in the Bank, customers who received PPP loans and from customers who have banked with the Bank's loan officers at other financial institutions. At quarter end, the Bank also had \$69.6 million of deposits, which included \$32.6 million of noninterest bearing balances. The Bank's Treasury Management Services department has been actively engaging new clients and currently has 28 established relationships with aggregate deposit balances of approximately \$12.9 million. There are 41 additional pending relationships in varying stages of completion with expected deposit balances of around \$10.0 million.

Investments

The Bank's \$18.0 million investment portfolio consists primarily of short-term corporate and municipal debt acquired in late March and early April when the market experienced widened credit spreads. The corporate debt totaled \$12.0 million at June 30 and was A and AA rated and primarily consisted of short-term debt of Amazon, Apple, Home-Depot, Coca Cola, The Southern Company and Wal-Mart. The yield on the corporate debt portfolio was 2.72% and has fixed maturities of less than three years. As of June 30, the Bank's investment portfolio had appreciated \$409,000 (net of tax) since the initial investment.

Credit Risk

The Bank's emerging loan portfolio has been underwritten in light of the impact of COVID-19 on cashflows of prospective businesses. Many of these businesses are prospering in the current environment and have either stable or expanding revenues. By building a loan portfolio as the quarantine began, the Bank has been able to assess credit risk with a high level of clarity.

Deferred Tax Asset, Non-GAAP Measure

The Bank's tangible book value per share at June 30, 2020 was \$9.11. Start-up expenses during the organization period and net operating losses during the June 30 quarter created a deferred tax asset of \$677,000. This asset is being carried at \$0 until the Bank's core operations become profitable. At that time, the valuation allowance will be reversed. At June 30, 2020 the valuation allowance lowered tangible book value by \$0.13 from \$9.24 (a non-GAAP measurement).

Outlook

"Triad Business Bank has had an exceptional beginning which should propel the Bank forward to our near-term goal of becoming operationally profitable within six quarters. The third and fourth quarters of 2020 are expected to have high loan growth and revenues should be bolstered by the realization of PPP loan fees accelerating with the program's loan forgiveness activity. The rapid start has prompted an acceleration of our business plan. The loan and deposit pipeline are stronger than we had projected, and we anticipate a rapid rise in revenues will follow. The net interest margin is also expected to widen substantially as core loans replace PPP loans and cash as the primary source of earning assets. While other commercial banks are experiencing increased credit risk, loan pricing has also improved which will further benefit the net interest margin in future periods," Hamadi commented.

About Triad Business Bank

With three co-equal offices located in Winston-Salem, High Point and Greensboro, Triad Business Bank focuses on meeting the needs of small to midsize businesses and their owners by providing loans, treasury management and private banking, all with a high level of personal attention and best-in-class technology. For more information, visit www.triadbusinessbank.com

Forward Looking Language

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Triad Business Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of Triad Business Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Triad Business Bank undertakes no obligation to update any forward-looking statements.

Triad Business Bank**Balance Sheet (Unaudited)****June 30, 2020****March 31, 2020****Assets**

Noninterest-bearing cash	\$ 246,655	\$ 170,843
Interest-bearing due from banks	24,851,368	35,714,990
Securities	17,978,181	12,823,243
Federal funds sold	-	176,320

Loans	113,578,250	-
Allowance for loan loss	(173,808)	-
Loans net	113,404,442	-

Other assets	2,817,054	2,314,904
Total assets	\$ 159,297,700	\$ 51,200,300

Liabilities

Demand deposits	\$ 32,596,234	\$ 197,874
Interest-bearing NOW	2,670,394	109,499
Interest-bearing savings & MMA	33,845,514	3,000,197
Time deposits	500,000	-
Total Deposits	69,612,142	3,307,570
Other borrowings	41,228,228	-
Other liabilities	1,963,004	1,738,769
Total Liabilities	112,803,374	5,046,339

Shareholders' Equity

Common Stock	48,106,304	46,875,608
Warrants	1,443,571	1,493,136
Retained Deficit	(3,464,641)	(2,271,085)
AOCI	409,092	56,302
Total Shareholders' Equity	46,494,326	46,153,961

Total Liabilities & Shareholders' Equity	\$ 159,297,700	\$ 51,200,300
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Shares outstanding	5,102,984	4,976,942
Book value per share	\$ 9.11	\$ 9.27

Triad Business Bank**Income Statement (unaudited)****For three months ended****June 30, 2020****Interest Income**

Interest & Fees on Loans	\$	412,503
Interest & Dividend Income on Securities		96,280
Interest Income on balances Due from Banks		12,160
Total Interest Income		520,943

Interest Expense

Interest on NOW Deposits		4,749
Interest on Savings & MMA Deposits		61,929
Interest on Time Deposits		219
Interest on Borrowings		11,320
Total Interest Expense		78,217

Net Interest Income **442,726****Provision for Loan Losses** **173,808****Net Interest Income After Provision for LL** **268,918****Total Noninterest Income** **1,211**

Noninterest Expense

Salaries & Benefits		927,050
Premises & Equipment		83,024
Total Other Noninterest Expense		453,611

Total Noninterest Expense **1,463,685****Income (Loss) before Income Tax** **(1,193,556)****Income Tax** **-****Net Income (Loss)** **\$ (1,193,556)**

Net Income (Loss) per Share

Basic & Diluted **\$ (0.23)**

Weighted Average Shares Outstanding

Basic & Diluted **5,102,984**

	Tangible Book Value	
	Actual 6/30/2020	Non-GAAP 6/30/2020
Total Shareholder's Equity	\$ 46,494,326	\$ 47,171,683
Shares Outstanding	5,102,984	5,102,984
Book Value Per Share	\$ 9.11	\$ 9.24
Deferred Tax Asset	\$ 677,357	
Valuation Allowance	\$ (677,357)	
Recorded Deferred Tax Asset	-	
Effect of Non-GAAP Measure on Tangible BV	\$ 0.13	