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**Republic Bank of Arizona Announces Unaudited Financial Results  
For the Quarter Ending June 30, 2018**

Second quarter continues to show positive trends

**PHOENIX, ARIZONA, August 7, 2018** – Republic Bank of Arizona, (OTCBB:RBAZ) (“RBAZ”) (“Bank”) announced a net income of \$479,000, or \$0.28 per share, for the quarter ended June 30, 2018 and \$609,000, or \$0.36 per share for the six months ended June 30, 2018 as compared to a net income of \$89,000, or \$0.05 per share, for the quarter ended June 30, 2017 and \$140,000 or \$0.08 per share for the six months ended June 30, 2017.

President and CEO Ralph Tapscott stated “I am pleased to report our second quarter results and am proud of our team. Quality loan growth has been a focus so I am happy to report that not only have we seen our loan growth track with our projected budget through the first half of the year, but we also have no non-performing loans in our portfolio. The quality of our portfolio allowed us to recapture some loan loss reserves from the past into income. Excluding this credit, our core earnings still exceeded the same quarter last year by over 200%. Our growth in core deposits continues to provide a stable funding source for our earning assets and our pipeline is strong providing a positive start to our third quarter.”

Mr. Tapscott continued “Our capital is strong and will support continued growth, our asset quality is exceptional, and our team is committed to growing relationships that will manifest in loan and core deposit growth, with a corresponding growth in core earnings. We have settled in to our new banking location and our team’s dedication continues to be reflected in our Bauer Five-Star bank rating.”

**June 30, 2018 Highlights Include:**

- Total interest income of \$1,305,000 for the quarter ended June 30, 2018 exceeded total interest income of \$1,095,000 for the same period of the prior year, and represents an increase of 19.2%.
- Quarterly non-interest expense for June 30, 2018 quarter increased 5.9% or \$48,000 over the same quarter in 2017 as we experienced double occupancy costs from our move that ceased on May 31, 2018.
- Total loans increased \$6,530,000 to \$64,730,000 as compared to \$58,200,000 as of June 30, 2017, an 11.2% increase as loan production continues on our projected budget through six months.
- Total deposits of \$101,624,000 are up \$2,575,000 for the second quarter, as we brought on some local municipal deposits.

**The Bank remains “well capitalized” as follows:**

	<b>June 30, 2018 (%)</b>	<b>Ratio to be Well Capitalized (%)</b>
Leverage Ratio .....	12.93	5.00
Common Equity Tier 1 .....	23.29	6.50
Tier 1 Capital to Risk Weighted Assets.....	23.29	8.00
Total Capital to Risk Weighted Assets.....	24.56	10.00

**About the Company**

Republic Bank of Arizona is a locally owned community bank in Phoenix, Arizona. RBAZ is a full service community bank providing deposit and loan products, and convenient on-line banking to individuals, businesses and professionals with a business and commercial focus. The Bank was established in April 2007 and operates out of a single location at 645 E. Missouri Avenue, Suite 108. The Bank is traded over-the-counter as RBAZ. For further information, please visit our web site: [www.republicbankaz.com](http://www.republicbankaz.com).

**Forward-looking Statements**

This press release may include forward-looking statements about RBAZ, for which the Bank claims the protection of safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management’s knowledge and belief as of today and include information concerning the Bank’s possible or assumed future financial condition, and its results of operations and business. Forward-looking statements are subject to risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Those factors include fluctuations in interest rates, government policies and regulations (including monetary and fiscal policies), legislation, economic conditions, borrower capacity to repay, operational factors and competition in the geographic and business areas in which the Bank conducts its operations. All forward-looking statements included in this press release are based on information available at the time of the release, and the Bank assumes no obligation to update any forward-looking statement.

## Unaudited Summary Financial Information

*(dollars in thousands, except per share data or noted otherwise)*

	For the Three months ended June 30,		For the Six months ended June 30,		Year-End
	2018	2017	2018	2017	2017
	<i>(dollars in thousands, except per share data)</i>				
<b>Summary Income Data</b>					
Interest income .....	\$ 1,305	\$ 1,095	\$ 2,509	\$ 2,139	\$ 4,374
Interest expense .....	160	161	300	324	628
Net interest income .....	1,145	934	2,209	1,815	3,746
Provision for (reduction in) loan losses .....	(300)	-	(300)	-	(416)
Non-interest income .....	211	31	259	67	425
Non-interest expense .....	867	819	1,775	1,661	3,221
Realized gains (losses) on sales of securities .....	(116)	-	(116)	-	1
Income (loss) before income taxes .....	673	146	877	221	1,367
Provision for income tax .....	194	57	268	81	743
Net income .....	\$ 479	\$ 89	\$ 609	\$ 140	\$ 624
<b>Per Share Data:</b>					
Shares outstanding end-of-period .....	1,702	1,702	1,702	1,702	1,702
Earnings per common share .....	\$ 0.28	\$ 0.05	\$ 0.36	\$ 0.08	\$ 0.37
Cash dividend declared .....	-	-	-	-	-
Total shareholders' equity .....	\$ 14,445	\$ 13,735	\$ 14,445	\$ 13,735	\$ 14,015
Book value per share .....	8.49	8.07	8.49	8.07	8.23
<b>Selected Balance Sheet Data:</b>					
Total assets .....	\$ 116,635	\$ 95,738	\$ 116,635	\$ 95,738	\$ 122,923
Securities available-for-sale .....	20,734	17,048	20,734	17,048	20,570
Securities held-to-maturity .....	6,275	6,426	6,275	6,426	6,320
Loans .....	64,730	58,200	64,730	58,200	59,887
Allowance for loan losses .....	1,373	2,061	1,373	2,061	1,665
Deposits .....	101,624	81,652	101,624	81,652	108,489
Other borrowings .....	-	-	-	-	-
Shareholders' equity .....	14,445	13,735	14,445	13,735	14,015
<b>Performance Ratios:</b>					
Return on average shareholders' equity (annualized) .....	13.53	2.62	8.67	2.09	4.56
Net interest margin (%) .....	3.98	4.05	3.84	4.00	3.96
Average assets .....	115,420	90,648	115,550	89,935	94,451
Return on average assets (annualized) (%) .....	1.66	0.39	1.05	0.31	0.66
Shareholders' equity to assets (%) .....	12.38	14.35	12.38	14.35	11.40
Efficiency ratio (%) .....	63.64	84.01	71.55	87.44	76.45
<b>Asset Quality Data:</b>					
Nonaccrual loans .....	-	364	-	364	-
Troubled debt restructurings .....	577	616	577	616	592
Other real estate .....	-	-	-	-	-
Nonperforming assets .....	-	980	-	980	-
Nonperforming assets to total assets (%) .....	-	1.02	-	1.02	-
Nonperforming loans to total loans (%) .....	-	1.68	-	1.68	-
Reserve for loan losses to total loans (%) .....	2.12	3.54	2.12	3.54	2.78
Reserve for loan losses to nonperforming loans (%) .....	*	210.31	*	210.31	*
Net charge-offs for period .....	-	124	-	144	144
Average loans .....	63,021	60,994	60,469	61,931	61,409
Ratio of charge-offs to average loans (%) .....	-	0.20	-	0.23	0.23
<b>Regulatory Capital Ratios:</b>					
Tier 1 leverage capital ratio (%) .....	12.93	15.22	12.93	15.22	13.08
Common Equity Tier 1 (%) .....	23.29	24.98	23.29	24.98	24.93
Tier 1 risk-based capital ratio (%) .....	23.29	24.98	23.29	24.98	24.93
Total risk-based capital ratio (%) .....	24.56	26.27	24.56	26.27	26.20

\* Denominator is zero