MALVERN, Pa., July 30, 2018 -- Meridian Bank (Nasdaq: MRBK) today reported net income of $1.8 million, or $0.28 per diluted share for the second quarter of 2018, which generated a return on average assets and return on average equity of 0.81% and 7.00%, respectively.

Christopher J. Annas, Chairman and CEO, commented: "Our strong loan growth continued through the second quarter with commercial/industrial and commercial real estate together annualizing over 20%. Meridian's sales efforts and building reputation are bringing consistent opportunities for new relationships and great personnel. The record earnings results from growth and better efficiency at the bank, and moderate profits from our fee businesses. The deposit-only sales personnel are having success in the various niches as some turmoil remains with acquired banks in the area. The balance sheet is very strong with excellent credit quality and capital ratios."

Second Quarter Highlights – Record Quarterly Earnings

- Net income for common stockholders for the three and six months ended June 30, 2018 was $1.8 million, and $3.1 million, respectively, increases of $847 thousand or 89% and $2.3 million or 300% as compared to net income for common stockholders for the same periods in 2017.

- Net interest income increased $1.1 million, or 15.8%, to $8.1 million for the three months ended June 30, 2018, as compared to $7.0 million for the same period in 2017. The net interest margin was 3.88%.

- Total assets of $945.4 million as of June 30, 2018 increased $89.4 million, or 10.4%, from $856.0 million as of December 31, 2017.

- Total portfolio loans and leases as of June 30, 2018 were $781.6 million, an increase of $87.0 million, or 12.5%, from $694.6 million at December 31, 2017.

- Total deposits of $683.3 million as of June 30, 2018 increased $56.1 million, or 9.0%, from $627.1 million as of December 31, 2017.

- Asset quality remained strong as net charge-offs were only 0.01% of total average loans for the second quarter of 2018. Non-performing loans were 0.34% of total loans at June 30, 2018.

Income Statement Summary

Net income attributable to common stockholders was $1.8 million, or $0.28 per diluted share for the second quarter of 2018 compared to $955 thousand, or $0.26 per diluted share, for the same period in 2017. The increase was largely attributable to an increase in net interest income of $1.1 million as well as lower levels of income tax and loan loss provisions. These improvements were partially offset by an increase in net non-interest expense of $892 thousand. In addition, $289 thousand in preferred dividends were eliminated after repurchasing all of the outstanding shares of preferred stock in the fourth quarter of 2017. Net income attributable to common stockholders was $3.1 million, or $0.48 per diluted share for the six months ended June 30, 2018 compared to $768 thousand, or $0.21 per diluted share, for the same period in 2017.

Net interest income increased $1.1 million, or 15.8%, for the three months ended June 30, 2018 to $8.1 million from $7.0 million for the same period in 2017. Net interest income increased $2.1 million, or 15.1%, to $15.8 million for the six months ended June 30, 2018, compared to $13.8 million for the six months ended June 30, 2017. The net-interest margin remained strong for both periods at 3.88%, and 3.89%, respectively. The strength in the Bank's net-interest margin reflects the size and asset quality of the loan portfolio, as well as a consistent increase in average non-interest bearing deposits period over period. The provision for loan losses decreased $208 thousand to $413 thousand for the second quarter 2018 reflecting strong asset quality, and increased $187 thousand to $967 thousand for the six months ended June 30, 2018 due to the significant level of loan growth over the first six months of 2018.

Total non-interest income for the second quarter of 2018 was $8.7 million, down $1.4 million, or 13.9%, from the second quarter of 2017. Total non-interest income for the six months ended June 30, 2018 was $15.7 million, down $1.4 million, or 7.9%, from the same period in 2017. These overall decreases in non-interest income came primarily from our mortgage division. These decreases were due to lower levels of loans sold, which were $159 million for the three months ended June 30, 2018, compared to $180 million for the same period in 2017 and $287.1 million for the six months ended June 30, 2018, compared to $326.4 million for the same period in 2017. In addition, the margin over the periods decreased 60 basis points and 21 basis points, respectively. The decline in mortgage banking income was offset slightly by hedging gains and fair value adjustments on the mortgage portfolio period over period. Wealth management revenue increased $119 thousand to $988 thousand for the three months ended June 30, 2018 compared to $869 thousand for the same period in 2017 and $1.1 million to $2.1 million for the six months ended June 30, 2018 compared to $972 thousand for the same period in 2017.

Non-interest expense was $14.1 million for the second quarter of 2018, down $509 thousand, or 3.5%, from $14.6 million in the second quarter of 2017 and $26.6 million for six months ended June 30, 2018, down $1.4 million, or 5.0%, from the same period in the 2017. The decrease is mainly attributable to a reduction in salaries and employee benefits expense, as full-time equivalent employees, particularly in the mortgage division were reduced. In addition, variable loan expenses decreased reflecting the lower level of mortgage originations. Occupancy, equipment and advertising and promotion expenses increased during both periods due to new business locations. Other expenses were up over both periods. The increase was primarily the result of a $200 thousand reserve established for the open litigation as well as higher levels of other employee-related expenses, shares tax expense, and OREO expense.

Balance Sheet Summary

As of June 30, 2018, total assets were $945.4 million compared with $856.0 million as of December 31, 2017 and $780.7 million as of June 30, 2017. Total assets increased $164.8 million, or 21.1%, on a year-over-year basis primarily due to strong loan growth. Total assets increased $61.9 million, or 7.0%, on a quarter-over-quarter basis mostly due to net new portfolio loans of $41.2 million, as well as $14.7 million in held-for-sale mortgage loans.

Total loans, excluding mortgage loans held for sale, grew $87.0 million, or 12.5%, to $781.6 million as of June 30, 2018, from $694.6 million as of December 31, 2017. It is an increase of $133.2 million, or 20.6%, from $648.4 million as of June 30, 2017. The increase in loans for both periods is attributable to several commercial categories as the Bank continues to grow its presence in the Philadelphia market area. Commercial loans increased $22.2 million, or 14.3%, during the first six months of the year. Commercial real estate and commercial construction loans combined increased $35.5 million, or 9.7%, during the first six months of the year. Residential loans held in portfolio increased $15.4 million, or 47.2%, during the first six months as certain loan products or terms were targeted to hold in portfolio. Residential mortgage loans-for-sale increased $10.5 million, or 30.1%, to $45.6 million at June 30, 2018 from December 31, 2017 and $9.2 million, or 25.2%, year over year, reflecting the seasonality of the cycle.

Deposits were $683.3 million as of June 30, 2018, up $56.1 million, or 9.0%, from December 31, 2017, and $123.7 million, or 22.1%, from June 30, 2017. Non-interest bearing deposits increased $6.5 million, or 6.5%, from December 31, 2017 and increased $8.9 million, or 9.1%, from June 30, 2017. New business relationships fueled the increases. Money market accounts/savings accounts decreased $11.3 million, or 5.0%, since December 31, 2017 and increased $5.2 million, or 2.5%, since June 30, 2017 while interest-bearing checking accounts increased $28.4 million, or 34.7%, during the year, and $30.3 million or 38.0% year over year reflecting the customer's preference for checking accounts over money market accounts. Certificates of deposit increased $32.6 million, or 14.9%, during the past six months and $79.2 million, or 46.2%, year over year as a result of wholesale funds management in the rising rate environment. Borrowings were up $33.6 million, or 30.9%, during the past six months and $12.4 million, or 9.5%, year over year. $15 million of short-term borrowings as of June 30, 2018 were used to fund growth in mortgage loans held for sale, while the remaining increase in borrowing was used to help fund the $87.0 million increase in loans held for investment as the timing of deposit growth trailed behind the loan growth.

Consolidated shareholder's equity of the Bank was $104.4 million, or 11.04% of total assets as of June 30, 2018, as compared to $101.4 million, or 11.84% of total assets as of December 31, 2017. Capital ratios remain strong, reflecting the capital raise in the fourth quarter. At June 30, 2018, the Tier 1 leverage ratio was 11.28%, Tier 1 risk-based capital and common equity ratios were 12.03%, and total risk-based capital was 14.07%. Quarter-end numbers show a total shareholder equity-to-total assets ratio of 11.04% and a tangible common equity to tangible assets ratio of 10.53%. Tangible book value per share was $15.47 as of June 30, 2018, compared with $15.00 as of December 31, 2017, and $14.28 as of June 30, 2017.

Asset Quality Summary

Asset quality remained strong. The Bank realized net charge-offs of 0.01% of total average loans for the quarter ending June 30, 2018, compared with net charge-offs of 0.09% for the quarter ending December 31, 2017. Total non-performing assets, including loans and other real estate property, were $2.8 million as of June 30, 2018, $3.6 million at December 31, 2017, and $4.2 million as of June 30, 2017. The ratio of non-performing assets to total assets for quarter end was 0.30% compared to 0.42% as of December 31, 2017 and 0.53% at June 30, 2017. The non-performing loans were 0.34% of total loans as of June 30, 2018, compared to 0.43% as of

December 31, 2017 and 0.61% at June 30, 2017. As of June 30, 2018, the ratio of allowance for loan losses to total loans, excluding mortgages available for sale, was 0.95%.

About Meridian Bank

Meridian Bank, is a full-service commercial bank headquartered in Malvern, Pennsylvania with 23 offices in the greater Philadelphia Metro market. The Bank offers a full range of commercial and retail loan and deposit products, along with wealth management and electronic payment services. Meridian Mortgage, a division of the Bank, is a top tier provider of residential mortgage loans. For additional information visit our website at www.meridianbanker.com. Member FDIC.

FINANCIAL TABLES FOLLOW

MeridianBank

(Dollars in Thousands, except per share data)	Quarterly 2018 2nd QTR	2018 1st QTR	2017 4th QTR	2017 3rd QTR	2017 2nd QTR
Earnings and Per Share Data					
Net income	$ 1,802	$ 1,270	$ 288	$ 1,398	$ 1,244
Net income available to common stockholders	1,802	1,270	(12)	1,109	955
Basic earnings per common share	0.28	0.20	(0.00)	0.30	0.26
Book value per common share	16.31	16.01	15.86	16.11	15.81
Tangible book value per common share	15.47	15.16	15.00	14.60	14.28
Common shares outstanding	6,401	6,392	6,392	3,686	3,686
Performance Ratios					
Return on average assets	0.81%	0.61%	0.14%	0.70%	0.66%
Return on average equity	7.00%	5.07%	1.19%	7.77%	7.20%
Net interest margin (TEY)	3.88%	3.91%	4.01%	3.91%	3.94%
Efficiency ratio	84%	85%	86%	84%	85%
Asset Quality Ratios					
Net charge-offs to average loans	0.01%	0.02%	0.09%	0.07%	0.02%
Non-performing loans/Total loans	0.34%	0.38%	0.43%	0.87%	0.61%
Non-performing assets/Total assets	0.30%	0.38%	0.42%	0.78%	0.53%
Allowance for credit loss/Total loans	0.90%	0.93%	0.92%	0.90%	0.91%
Allowance for credit loss/Total loans held for investment	0.95%	0.96%	0.96%	0.94%	0.96%
Allowance for credit loss/Non-performing loans	261.83%	241.97%	212.51%	102.83%	149.30%
Capital Ratios					
Total equity/Total assets	11.04%	11.59%	11.84%	8.99%	9.11%
Tangible common equity/Tangible assets	10.53%	11.03%	11.27%	6.74%	6.79%
Tier 1 leverage ratio	11.28%	11.69%	12.37%	8.62%	8.79%
Common tier 1 risk-based capital ratio	12.03%	12.36%	12.86%	7.46%	7.55%
Tier 1 risk-based capital ratio	12.03%	12.36%	12.86%	9.20%	9.36%
Total risk-based capital ratio	14.07%	14.46%	15.53%	11.93%	12.18%

MeridianBank

(Dollars in Thousands)	Statements of Income (Unaudited) Quarter Ended June 30, 2018	Statements of Income (Unaudited) Quarter Ended June 30, 2017	Statements of Income (Unaudited) Six Months Ended June 30, 2018	Statements of Income (Unaudited) Six Months Ended June 30, 2017
Interest Income				
Interest and fees on loans	$ 10,507	$ 8,363	$ 20,000	$ 16,224
Investments	302	253	605	496
Total interest income	10,809	8,616	20,605	16,720
Interest Expense				
Deposits	2,028	970	3,687	1,872
Borrowings	635	610	1,080	1,085
Total interest expense	2,663	1,580	4,767	2,957
Net interest income	8,146	7,036	15,838	13,763
Provision for loan losses	413	621	967	780
Net interest income after provision for loan losses	7,733	6,415	14,871	12,983
Non-Interest Income				
Mortgage banking income	7,312	9,121	12,133	15,185
Wealth management income	988	869	2,066	972
Earnings on investment in life insurance	73	82	151	111
Net change in fair value of mortgage related financial instruments	(171)	217	(138)	646
Gain on sale of investment securities available-for-sale	-	4	-	4
Service charges	28	20	60	40
Other	438	(244)	1,452	113
Total non-interest income	8,668	10,069	15,724	17,071
Non-Interest Expenses				
Salaries and employee benefits	9,382	9,809	17,818	19,423
Occupancy and equipment	990	948	1,950	1,826
FDIC assessment	164	185	179	296
Professional fees	477	536	956	903
Data processing	302	273	590	534
Advertising and promotion	631	518	1,212	940
Loan expenses	723	1,236	1,193	2,008
Other	1,405	1,078	2,738	2,113
Total non-interest expenses	14,074	14,583	26,636	28,043
Income before income taxes	2,327	1,901	3,959	2,011
Income tax expense	525	657	887	665
Net Income	1,802	1,244	3,072	1,346
Dividends on preferred stock	-	(289)	-	(578)
Net Income available to common stockholders	$ 1,802	$ 955	$ 3,072	$ 768
Weighted-average basic shares outstanding	6,395	3,686	6,393	3,686
Basic earnings per common share	$ 0.28	$ 0.26	$ 0.48	$ 0.21
Adjusted weighted-average diluted shares outstanding	6,425	3,715	6,425	3,715
Diluted earnings per common share	$ 0.28	$ 0.26	$ 0.48	$ 0.21

MeridianBank

(Dollars in Thousands)	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
	Statement of Condition (Unaudited)				
Assets					
Cash & cash equivalents	$ 27,013	$ 24,964	$ 35,506	$ 9,527	$ 10,349
Investment securities	54,773	51,372	52,867	50,662	51,027
Mortgage loans held for sale	45,571	30,858	35,024	32,350	36,411
Loans, net of fees and costs	781,622	740,408	694,637	676,334	648,398
Allowance for loan losses	(7,449)	(7,138)	(6,709)	(6,359)	(6,214)
Bank premises and equipment, net	10,207	10,446	9,741	9,321	8,915
Bank owned life insurance	11,420	11,347	11,269	11,187	11,105
Other real estate owned	-	427	437	59	-
Goodwill and intangible assets	5,359	5,427	5,495	5,564	5,640
Other assets	16,919	15,410	17,768	15,261	15,030
Total Assets	$ 945,435	$ 883,521	$ 856,035	$ 803,906	$ 780,661
Liabilities & Stockholders' Equity					
Liabilities					
Non-interest bearing deposits	$ 106,942	$ 105,576	$ 100,454	$ 101,061	$ 97,994
Interest bearing deposits					
Interest checking	110,259	109,914	81,872	80,420	79,920
Money market / savings accounts	215,042	213,282	226,374	210,931	209,825
Certificates of deposit	251,007	250,531	218,409	225,270	171,780
Total interest bearing deposits	576,308	573,727	526,655	516,621	461,525
Total deposits	683,250	679,303	627,109	617,682	559,519
Borrowings	142,176	86,366	108,613	92,264	129,817
Subordinated debt	9,308	9,308	13,308	13,376	13,376
Other liabilities	6,321	6,132	5,642	8,350	6,811
Total Liabilities	841,055	781,109	754,672	731,672	709,523
Stockholder's Equity	104,380	102,412	101,363	72,234	71,138
Total Liabilities & Stockholders' Equity	$ 945,435	$ 883,521	$ 856,035	$ 803,906	$ 780,661

MeridianBank

Condensed Statements of Income (Unaudited)

(Dollars in Thousands)	Three Months Ended June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Interest income	$ 10,809	$ 9,796	$ 9,808	$ 9,191	$ 8,616
Interest expense	2,663	2,104	1,975	1,850	1,580
Net interest income	8,146	7,692	7,833	7,341	7,036
Provision for credit losses	413	554	716	665	621
Non-interest income	8,668	7,056	9,178	10,450	10,069
Non-interest expense	14,074	12,562	14,634	15,012	14,583
Income before income tax expense	2,327	1,632	1,661	2,114	1,901
Income tax expense	525	362	1,373	716	657
Net Income	1,802	1,270	288	1,398	1,244
Dividends on preferred stock	-	-	300	289	289
Net income available to common shareholders	$ 1,802	$ 1,270	$ (12)	$ 1,109	$ 955
Weighted-average basic shares outstanding	6,395	6,392	4,575	3,686	3,686
Basic earnings per common share	$ 0.28	$ 0.20	$ (0.00)	$ 0.30	$ 0.26
Adjusted weighted-average diluted shares outstanding	6,425	6,426	4,602	3,713	3,715
Diluted earnings per common share	$ 0.28	$ 0.20	$ (0.00)	$ 0.30	$ 0.26