

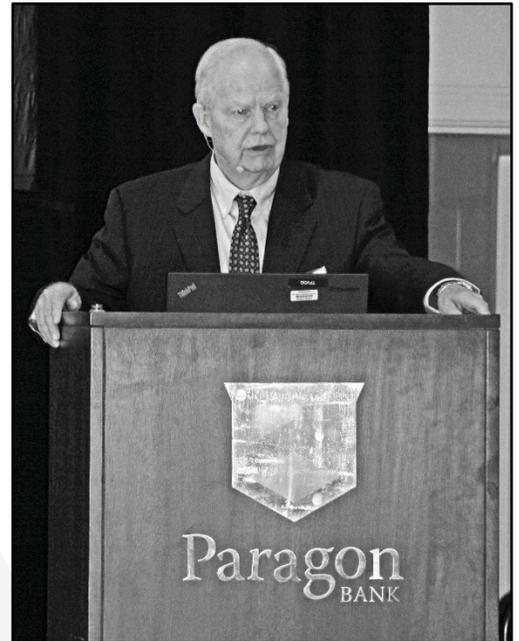


the Shield *of excellence*

Paragon Hosts OUTLOOK 2018 Economic Summit

On September 18, 2018, Paragon was pleased to host at the Memphis Botanic Garden the first annual Outlook Memphis Economic Summit. Paragon worked with the Sparks Bureau of Business and Economic Research at the University of Memphis, which conducted this consumer confidence survey of more than 1,000 Memphis area residents. The study, designed as a tool for small business owners who depend on consumers for their success, was the region's first regular gauge of consumer spending patterns and outlook of future economic conditions. The report revealed how area Memphians picture the local economy in six months to five years, see their buying power change, anticipate spending on major household purchases, and view the area's job market. Dr. John Gnushke, Director of the Sparks Bureau of Business and Economic Research, authored the study and presented its results to the audience of approximately 150 people. Copies of the study are available at bankparagon.com/study.

"We were pleased with the interest in the study and hope it is a value for businesses as they plan their future business activities," stated Robert Shaw, Paragon's Chief Executive Officer.



Dr. John Gnushke





Ways to Protect Your Money



Whether you are checking on bank accounts, transferring funds, or making a payment, online banking is a convenient way to manage your banking transactions. Paragon offers online banking options as a convenience to our customers and an easy way to keep track of your finances. However, online banking and banking through a mobile app does come with certain risks due to a term known as phishing.

Webster's dictionary defines phishing as "a scam by which an Internet user is duped (as by a deceptive email message) into revealing personal or confidential information which the scammer can use illicitly." This fraudulent practice has increased more than 5,000% over the last 12 years, with data showing attacks steadily increasing. As technology advances, here are some ways you can equip yourself and protect your finances.

Receive transaction alerts

Sign up for Guardian Text Alerts through our online banking portal. These alerts will text you when your debit card is used to make a transaction. Additionally, messages are sent to your mobile device when large, suspicious purchases are made on your account. These alerts are a form of fraud monitoring. If fraud is detected, an email and text alert will be sent to you.

Use only approved Paragon banking tools

Criminals will try to mislead customers by getting them to download apps from places other than the device's approved app store. These applications might pretend to be digital/electronic wallets such as Venmo, PayPal, Apple's Passbook or Google Wallet. To avoid exposing private information, make sure you know and trust the app store from which you download mobile apps.

Keep mobile device software up-to-date

Apple and Android operating systems upgrades often and include security updates to protect your smartphone or tablet from the latest threats. This is especially important with Android systems, which tend to be more open to developers. To ensure our customers' safety, Paragon releases regular updates to our mobile app. These updates safeguard against the latest threats and vulnerabilities. Maintaining phone and app updates is important to protect yourself and your online presence.

Avoid clicking through emails

Paragon does send you email alerts and update messages. Messages from Paragon do normally contain links to our Internet banking site, but you don't have to click through the links to access your account. If you are unsure of a link in an email, it is safer to visit the site directly. Phishing emails redirect the recipient to a malicious website or fraudulent version of a bank's website, and some are designed to collect your username, password, or other personal information. Paragon Fraud Center is available 24/7 to verify whether they sent you an email or if they need to get in touch with you. Never respond to emails that ask to verify your identity by providing your username or password. Remember, Paragon will never ask for this information via email—at most, you will need to supply the answer to a security question and will do this over the phone with your personal banker.

By using a secure, trusted app, keeping your device up-to-date, and using good consumer practices, you can help protect your money and keep criminals at bay.



Paragon Introduces Another Mobile Feature

Misplaced your debit cards? Temporarily lock your Paragon debit card to prevent unauthorized use until you find your card.

Lock the card using the "Cards and Options" tab in the Paragon mobile app.

Select "Debit Cards," Select "Suspend," and press "ok."

You will get a confirmation by text shortly after you lock your card.
When you find your card, unlocking it is just as easy.

Select "Debit Cards," select "Activate," and press "ok."

Now your card is activated and ready to use. If you have any questions, please ask any Paragon Team Member.



Oxford's Grand Opening



On May 31, 2018, Paragon held an open house and ribbon-cutting ceremony for our new full-service branch in Oxford, MS. The branch is located in Oxford Square North, at 265 North Lamar, Suite N. Oxford President Kin Kinney, and Mortgage Consultant Lindsey Faust welcomed the guests. Those in attendance included customers, family members, friends, and ambassadors from the Oxford-Lafayette County Chamber of Commerce. Other Paragon employees and members of Paragon's Board of Directors, including Oxford natives Glenn Cofield and CEO Robert Shaw, were also in attendance.



Paragon Adds Payroll Cards to Our Suite of Offerings

Your business can go green with payrolls and reduce the cost and hassle of issuing paper checks. For those employees without direct deposit into a bank account, Paragon Bank offers the Netspend's Skylight PayOptions™ Program to provide a safe and convenient payroll card solution. The Skylight offers:

- Seamless Integration with your current payroll systems.
- Instant Issuance – Employers receive Instant Issue Packs that allow the flexibility to enroll employees through our web-based portal or via a secure file transmission.
- Convenience – Your employees can use their payroll cards anywhere Visa® debit or Debit® Mastercard cards are accepted as well as at ATM's across the country.
- Easy Account Funding – Access to the online Corporate Portal allows you to easily schedule and execute payrolls through your existing ACH direct deposit process or electronically through our SkyPosit tool.
- Dedicated Support – Proven program implementation, support, training, and marketing are provided.
- Money Management – Cardholders have dedicated access to account information via text or email alerts, automated phone system, online and mobile app banking.
- FDIC Insurance – Signature and PIN transactions and funds are FDIC-insured by FDIC member issuing banks.

Director's Corner: Pete Stark

American Writer Mark Twain once wrote "Always Do Right. This Will Gratify Some People and Astonish the Rest." One man who embodies this quote to the fullest is Paragon Director Pete Stark.

In 2012, Paragon welcomed Pete to the Board of Directors, where he graciously serves as Chairman of the Compensation Committee and a member of the Asset/Liability Committee. Pete's first interactions with the management of Paragon came through church and school activities at St. Louis School and St. Agnes Academy at a time when the bank was raising capital. As those relationships grew, he knew that the Board and management team shared principles and values that aligned with his, so he invested in the bank and joined the Board to help Paragon achieve its business objectives.

As a native Memphian and graduate of Christian Brothers University, Pete has spent the last 20 years in various financial and operational roles in the healthcare industry, focusing primarily on medication management and specialty pharmacy. With a degree in accounting and a minor in management information systems, Pete spent the first seven years of his career in public accounting and as Controller for a manufacturing company. The latter position allowed flexibility to accommodate spending time with his children as they were growing up.

Pete moved into the healthcare field in early 1997 as Controller for Response Oncology, Inc. Response Oncology was a publicly-held national provider of cancer management and treatment services based in Memphis. Over a span of approximately five years, he ultimately became Executive Vice President and CFO (Chief Financial Officer) of Response Oncology. Leveraging his healthcare and pharmacy background, he moved on to Accredo Health Group, initially as an outside consultant and then as Corporate Controller. Accredo is one of the nation's largest specialty pharmacy providers, serving patients with complex and chronic health conditions such as cancer, hepatitis C, HIV, and multiple sclerosis. Pete diligently

served Accredo for 10 years, supporting its sale initially to Medco Health Solutions and then Medco's sale to Express Scripts, Inc. Ultimately he served as CFO of the multi-billion-dollar specialty division.



Pete Stark

A firm believer in "focusing on the things you're good at and building high performing teams," Pete is also known for his passion in providing services to those in need and supporting patient access and adherence to critical medications. His most recent position as CEO (Chief Executive Officer) of Physicians Pharmacy Alliance, Inc. (PPA), a private equity-backed pharmacy management services company in Cary, NC, allowed him to provide chronic medications to Medicaid and dually-eligible patients and strive continuously to "do right" by those who are less fortunate and struggle with health literacy.

Reflecting on his time on the Board, Pete notes, "The Bank has made significant improvements in the last six years on numerous fronts – loan growth, deposit growth, asset quality, and many more – all resulting in the tripling of its stock price over that period. I'm proud to be associated with such a phenomenal group of committed leaders on the Board and management team at Paragon that has led to such great progression for the bank."

Today, following the recent sale of PPA, Pete's focus includes spending quality time with his family, traveling, focusing on bank activities, serving as a member of the Advisory Council at his grade-school alma mater, St. Paul Catholic School, and taking a well-deserved break before searching for his next professional endeavor. Father of two incredible children: Kayla (a New Orleans based graphic designer and photographer) and Nick (currently in Scotland studying theoretical physics) and husband of wife Jackie for more than 27 years, Pete continues to "do the right thing" within the community, with the customers served at Paragon Bank through his leadership on the Board of Directors, and by expanding his career further in the healthcare industry.

Paragon Commu

2018 was another record-setting year for Paragon's involvement in our communities. Paragon employees spent 1,922 hours serving our communities through forty-four nonprofit organizations. Ninety-nine percent of Paragon employees participated in Paragon's Assisting the Community Through Service (ACTS) program with the average number of ACTS hours per team member of 22.8. Since 2008 when Paragon began tracking ACTS hours, team members have spent more than 9,000 hours working to make our communities better.

Neighborhood Christian Centers



Each year Paragon team members help with the Neighborhood Christian Centers' (NCC) Spring Jam to provide a virtual spring break for those to whom this privilege is not available. NCC's facilities are made to simulate a foreign country, and the children experience the exchange of money for a foreign currency, a trip through the Transportation Security Administration's security, an airplane ride, and the presentation of the sights, sounds, and food of the region.



Habitat for Humanity



In April our Small Business Capital Group in Atlanta was joined by Memphis team members to help clean up and repair a house as part of Habitat for Humanity DeKalb County's home repair program. This was the fourth year we have helped with Habitat's "A Brush with Kindness" program for low-income seniors and disabled residents.

Dorothy Day House



In the spring, Paragon team members helped the Dorothy Day House prepare their new house for move-in. The Dorothy Day House provides a place for homeless families to stay together.



Make-A-Wish Mid-South



This year, Paragon team members granted our 13th wish to a child with a life-threatening illness. 13-year-old Bren wished to go to Disney's Aulani Resort in Hawaii. We transformed the Fountain Place location into an underwater wonderland, and Bren played games and participated in various other activities. In conclusion the granting of her wish was revealed.

Catholic Charities of West Tennessee



Paragon held our second annual Day of Service in partnership with Catholic Charities of West Tennessee on Saturday, September 29. Thanks to our hard-working team of employees and their families, we doubled our 2017 production by assembling 1,000 food bags and 1,000 hygiene bags for the homeless.



2018 Mid-South Food Bank Presentation

November marked our 13th year participating in WMC Action News 5's Holiday Food Drive benefitting the Mid-South Food Bank.

Thanks to our generous customers and employees, this year Paragon's food drive raised enough food and cash for more than 10,500 meals.



2018 Includes Best Bank, Best Place to Work, Top Workplace!



Paragon takes pride in our dedication to our employees, our customers, and the community. We know that if we take great care of our employees, they take great care of our customers. This year, Paragon was named as the 33rd Best Bank to Work For in the U.S. by *American Banker*, was a finalist in the *Memphis Business Journal's* Best Places to Work, placed 3rd in Top Workplace Award- Small Business Category, and received a special Communication Award presented by the *Commercial Appeal*. All four of these awards were determined by confidential employee questionnaires and extensive surveys of Paragon's employee practices.



Annual Paragon All-Employee Outing



In October of each year, Paragon employees from all of our offices gather in Memphis for visiting and team building. This year employees from five states enjoyed good eating, touring, and tasting at the Old Dominick Distillery.



Happy Trails!



In September Paragon employees celebrated with Joyce Davis as she retired. Joyce, who has been part of our Accounting Department, was one of the original employees of Paragon. Good luck Joyce!

Pictured (l. to r.) Paragon CEO Robert Shaw, Joyce Davis, and Paragon Controller and Joyce's supervisor, Tracey Thesmar.

Anniversaries

Five-Year Anniversary		Ten-Year Anniversary	
Sheila Welborn	February 5, 2013	Emily Friedman	February 19, 2008
Michael Leonard	March 11, 2013	Wayne Littleton	February 19, 2008
Linda Cook	October 10, 2013		



Promotions

Congratulations to the following employees who were promoted during 2018:

- Chuck Crabtree – Assistant Vice President, Paragon Place Banking Center Manager
- Sanjay Dave – Assistant Vice President, Saddle Creek Banking Center Manager and Security
- Crystal Derrick – Special Lending Associate
- Sam Dunn – Private Banking Associate
- Sean Eshelweck – Specialty Lending Officer
- Steve Maury – Senior Vice President, Real Estate Lending
- Tye Massey – Senior Vice President, Small Business Capital Group
- Julia Sledge – Vice President, Private Banking



Milestone Birthdays

Paragon employees celebrated milestone birthdays during 2018. Troy Wheetely, Charles Yorke, and Lisa Word (left to right) were each surprised by their co-workers with decorations and gag gifts.



New Smiles at Paragon:



Liam Coyle
Financial Services
Associate



Chuck Crabtree
Financial Center
Manager



Lindsey Faust
Mortgage
Consultant - Oxford



Rita Kelly
Personal
Banker



Cole Lipkin
Pre-Closing
Loan Assistant



Courtney Mickens
Marketing
Associate



Perry Patterson
Financial Services
Associate



Tree Walker
Financial Services
Associate



Era Walls
Deposit Operations
Associate



Steve Weaver
Sr. Vice President –
Sr. Loan Officer



Future Paragon Customers



Tucker Hayden Shearron, grandson of
Paragon Team Member Linda Honnoll



Harper Rose Harris, daughter of
Paragon Team Member Barbara Harris



Levi Valle, grandson of
Paragon Team Member Valorie Valle

Locations:

Grove Park

Poplar at Grove Park
4515 Poplar Avenue, Suite 108
Memphis, TN 38117

Paragon Place

Poplar at Massey
6300 Poplar Avenue, Suite 117
Memphis, TN 38119

Oxford Office

265 North Lamar Blvd Suite N
Oxford, MS 38655
662.259.8329
8:30 am–12pm
After hours, by appointment

Fountain Place

Poplar at Valleybrook
5400 Poplar Avenue, Suite 150
Memphis, TN 38119

Saddle Creek

Poplar at Germantown
7600 Poplar Avenue
Germantown, TN 38138

Paragon Small Business Capital Group

2970 Clairmont Road NE, Suite 700
Atlanta, GA 30329
(404) 419-1856
paragoncapitalsolutions.com

Telephone:

901.273.2900

Branch Hours:

8:30 am–5:00 pm, Mon–Thu
8:30 am–6:00 pm, Fri

ATM:

24 Hours/7 days a week

Paragon Direct:

901.333.0260
24-Hour Voice Response Unit

Online Banking:

bankparagon.com

Mailing Address:

P.O. Box 2022
Memphis, TN 38101-2022

Where to Follow Us

Want to stay informed on the latest happenings such as events and community service at Paragon? You can find us across social media by searching for "Paragon Bank" on the websites below.

