



CAPSTAR™

FINANCIAL HOLDINGS, INC.

**Second Quarter 2018
Earnings Call
July 27, 2018**

Disclaimers

Terminology

The terms “we,” “our,” “us,” “the Company,” “CSTR” and “CapStar” that appear in this presentation refer to CapStar Financial Holdings, Inc. and its wholly-owned subsidiary, CapStar Bank. The terms “CapStar Bank,” “the Bank” and “our Bank” that appear in this presentation refer to CapStar Bank.

Contents of Presentation

Except as is otherwise expressly stated in this presentation, the contents of this presentation are presented as of the date on the front cover of this presentation.

Market Data

Market data used in this presentation has been obtained from government and independent industry sources and publications available to the public, sometimes with a subscription fee, as well as from research reports prepared for other purposes. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. CSTR did not commission the preparation of any of the sources or publications referred to in this presentation. CSTR has not independently verified the data obtained from these sources, and, although CSTR believes such data to be reliable as of the dates presented, it could prove to be inaccurate. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this presentation.

Non-GAAP Disclaimer

This presentation includes the following financial measures that have been prepared other than in accordance with generally accepted accounting principles in the United States (“non-GAAP financial measures”): pre-tax, pre-provision net income, pre-tax, pre-provision return on average assets, tangible equity, tangible common equity, tangible assets, return on average tangible equity, return on average tangible common equity, book value per share (as adjusted), tangible book value per share (as reported and as adjusted), tangible equity to tangible assets, tangible common equity to tangible assets and adjusted shares outstanding at end of period. CSTR non-GAAP financial measures (i) provide useful information to management and investors that is supplementary to its financial condition, results of operations and cash flows computed in accordance with GAAP, (ii) enable a more complete understanding of factors and trends affecting the Company’s business, and (iii) allow investors to evaluate the Company’s performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators; however, CSTR acknowledges that its non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies use. See the Appendix to this presentation for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Disclaimers

Important Additional Information about the Mergers and Where to Find It

In connection with the mergers described more fully in CapStar's earnings release that is dated and was furnished to the Securities and Exchange Commission (the "SEC") on July 26, 2018 (the "Mergers"), CapStar has filed with the SEC a registration statement on Form S-4 (File Number 333-226112) that includes a joint proxy statement of CapStar and Athens Bancshares Corporation ("Athens") and a prospectus of CapStar, as well as other relevant documents concerning the proposed Mergers. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **SHAREHOLDERS OF CAPSTAR AND ATHENS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGERS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGERS.** When filed, this presentation and other documents relating to the Mergers filed by CapStar with the SEC can be obtained free of charge from the SEC's website at www.sec.gov. These documents also can be obtained free of charge by accessing CapStar's website at <https://ir.capstarbank.com/> under the tab "Financials & Filings." Alternatively, these documents can be obtained free of charge from CapStar upon written request to CapStar Financials Holding, Inc., 1201 Demonbreun Street, Suite 700, Nashville, Tennessee 37203, Attention: Investor Relations or by calling (615) 732-6455.

Participants in the Solicitation

CapStar, Athens and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed Mergers. Information regarding CapStar's directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on March 19, 2018, and certain of its Current Reports on Form 8-K. Information about the directors and executive officers of Athens is set forth in the joint proxy statement/prospectus filed with the SEC. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the joint proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of this document may be obtained as described in the preceding paragraph.

Safe Harbor Statements

Certain statements in this presentation are forward-looking statements that reflect our current views with respect to, among other things, future events and our financial and operational performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “including, without limitation, the terms, timing and closing of the proposed Mergers,” “expect,” “continue,” “will,” “anticipate,” “seek,” “aspire,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “roadmap,” “goal,” “target,” “guidance,” “would,” and “outlook,” or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. The inclusion of these forward-looking statements should not be regarded as a representation by us or any other person that such expectations, estimates and projections will be achieved. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following:

The terms, timing, and closing of the proposed mergers with Athens; the acceptance by customers of Athens of the Company’s products and services if the proposed mergers close; the ability of the Company and Athens to complete the mergers; the ability of the Company and Athens to satisfy the conditions to the completion of the merger transaction, including the approval of the merger transaction by Athens’ shareholders and the receipt of all regulatory approvals required for the merger transaction on the terms expected in the merger agreement; economic conditions (including interest rate environment, government economic and monetary policies, the strength of global financial markets and inflation and deflation) that impact the financial services industry as a whole and/or our business; the concentration of our business in the Nashville metropolitan statistical area (“MSA”) and the effect of changes in the economic, political and environmental conditions on this market; increased competition in the financial services industry, locally, regionally or nationally, which may adversely affect pricing and the other terms offered to our clients; our dependence on our management team and board of directors and changes in our management and board composition; our reputation in the community; our ability to execute our strategy and to achieve our loan ROAA and efficiency ratio goals, hire seasoned bankers, loan and deposit growth through organic growth and strategic acquisitions; credit risks related to the size of our borrowers and our ability to adequately identify, assess and limit our credit risk; our concentration of large loans to a small number of borrowers; the significant portion of our loan portfolio that originated during the past two years and therefore may less reliably predict future collectability than older loans; the adequacy of reserves (including our allowance for loan and lease losses) and the appropriateness of our methodology for calculating such reserve; non-performing loans and leases; non-performing assets; charge-offs, non-accruals, troubled debt restructurings, impairments and other credit-related issues; adverse trends in the healthcare service industry, which is an integral component of our market’s economy; our management of risks inherent in our commercial real estate loan portfolio, and the risk of a prolonged downturn in the real estate market, which could impair the value of our collateral and our ability to sell collateral upon any foreclosure; governmental legislation and regulation, including changes in the nature and timing of the adoption and effectiveness of new requirements under the Dodd-Frank Act of 2010, as amended, Basel guidelines, capital requirements, accounting regulation or standards and other applicable laws and regulations; the impact of the Tax Cuts and Job Act of 2017 on the Company and its financial performance and results of operations; the loss of large depositor relationships, which could force us to fund our business through more expensive and less stable sources; operational and liquidity risks associated with our business, including liquidity risks inherent in correspondent banking; volatility in interest rates and our overall management of interest rate risk, including managing the sensitivity of our interest-earning assets and interest-bearing liabilities to interest rates, and the impact to our earnings from a change in interest rates; the potential for our bank’s regulatory lending limits and other factors related to our size to restrict our growth and prevent us from effectively implementing our business strategy; strategic acquisitions we may undertake to achieve our goals; the sufficiency of our capital, including sources of capital and the extent to which we may be required to raise additional capital to meet our goals; fluctuations in the fair value of our investment securities that are beyond our control; deterioration in the fiscal position of the U.S. government and downgrades in Treasury and federal agency securities; potential exposure to fraud, negligence, computer theft and cyber-crime; the adequacy of our risk management framework; our dependence on our information technology and telecommunications systems and the potential for any systems failures or interruptions; our dependence upon outside third parties for the processing and handling of our records and data; our ability to adapt to technological change; the financial soundness of other financial institutions; our exposure to environmental liability risk associated with our lending activities; our engagement in derivative transactions; our involvement from time to time in legal proceedings and examinations and remedial actions by regulators; the susceptibility of our market to natural disasters and acts of God; and the effectiveness of our internal controls over financial reporting and our ability to remediate any future material weakness in our internal controls over financial reporting.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with those factors that are detailed from time to time in the Company’s periodic and current reports filed with the Securities and Exchange Commission, including those factors included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 under the headings “Item 1A. Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” and in the Company’s Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us.

2Q18 Highlights

2Q18 performance demonstrates objectives of sound, profitable growth

Highlights

- Excluding \$335k of one time merger related expenses, Operating Fully Diluted EPS⁽¹⁾ of \$0.29
- Operating Return on Average Assets⁽¹⁾ of 1.08%
- Net Interest Margin expanded 7 bps from the prior quarter; Loan Yields expanded 30 bps from the prior quarter
- Average HFI Loan growth up 24% from prior quarter
- Treasury Management fees up 25% over the prior year and quarter
- Allowance for Loan Losses at 1.41% of Gross Loans; \$27K Net Charge-Off for the quarter while maintaining a Net Recovery of \$138K for the year

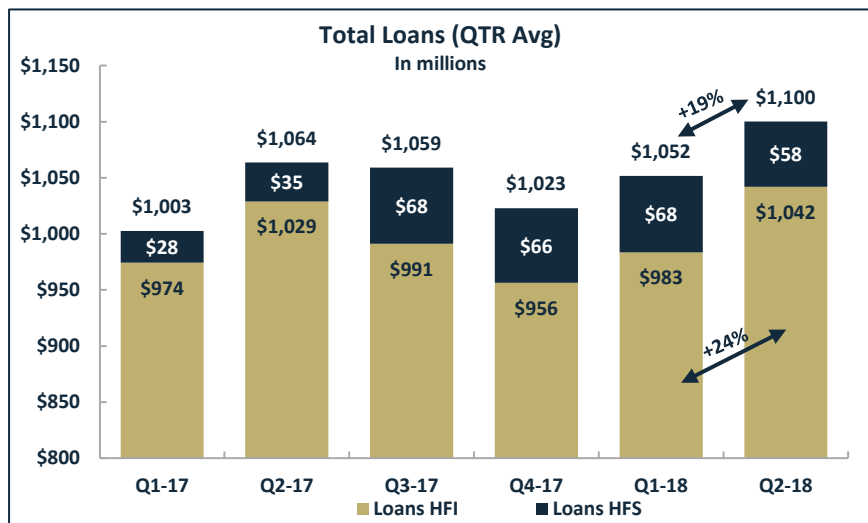
Financial Results

	GAAP	Non-GAAP Operating ⁽¹⁾
Fully Diluted EPS	\$0.27	\$0.29
ROAA	1.01%	1.08%
ROATE	9.70%	10.38%
Efficiency Ratio	69.7%	67.4%
Net Interest Margin ⁽²⁾	3.46%	3.46%

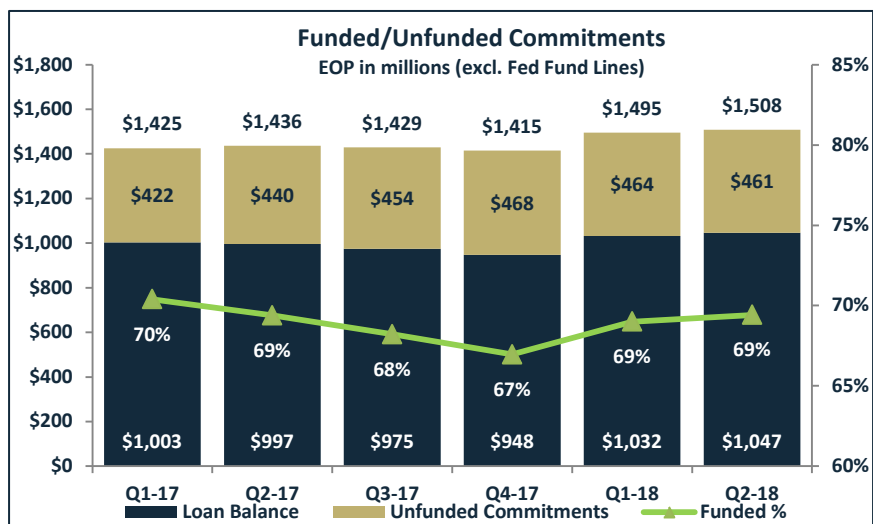
(1) Adjusted results are non-GAAP financial measures that adjust GAAP reported net income and other metrics for certain income and expense items as outlined in the non-GAAP reconciliation calculations, using a blended statutory income tax rate of 26.14% excluding one-time merger related items.

(2) Calculated on a tax equivalent basis

Loan Growth



- Growth occurred across all client segments, except Healthcare.
- Unfunded commitments provide opportunity for future growth.
- **Avg HFI** loan growth up 24% from Q1-18
- **EOP HFI** loan growth of 18% from Q1-18, excluding Healthcare

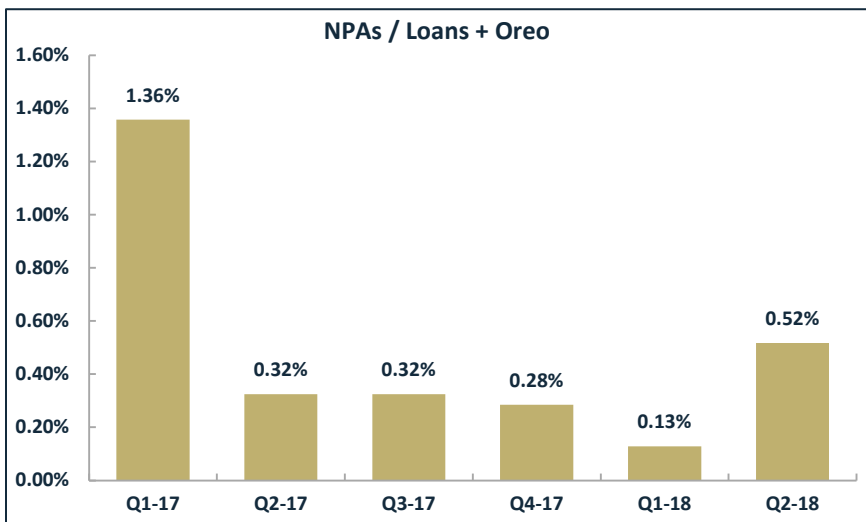
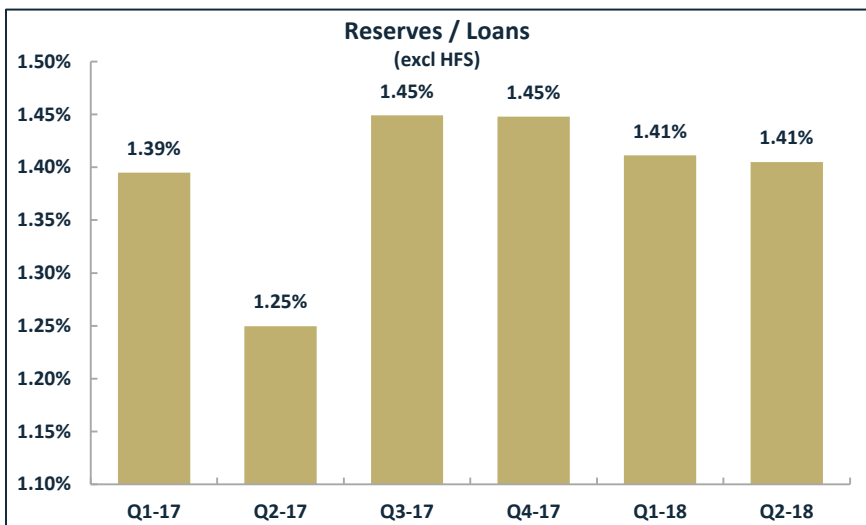


\$ in millions

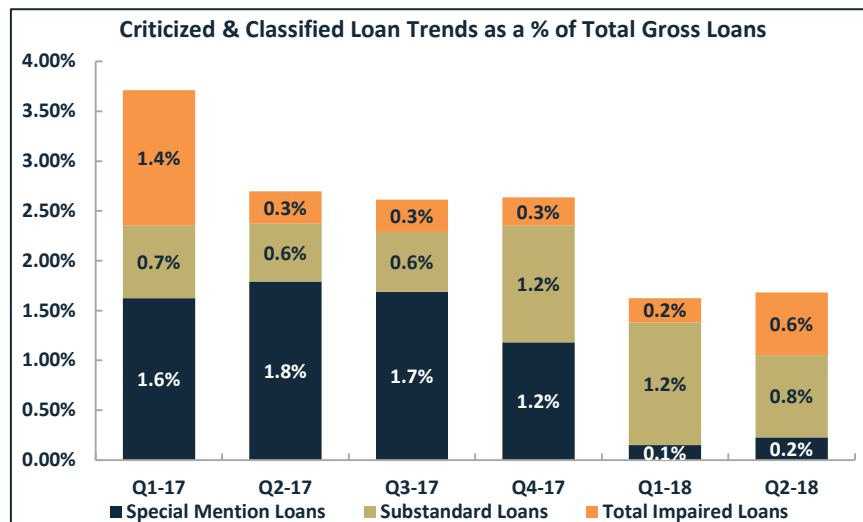
	Q2-18	Change Vs. Q1-18*		Change Vs. Q2-17	
	\$	\$	%	\$	%
Balance Sheet (EOP Balances)					
Commercial and Industrial	\$ 386	\$ (22)	-22%	\$ (21)	-5%
Commercial Real Estate	408	18	19%	22	6%
Consumer Real Estate	110	6	22%	10	10%
Construction & Land Development	97	5	20%	34	55%
Consumer	10	0	6%	6	136%
Other	36	8	115%	(2)	-6%
Total Loans HFI	\$ 1,047	\$ 15	6%	\$ 50	5%
Loans - Healthcare	139	(23)	-58%	(49)	-26%
Total Loans HFI - excl. Healthcare	\$ 908	\$ 38	18%	\$ 99	12%

*Annualized % change from 1Q18 to 2Q18

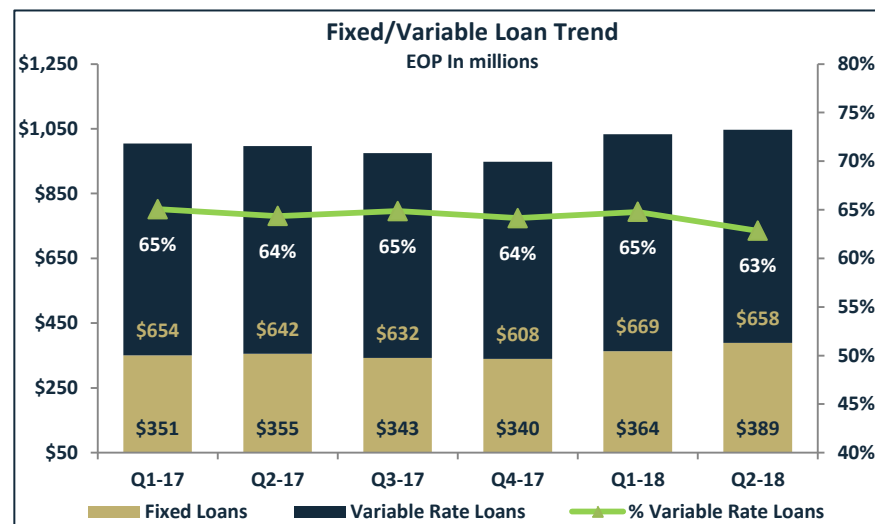
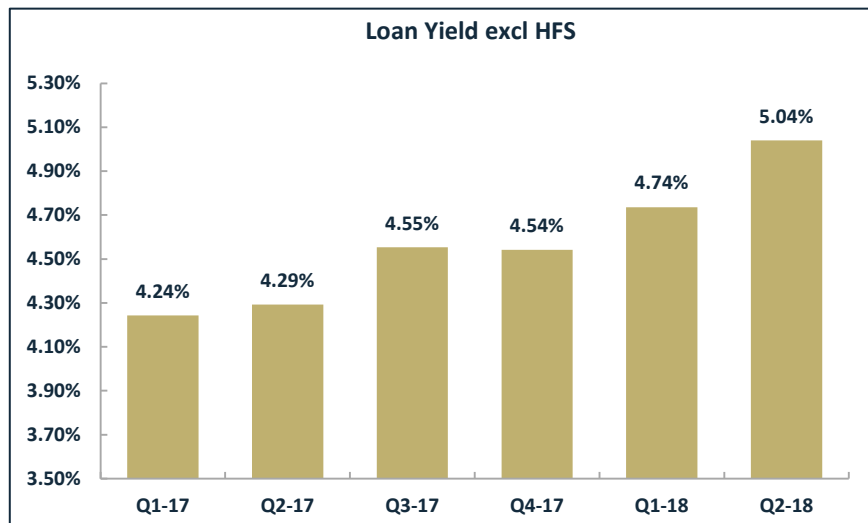
Credit Quality



- Net Charge-Off of \$27K for the quarter and Net Recovery of \$138K June YTD.
- NPAs/Loans + OREO up 39 bps vs. last quarter. One loan moved to non accrual.
- We remain adequately reserved at 1.41%.



Loan Yields



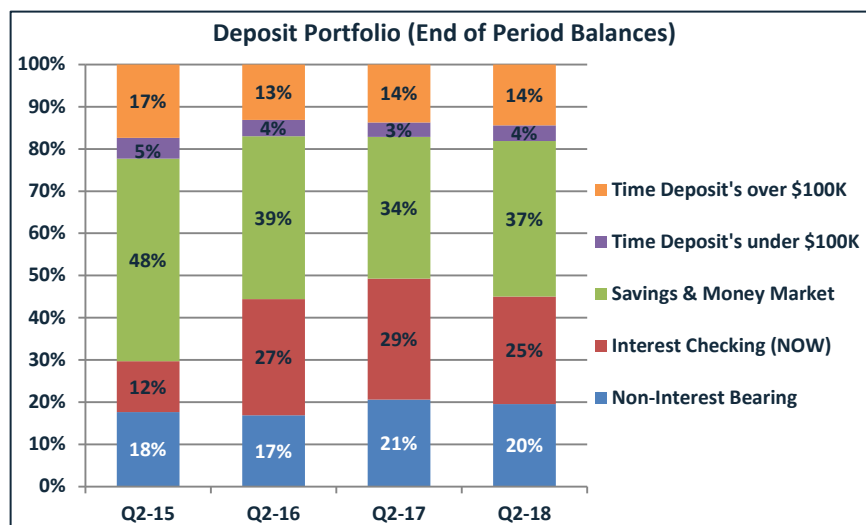
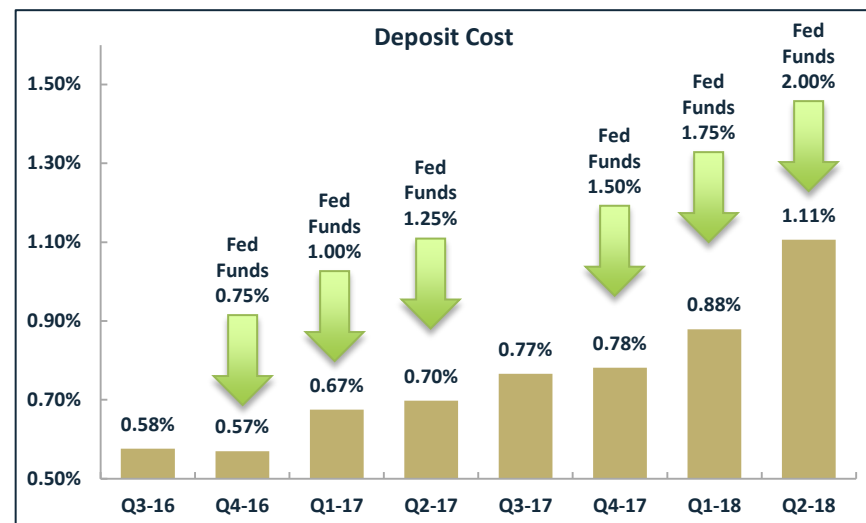
- The average loan yield increased 30 bps from the prior quarter.
- Variable rate loans are repricing as expected and improved the overall loan yield 11 bps.
- Loan fees increased with new SBA Loans.
- 63% of our loan portfolio is variable rate and predominantly tied to 1 month LIBOR.

Loan Yield Rollforward

1Q18 (Avg)	4.74%
New Loan Production	0.01%
Repricing of Variable Rate Loans	0.11%
Loan Volume/Mix	0.04%
Increase in Loan Fees	0.14%
2Q18 (Avg)	5.04%

Deposit Growth and Costs

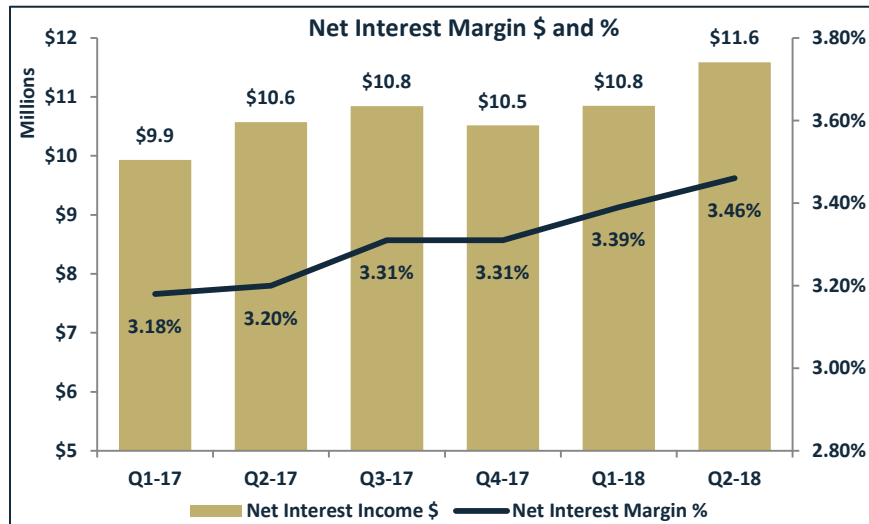
- With the last six rate increases, we have held our deposit costs to a 35% beta (0.58%-1.11% with a 150 bps increase in Fed Funds).
- 45% of our deposit book is in some form of checking account (DDA & NOW).
- Decreases in our DDA balances contributed to the increase in our Deposit cost.



	Q2-18		Change Vs. Q1-18*		Change Vs. Q2-17	
	\$	%	\$	%	\$	%
<i>\$ in millions</i>						
Balance Sheet (Avg Balances)						
Non-Interest Bearing	\$ 237		\$ (33)	-49%	\$ 8	4%
Interest Checking (NOW)	280		(7)	-9%	(23)	-8%
Savings & Money Market	428		49	52%	49	13%
Time Deposit's under \$100K	38		2	24%	(1)	-3%
Time Deposit's over \$100K	155		16	46%	(6)	-4%
Deposits	\$ 1,138		\$ 27	10%	\$ 27	2%

* Annualized % Change from 1Q18 to 2Q18

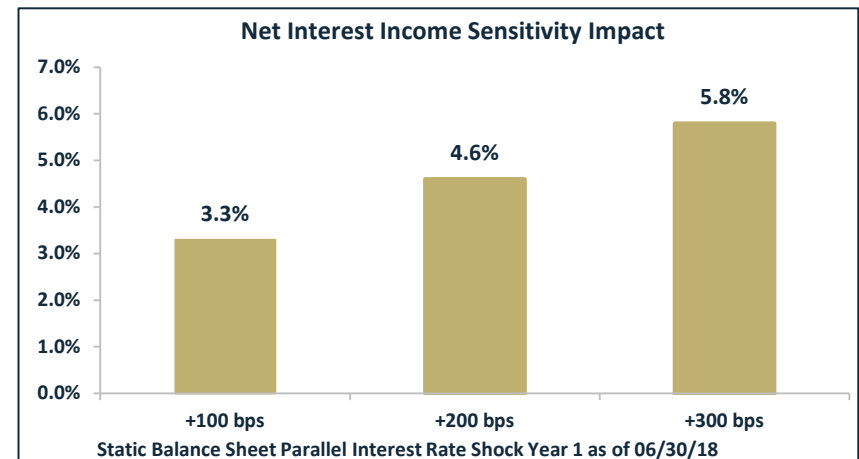
Net Interest Margin



- Asset sensitive balance sheet positions us well in a rising rate environment.
- Our NIM increased 7 bps due to:
 - Improved balance sheet mix
 - Variable rate loan book repricing with rate increases
 - Increase in loans fees with SBA loans
 - Deposit costs impacted net interest margin 22 bps

Net Interest Margin

1Q18 (Avg)	3.39%
Loan Volumes & Pricing	0.22%
Increase in Loan Fees	0.08%
Increase in Deposit Costs	-0.22%
Investment & Cash Mix	-0.01%
2Q18 (Avg)	3.46%



Non-Interest Income

Non-interest Income down from prior quarter due to loan fees and timing of Tri-Net loan sales

(Dollars in thousands)	Three Months Ended				
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Non-Interest Income					
Treasury Management and Other Deposit Service Charges	\$ 427	\$ 402	\$ 419	\$ 427	\$ 342
Loan Commitment Fees	185	387	124	224	187
Net Gain (Loss) on Sale of Securities	3	0	(108)	9	40
Tri-Net Fees	325	528	254	367	297
Mortgage Banking Income	1,383	1,313	1,621	2,030	1,370
Other	442	458	426	315	430
Total Non-Interest Income	\$ 2,765	\$ 3,088	\$ 2,736	\$ 3,372	\$ 2,666
<i>Average Assets</i>	<i>\$ 1,396,359</i>	<i>\$ 1,351,129</i>	<i>\$ 1,329,621</i>	<i>\$ 1,367,993</i>	<i>\$ 1,393,331</i>
<i>Non-Interest Income / Average Assets</i>	<i>0.79%</i>	<i>0.93%</i>	<i>0.82%</i>	<i>0.98%</i>	<i>0.77%</i>

- Treasury Management and Other Deposit Service charges have steadily increased 25% over prior quarter and prior year as we have continued to gain share of wallet with our client base.
- Loan Fees flat to prior year and down from prior quarter due to one-time arranger fees in Q1.
- Mortgage fees flat to prior year due to timing of loan sales. Q218 Origination volume up 28% annualized over prior year.

Non-Interest Expense

Excluding merger related charges, expense are flat to prior quarter as previously guided.

42 (Dollars in thousands)	Three Months Ended				
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Non-Interest Expense					
Salaries and Employee Benefits	\$ 6,340	\$ 6,257	\$ 5,411	\$ 5,119	\$ 4,784
Data Processing & Software	810	798	746	709	711
Professional Fees	344	474	473	336	350
Occupancy	535	521	507	531	539
Equipment	602	539	467	564	544
Regulatory Fees	233	203	234	270	301
Merger-Related Charges	335	0	0	0	0
Other	806	788	861	945	988
Total Non-Interest Expense	\$ 10,005	\$ 9,580	\$ 8,699	\$ 8,474	\$ 8,217
<i>Efficiency Ratio</i>	69.7%	68.8%	65.6%	59.6%	62.1%
<i>Average Assets</i>	\$ 1,396,359	\$ 1,351,129	\$ 1,329,621	\$ 1,367,993	\$ 1,393,331
<i>Non-Interest Expense / Average Assets</i>	2.88%	2.88%	2.60%	2.46%	2.37%
<i>FTE</i>	183	182	175	168	169
Operating Non-Interest Expense⁽¹⁾	\$ 9,671	\$ 9,580	\$ 8,699	\$ 8,474	\$ 8,217
Operating Efficiency Ratio⁽¹⁾	67.4%	68.8%	65.6%	59.6%	62.1%
Operating Non-Interest Expense/ Average Assets⁽¹⁾	2.78%	2.88%	2.60%	2.46%	2.37%

1 Adjusted results are non-GAAP financial measures that adjust GAAP reported net income and other metrics for certain income and expense items as outlined in the non-GAAP reconciliation calculations, using a blended statutory income tax rate of 26.14% excluding one-time merger-related items.

Effective Tax Rate with Stock Compensation Benefits

- We have 294K stock options expiring in Q4-2018.
- Our normalized tax rate will be impacted by the exercise of these grants depending on the stock price at the date of exercise.

	2Q18		YTD 2018	
	Effective Tax Rate	\$ in thousands	Effective Tax Rate	\$ in thousands
Normalized income tax expense	23.0%	\$ 961	23.0%	\$ 1,807
Excess tax benefit	-6.6%	(277)	-8.1%	(640)
Other	-0.5%	(19)	-0.2%	(19)
Income tax expense	15.9%	\$ 665	14.6%	\$ 1,148

Assumed Stock Price -->

2018 Estimated remaining income tax benefit from stock compensation transactions*

Stock Price Sensitivity				
\$18.00	\$19.00	\$20.00	\$21.00	\$22.00
\$ (433,845)	\$ (510,632)	\$ (587,418)	\$ (664,205)	\$ (740,992)

*Assumes all 2018 expiring stock options and organizer warrants are exercised in 2018

*Assumes current statutory tax rates

Capital

- Capital ratios are above regulatory guidelines.

<u>Capital Ratios</u>	Q2-18	Q1-18	Q4-17	Q3-17	"Well Capitalized" Guidelines
Tangible Equity / Tangible Assets*	10.53%	10.35%	10.51%	10.35%	NA
Tangible Common Equity / Tangible Assets*	9.89%	9.70%	9.84%	9.68%	NA
Tier 1 Leverage Ratio	10.87%	10.91%	10.77%	10.36%	≥ 5.00%
Tier 1 Risk Based Capital Ratio	11.33%	11.11%	11.41%	11.28%	≥ 8.00%
Total Risk Based Capital Ratio	12.45%	12.22%	12.52%	12.41%	≥ 10.00%

*Reconciliation provided in non-GAAP tables

Athens Update

- Integration progressing as planned; closing anticipated in the fourth quarter 2018.
- CapStar and Athens share a common vision of creating a high performing financial institution across the state of Tennessee.
- The combination adds diversity in terms of industry, business mix and geography.
- Athens is an established and highly profitable community bank with dominant deposit market share in its primary market.
- Accretive to CapStar's deposit base and overall funding needs.
- Financial compelling transaction, resulting in double digit earnings accretion, manageable tangible book value dilution, and an enhanced pro forma capital position.
- Confident in our ability to execute on deal economics
 - 6% EPS accretion in 2019 and 10%+ in 2020
 - 25% Cost savings phased in at 60% in 2019; 100% thereafter
- We believe the combination will create a strong financial institution with an expanded product offering, attractive funding profile and enhanced scale to drive efficiency.

Key Takeaways*

- CapStar's strategy remains one of sound, profitable growth.
- Focused on increasing primary bank status with more clients.
- Focused on Athens integration and capturing synergies.
- Organic growth opportunities through market share takeaway.
- Strong first half performance with no credit issues.

Appendix: Historical Financials

Historical Financials

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
STATEMENT OF INCOME DATA								
Interest Income	\$ 15,354	\$ 12,890	\$ 29,098	\$ 24,869	\$ 51,515	\$ 45,395	\$ 40,504	\$ 38,287
Interest Expense	3,767	2,319	6,665	4,367	9,651	6,932	5,731	5,871
Net Interest Income	11,587	10,571	22,433	20,502	41,863	38,463	34,773	32,416
Provision for Loan and Lease Losses	169	9,690	846	13,094	12,870	2,829	1,651	3,869
Non-Interest Income	2,765	2,666	5,854	4,799	10,908	11,084	8,884	7,419
Non-Interest Expense	10,005	8,217	19,586	16,592	33,765	33,129	30,977	28,562
Income before Income Taxes	4,178	(4,670)	7,855	(4,385)	6,136	13,590	11,029	7,404
Income Tax Expense	665	(1,328)	1,148	(1,375)	4,635	4,493	3,470	2,412
Net Income	3,513	(3,342)	6,707	(3,010)	1,501	9,097	7,559	4,992
Pre-Tax Pre-Provision Net Income *	4,347	5,020	8,702	8,709	19,006	16,419	12,680	11,273

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of June 30,		As of December 31,			
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014
BALANCE SHEET (AT PERIOD END)						
Cash & Due From Banks	\$ 58,222	\$ 48,093	\$ 82,797	\$ 80,111	\$ 100,185	\$ 73,934
Investment Securities	195,919	210,413	205,186	235,250	221,890	285,514
Loans Held for Sale	65,320	73,573	74,093	42,111	35,729	15,386
Gross Loans and Leases (Net of Unearned Income)	1,046,525	996,617	947,537	935,251	808,396	713,077
Total Intangibles	6,222	6,263	6,242	6,290	6,344	6,398
Total Assets	1,401,181	1,371,626	1,344,429	1,333,675	1,206,800	1,128,395
Deposits	1,145,013	1,120,984	1,119,866	1,128,722	1,038,460	981,057
Borrowings and Repurchase Agreements	95,000	105,000	70,000	55,000	48,755	34,837
Total Liabilities	1,248,035	1,233,596	1,197,483	1,194,468	1,098,214	1,025,744
Common Equity	144,146	129,031	137,946	130,207	92,086	86,151
Preferred Equity	9,000	9,000	9,000	9,000	16,500	16,500
Total Shareholders' Equity	153,146	138,031	146,946	139,207	108,586	102,651
Tangible Equity *	146,924	131,768	140,704	132,918	102,242	96,253

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
SELECTED PERFORMANCE RATIOS								
Return on Average Assets (ROAA)	1.01%	-0.96%	0.98%	-0.44%	0.11%	0.72%	0.66%	0.47%
Pre-Tax Pre-Provision Return on Average Assets (PTPP ROAA) *	1.25%	1.45%	1.28%	1.28%	1.40%	1.30%	1.11%	1.06%
Return on Average Equity (ROAE)	9.30%	-9.39%	9.02%	-4.27%	1.05%	7.57%	7.08%	4.94%
Return on Average Tangible Equity (ROATE) *	9.70%	-9.82%	9.41%	-4.47%	1.09%	7.99%	7.53%	5.30%
Return on Average Tangible Common Equity (ROATCE) *	10.34%	-10.51%	10.04%	-4.78%	1.17%	9.16%	9.01%	6.43%
Net Interest Margin	3.46%	3.20%	3.43%	3.19%	3.20%	3.17%	3.19%	3.20%
Efficiency Ratio **	69.71%	62.08%	69.24%	65.58%	63.98%	66.86%	70.96%	71.70%
Non-Interest Income / Average Assets	0.79%	0.77%	0.86%	0.71%	0.80%	0.88%	0.78%	0.70%
Non-Interest Expense / Average Assets	2.87%	2.37%	2.87%	2.45%	2.49%	2.62%	2.72%	2.68%
Loan and Lease Yield	5.04%	4.29%	4.89%	4.27%	4.41%	4.33%	4.53%	4.74%
Deposit Cost	1.11%	0.70%	0.99%	0.69%	0.73%	0.59%	0.56%	0.62%

* Reconciliation provided in non-GAAP tables

** Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income.

Historical Financials

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
PER SHARE OUTSTANDING DATA								
Basic Net Earnings per Share	\$0.30	-\$0.30	\$0.57	-\$0.27	\$0.13	\$0.98	\$0.89	\$0.59
Diluted Net Earnings per Share	\$0.27	-\$0.26	\$0.52	-\$0.24	\$0.12	\$0.81	\$0.73	\$0.49
Book Value Per Share, Reported	\$12.08	\$11.48	\$12.08	\$11.48	\$11.91	\$11.62	\$10.74	\$10.17
Tangible Book Value Per Share, Reported*	\$11.56	\$10.93	\$11.56	\$10.93	\$11.37	\$11.06	\$10.00	\$9.41
Shares of Common Stock Outstanding at End of Period	11,931,131	11,235,255	11,931,131	11,235,255	11,582,026	11,204,515	8,577,051	8,471,516
CAPITAL RATIOS (AT PERIOD END)								
Tier 1 Leverage Ratio	10.87%	9.77%	10.87%	9.77%	10.77%	10.46%	9.33%	8.56%
Common Equity Tier 1 Capital (Cet1)	10.66%	9.86%	10.66%	9.86%	10.70%	10.90%	8.89%	-
Tier 1 Risk-Based Capital	11.33%	10.54%	11.33%	10.54%	11.41%	11.61%	10.41%	10.32%
Total Risk-Based Capital Ratio	12.45%	11.51%	12.45%	11.51%	12.52%	12.60%	11.42%	11.54%
Total Shareholders' Equity to Total Assets Ratio	10.93%	10.06%	10.93%	10.06%	10.93%	10.44%	9.00%	9.10%
Tangible Equity to Tangible Assets *	10.53%	9.65%	10.53%	9.65%	10.51%	10.01%	8.52%	8.58%

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
NON-PERFORMING ASSETS (NPA)								
Non-Performing Loans	\$ 5,419	\$ 3,229	\$ 5,419	\$ 3,229	\$ 2,695	\$ 3,619	\$ 2,689	\$ 7,738
Troubled Debt Restructurings	1,173	1,239	1,173	1,239	1,207	1,272	125	2,618
Other Real Estate and Repossessed Assets	-	-	-	-	-	-	216	575
Non-Performing Assets	5,419	3,229	5,419	3,229	2,695	3,619	2,905	8,313
ASSET QUALITY RATIOS								
Non-Performing Assets / Assets	0.39%	0.24%	0.39%	0.24%	0.20%	0.27%	0.24%	0.74%
Non-Performing Loans / Loans	0.52%	0.32%	0.52%	0.32%	0.28%	0.39%	0.33%	1.09%
Non-Performing Assets / Loans + OREO	0.52%	0.32%	0.52%	0.32%	0.28%	0.39%	0.36%	1.16%
Net Charge-Offs to Average Loans (Periods Annualized)	0.01%	4.38%	-0.03%	2.47%	1.09%	0.15%	0.38%	0.15%
Allowance for Loan Losses to Total Loans and Leases	1.41%	1.25%	1.41%	1.25%	1.45%	1.24%	1.25%	1.58%
Allowance for Loan to Non-Performing Loans	271.4%	385.7%	271.4%	385.7%	509.1%	321.4%	376.8%	145.8%

* Reconciliation provided in non-GAAP tables

Historical Financials

	As of June 30,		As of December 31,			
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014
COMPOSITION OF LOANS HELD FOR INVESTMENT						
Commercial Real Estate	\$ 408,244	\$ 385,758	\$ 350,622	\$ 302,322	\$ 251,196	\$ 219,793
Consumer Real Estate	109,915	99,751	102,581	97,015	93,785	82,167
Construction and Land Development	96,580	62,152	82,586	94,491	52,522	46,193
Commercial and Industrial	386,065	406,636	373,248	379,620	353,442	332,914
Consumer	9,671	4,096	6,862	5,974	8,668	7,910
Other Loans	36,050	38,225	31,638	55,829	48,782	28,578
DEPOSIT COMPOSITION						
Non-Interest Bearing	223,579	231,169	301,742	197,788	190,580	157,355
Interest Checking	291,765	321,153	274,681	299,621	189,983	115,915
Savings & Money Market	422,425	376,130	367,246	447,686	437,214	484,600
Time Deposits Less Than \$100,000	41,813	38,892	36,587	41,128	45,902	51,813
Time Deposits Greater Than or Equal to \$100,000	165,431	153,641	139,610	142,500	174,781	171,373

* Reconciliation provided in non-GAAP tables

Historical Financials

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
REAL ESTATE - COMMERCIAL AND CONSTRUCTION CONCENTRATIONS								
Construction and Development	\$ 96,580	\$ 62,152	\$ 96,580	\$ 62,152	\$ 82,586	\$ 94,491	\$ 52,522	\$ 46,193
Commercial Real Estate and Construction	417,207	385,327	417,207	385,327	382,300	282,513	198,285	172,803
Construction and Development to Total Risk Based Capital (Reg. 100%)	58.0%	42.0%	58.0%	42.0%	52.9%	63.2%	45.3%	42.8%
Coml. Real Estate and Const. to Total Risk Based Capital (Reg. 300%)	250.7%	260.3%	250.7%	260.3%	244.8%	188.8%	170.9%	160.0%
MORTGAGE METRICS								
Total Origination Volume	\$ 121,863	\$ 113,759	\$ 213,859	\$ 206,921	\$ 440,132	\$ 522,037	\$ 422,323	\$ 253,099
Total Mortgage Loans Sold	102,234	121,018	199,395	221,072	462,506	523,031	407,941	245,891
Purchase Volume as a % of Originations	85%	80%	79%	77%	77%	67%	72%	76%
Mortgage Fees/Gain on Sale of Loans	1,383	1,370	2,695	2,587	6,238	7,375	5,962	4,067
Mortgage Fees/Gain on Sale as a % of Loans Sold	1.35%	1.13%	1.35%	1.17%	1.35%	1.41%	1.46%	1.65%
Mortgage Fees/Gain on Sale as a % of Total Revenue	9.6%	10.4%	9.5%	10.2%	11.8%	14.9%	13.7%	10.2%

Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
PRE-TAX PRE-PROVISION INCOME								
Pre-Tax Income	\$ 4,178	\$ (4,670)	\$ 7,855	\$ (4,385)	\$ 6,136	\$ 13,590	\$ 11,029	\$ 7,404
Add: Provision for Loan Losses	169	9,690	846	13,094	12,870	2,829	1,651	3,869
Pre-Tax Pre-Provision Income	4,347	5,020	8,702	8,709	19,006	16,419	12,680	11,273
PRE-TAX PRE-PROVISION RETURN ON AVERAGE ASSETS								
Total Average Assets	\$ 1,396,359	\$ 1,393,331	\$ 1,373,869	\$ 1,366,931	\$ 1,357,794	\$ 1,262,763	\$ 1,140,760	\$ 1,064,705
Pre-Tax Pre-Provision Income	4,347	5,020	8,702	8,709	19,006	16,419	12,680	11,273
Pre-Tax Pre-Provision Return on Average Assets	1.25%	1.45%	1.28%	1.28%	1.40%	1.30%	1.11%	1.06%

Non-GAAP Financial Measures

	As of June 30,		As of December 31,			
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014
TANGIBLE EQUITY						
Total Shareholders' Equity	\$ 153,146	\$ 138,031	\$ 146,946	\$ 139,207	\$ 108,586	\$ 102,651
Less: Intangible Assets	6,222	6,263	6,242	6,290	6,344	6,398
Tangible Equity	146,924	131,768	140,704	132,918	102,242	96,253
TANGIBLE COMMON EQUITY						
Tangible Equity	\$ 146,924	\$ 131,768	\$ 140,704	\$ 132,918	\$ 102,242	\$ 96,253
Less: Preferred Equity	9,000	9,000	9,000	9,000	16,500	16,500
Tangible Common Equity	137,924	122,768	131,704	123,918	85,742	79,753
TANGIBLE EQUITY TO TANGIBLE ASSETS						
Tangible Equity	\$ 146,924	\$ 131,768	\$ 140,704	\$ 132,918	\$ 102,242	\$ 96,253
Total Assets	1,401,181	1,371,626	1,344,429	1,333,675	1,206,800	1,128,395
Less: Intangible Assets	6,222	6,263	6,242	6,290	6,344	6,398
Tangible Assets	1,394,959	1,365,364	1,338,188	1,327,385	1,200,456	1,121,997
Tangible Equity to Tangible Assets	10.53%	9.65%	10.51%	10.01%	8.52%	8.58%
TANGIBLE COMMON EQUITY TO TANGIBLE ASSETS						
Tangible Common Equity	\$ 137,924	\$ 122,768	\$ 131,704	\$ 123,918	\$ 85,742	\$ 79,753
Tangible Assets	1,394,959	1,365,364	1,338,188	1,327,385	1,200,456	1,121,997
Tangible Common Equity to Tangible Assets	9.89%	8.99%	9.84%	9.34%	7.14%	7.11%

Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)								
Total Average Shareholder's Equity	\$ 151,535	\$ 142,787	\$ 149,914	\$ 142,173	\$ 143,402	\$ 120,123	\$ 106,727	\$ 101,030
Less: Average Intangible Assets	6,228	6,271	6,233	6,278	6,265	6,318	6,371	6,855
Average Tangible Equity	145,307	136,517	143,681	135,895	137,137	113,805	100,356	94,175
Net Income to Shareholders	3,513	(3,342)	6,707	(3,010)	1,501	9,097	7,559	4,992
Return on Average Tangible Equity (ROATE)	9.70%	-9.82%	9.41%	-4.47%	1.09%	7.99%	7.53%	5.30%
RETURN ON AVERAGE TANGIBLE COMMON EQUITY (ROATCE)								
Average Tangible Equity	\$ 145,307	\$ 136,517	\$ 143,681	\$ 135,895	\$ 137,137	\$ 113,805	\$ 100,356	\$ 94,175
Less: Preferred Equity	9,000	9,000	9,000	9,000	9,000	14,533	16,500	16,500
Average Tangible Common Equity	136,307	127,517	134,681	126,895	128,137	99,273	83,856	77,675
Net Income to Shareholders	3,513	(3,342)	6,707	(3,010)	1,501	9,097	7,559	4,992
Return on Average Tangible Common Equity (ROATCE)	10.34%	-10.51%	10.04%	-4.78%	1.17%	9.16%	9.01%	6.43%

Non-GAAP Financial Measures

	As of June 30,		As of December 31,			
(Dollars in thousands, except per share information)	2018	2017	2017	2016	2015	2014
TANGIBLE BOOK VALUE PER SHARE, REPORTED						
Tangible Common Equity	\$ 137,924	\$ 122,768	\$ 131,704	\$ 123,918	\$ 85,742	\$ 79,753
Shares of Common Stock Outstanding	11,931,131	11,235,255	11,582,026	11,204,515	8,577,051	8,471,516
Tangible Book Value Per Share, Reported	\$11.56	\$10.93	\$11.37	\$11.06	\$10.00	\$9.41
SHARES OUTSTANDING AT END OF PERIOD						
Shares of Common Stock Outstanding	11,931,131	11,235,255	11,931,131	11,235,255	11,582,026	11,204,515
Shares of Preferred Stock Outstanding	878,049	878,049	878,049	878,049	878,049	878,049
Total Shares Outstanding at End of Period	12,809,180	12,113,304	12,809,180	12,113,304	12,460,075	12,082,564

Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
OPERATING NET INCOME								
Net Income	\$ 3,513	\$ (3,342)	\$ 6,707	\$ (3,010)	\$ 1,501	\$ 9,097	\$ 7,559	\$ 4,992
Add: Merger-Related Expense	335	-	335	-	-	-	-	-
Less: Income Tax Impact	(88)	-	(88)	-	-	-	-	-
Operating Net Income	3,760	(3,342)	6,954	(3,010)	1,501	9,097	7,559	4,992
OPERATING DILUTED NET INCOME PER SHARE								
Operating Net Income	\$ 3,760	\$ (3,342)	\$ 6,954	\$ (3,010)	\$ 1,501	\$ 9,097	\$ 7,559	\$ 4,992
Average Diluted Shares Outstanding	13,067,223	12,740,104	13,021,854	12,761,989	12,803,511	11,212,026	10,425,039	10,281,044
Operating Diluted Net Income per Share	\$ 0.29	\$ (0.26)	\$ 0.53	\$ (0.24)	\$ 0.12	\$ 0.81	\$ 0.73	\$ 0.49
OPERATING RETURN ON AVERAGE ASSETS (ROAA)								
Operating Net Income	\$ 3,760	\$ (3,342)	\$ 6,954	\$ (3,010)	\$ 1,501	\$ 9,097	\$ 7,559	\$ 4,992
Total Average Assets	1,396,359	1,393,331	1,373,869	1,366,931	1,357,794	1,262,763	1,140,760	1,064,705
Operating Return on Average Assets (ROAA)	1.08%	-0.96%	1.02%	-0.44%	0.11%	0.72%	0.66%	0.47%
OPERATING RETURN ON AVERAGE TANGIBLE EQUITY (ROATE)								
Average Tangible Equity	\$ 145,307	\$ 136,517	\$ 143,681	\$ 135,895	\$ 137,137	\$ 113,805	\$ 100,356	\$ 94,175
Operating Net Income	3,760	(3,342)	6,954	(3,010)	1,501	9,097	7,559	4,992
Operating Return on Average Tangible Equity (ROATE)	10.38%	-9.82%	9.76%	-4.47%	1.09%	7.99%	7.53%	5.30%

The adjusted non-GAAP amounts and ratios above have excluded the impact of the merger related items.

Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,			
(Dollars in thousands, except per share information)	2018	2017	2018	2017	2017	2016	2015	2014
OPERATING NON-INTEREST EXPENSE								
Non-Interest Expense	\$ 10,005	\$ 8,217	\$ 19,585	\$ 16,592	\$ 33,765	\$ 33,129	\$ 30,977	\$ 28,562
Less: Merger-Related Expense	(335)	-	(335)	-	-	-	-	-
Operating Non-Interest Expense	9,670	8,217	19,251	16,592	33,765	33,129	30,977	28,562
OPERATING NON-INTEREST EXPENSE / AVERAGE ASSETS								
Operating Non-Interest Expense	\$ 9,670	\$ 8,217	\$ 19,251	\$ 16,592	\$ 33,765	\$ 33,129	\$ 30,977	\$ 28,562
Total Average Assets	1,396,359	1,393,331	1,373,869	1,366,931	1,357,794	1,262,763	1,140,760	1,064,705
Operating Non-Interest Income / Average Assets	2.78%	2.37%	2.83%	2.45%	2.49%	2.62%	2.72%	2.68%
OPERATING EFFICIENCY RATIO								
Operating Non-Interest Expense	\$ 9,670	\$ 8,217	\$ 19,251	\$ 16,592	\$ 33,765	\$ 33,129	\$ 30,977	\$ 28,562
Net Interest Income	11,587	10,571	22,433	20,502	41,863	38,463	34,773	32,416
Non Interest Income	2,765	2,666	5,854	4,799	10,908	11,084	8,884	7,419
Total Revenues	14,352	13,236	28,287	25,302	52,771	49,548	43,657	39,835
Operating Efficiency Ratio	67.38%	62.08%	68.05%	65.58%	63.98%	66.86%	70.96%	71.70%

The adjusted non-GAAP amounts and ratios above have excluded the impact of the merger related items.

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