



FNS Bancshares, Inc. Announces Acquisition of Catoosa Bancshares, Inc.

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Scottsboro, AL and Fort Oglethorpe, GA — FNS Bancshares, Inc. (“FNS”), parent of FNB Bank, and Catoosa Bancshares, Inc. (“Catoosa”), parent of Capital Bank, jointly announced today the signing of a definitive agreement pursuant to which Catoosa will merge with and into FNS in an all cash transaction. The acquisition has received approval from the Board of Directors of each company and is subject to regulatory approvals as well as other customary closing conditions.

Based upon financial data as of March 31, 2018, the combined company will have assets of \$649 million, deposits of \$575 million, and gross loans of \$460 million, and will operate 16 branches throughout northeast Alabama, northwest Georgia, and in the Nashville and Chattanooga MSAs. The merger is expected to close in the fourth quarter of 2018.

Alan K. Gay, Executive Chairman of FNS commented, "We are excited about this opportunity to partner with Catoosa and expand our community bank footprint into higher growth markets that complement our existing franchise. Not only was this acquisition financially and strategically attractive, but having the commitment of Catoosa's leadership to stay on with our company makes this deal all the more promising."

Joseph M. "Joe" Haskins, Chairman, President and CEO of Catoosa, will become the Senior Director of Market Development with the responsibility for identifying and developing opportunities throughout Chattanooga and northwest Georgia.

"I am thrilled for our team to be part of a larger community bank and for our customers to have a broader product set in addition to access to larger lending limits," remarked Haskins. "FNS has a similar, family-led background as our bank, and that made me comfortable the partnership would succeed and excited to help the combined institution grow."

"The northwest Georgia and Chattanooga communities have witnessed considerable growth, and we are very pleased to gain a strong presence in these markets. All of us here at FNS and FNB Bank are optimistic knowing that this was the right step for the future of our stockholders," said Stephen M. "Steve" Rownd, President and Chief Executive Officer of FNS. "I am familiar with these markets, and being able to expand into the area is a tremendous prospect for any bank."

Keefe, Bruyette, & Woods, Inc. and Banks Street Partners, LLC served as financial advisors to FNS and Bryan Cave Leighton Paisner LLP served as FNS' legal advisor. Olsen Palmer LLC served as financial advisor to Catoosa and Gearhiser, Peters, Elliott & Cannon, PLLC served as Catoosa's legal advisor.

About FNS Bancshares, Inc.

FNS Bancshares, Inc. is a Scottsboro, Alabama-based bank holding company which operates banking centers throughout northeast Alabama and central Tennessee. As of March 31, 2018, FNS had \$527 million in total assets,

\$468 million in deposits, and \$372 million in gross loans. For additional information, locations and hours of operation, please visit www.yourfnbbank.com.

About Catoosa Bancshares, Inc.

Catoosa Bancshares, Inc. is headquartered in Fort Oglethorpe, Georgia, with approximately \$122 million in total assets, \$89 million in loans and \$108 million in deposits as of March 31, 2018. For additional information about Catoosa Bancshares, Inc. and Capital Bank, please visit www.capitalbank-ga.com.

Forward-Looking Statements

Statements in this press release relating to FNS Bancshares, Inc.'s plans, objectives, expectations or future performance are forward-looking statements. The words "believe," "may," "should," "anticipate," "estimate," "expect," "intend," "objective," "possible," "seek," "plan," "strive" or similar words, or negatives of these words, identify forward-looking statements. These forward-looking statements are based on management's current expectations. The Company's actual results in future periods may differ materially from those indicated by forward-looking statements due to various risks and uncertainties, including those related to the acquisition of Catoosa Bancshares.