

RESEARCH UPDATE

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Market Statistics

Price	\$ 29.65
52 week Range	\$28.35 - \$34.25
Daily Vol (3-mo. average)	1,750
Market Cap (\$M):	\$ 103.8
Enterprise Value (\$M):	\$ 166.2
Shares Outstanding (\$M)	3.5
Float (M)	2.7

Financial Summary

Cash (\$M)	\$ 138.4
Cash/Share	\$ 39.94
Debt (\$M)	\$ 200.8
Equity (\$M)	\$ 108.4
Equity/Share	\$ 31.29

FYE: Price	2023	2024E	2025E
(in \$M)			
Net Interest Income	\$ 50.3	\$ 55.4	\$ 61.1
Chng%	3%	11%	10%
Net Income	\$ 9.4	\$ 16.0	\$ 19.8
EPS	\$ 2.66	\$ 4.54	\$ 5.61
P/E	11.2x	6.5x	5.3x



COMPANY DESCRIPTION

Eagle Financial Services, Inc. (the "Company") is a bank holding company which owns 100% of the stock of Bank of Clarke County (the "Bank"). The Bank offers a wide range of retail and commercial banking services, including demand, savings, and time deposits and consumer and commercial loans. The Bank also offers both a trust department and investment services. The Bank has 13 full-service branches, two loan production offices, and one drive-through only facility. The Bank serves Northern Virginia and the Shenandoah Valley area, with branches located in Clarke County, Frederick County VA, Loudon County, Fairfax County, Frederick County MD, and the Towns of Leesburg, Purcellville, and Warrenton, and the City of Winchester.

EAGLE FINANCIAL SERVICES INC. (OTCQX: EFSI)

Company Summary

Proven record of sustained profitability: Over the past four years, Eagle Financial has consistently shown increasing net income and EPS growth. From 2018 to 2023, net income and EPS have grown at a CAGR of 13.7% and 13.3%, respectively. Additionally, total assets grew at a CAGR of 18.0%, and its loan portfolio also grew at a CAGR of 19.0% for the same period. In 4Q23 y/y net income decreased by 25.1% with assets and loans growing 12.9% and 10.3% over that same period. Investments in people and technology, along with market expansion and more diversified revenue sources are the drivers of this performance. When considering the headwinds in the overall banking sector we are impressed with the Company's performance in FY23 and strong finish to the year.

Diverse market exposure: The Bank's performance is tied to its primary market area in Northern Virginia and the Shenandoah Valley. The Bank has a solid market position in the counties it serves. Additionally, the market areas possess excellent demographics, as evidenced by its population numbers, median household income, and median home values. Furthermore, there are nearby expansion opportunities for the Bank in Fairfax County, VA, and Washington, DC. Per the most recent company report, all the regions that the Company operates in are expected to see population growth higher than the national average through 2027.

Experienced management team with high levels of ownership: Eagle Financials' management team has decades of experience, ranging from community banks to larger banking operations. Additionally, management's interest is tied to shareholders with insider ownership above 10%.

The Company has strong ratios: At the end of 4Q23, tier 1 leverage ratio was 8.48%, down from 9.15% at the end of 4Q22. Additionally, its non-performing loans to total loans percentage was at 0.40% at 4Q23, up from 0.19% at 4Q22. The Company has historically maintained solid capital ratios and has grown consolidated equity at a 4.2% CAGR from 2016 to 4Q23. Furthermore, the Company has \$138.4M in cash as of 4Q23.

Consistent dividend payer: The Company maintained its dividend level at \$0.30 per share. This translates to a 4.0% dividend yield. Eagle Financials has a history of raising its annualized dividend payments when prudent.

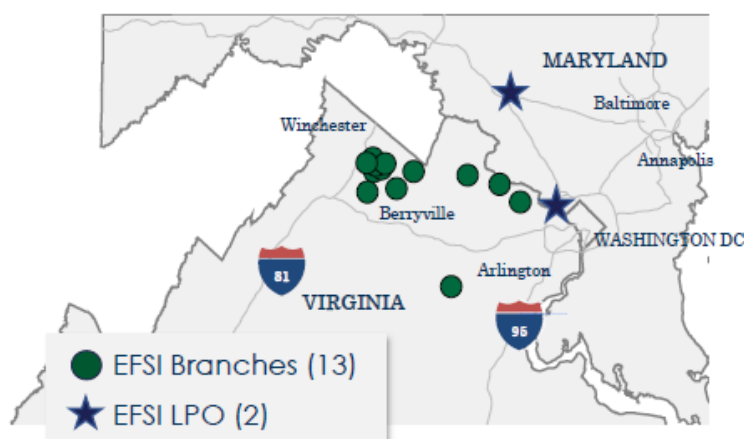
Impressive Balance Sheet: At the end of 4Q23, book value per share was \$30.78. Additionally, the return on average assets was 0.53%, an increase from 0.51% seen in the prior quarter. Return on average equity also improved to 9.33% from 8.87% in the prior quarter.

Valuation: We use a P/TBV to help frame our valuation of Eagle Financial. Using a P/TBV range of 1.0x to 1.2x with a mid-point of 1.1x. Using these assumptions, we arrive at a valuation range of \$31.29 to \$37.54 with a mid-point of \$34.42.

Business Overview

Eagle Financial Services, Inc. (the “Company”) is a bank holding company which owns 100% of the stock of Bank of Clarke County (the “Bank”). The Bank has 13 full-service branches, two loan production offices, and one drive-through only facility. The Bank serves the Northern Virginia and Shenandoah Valley area, with branches located in Clarke County, Fredrick County (VA), Loudon County, Fairfax County, the Towns of Leesburg, Warrenton, and Purcellville, and the City of Winchester.

Exhibit 1: Company Location



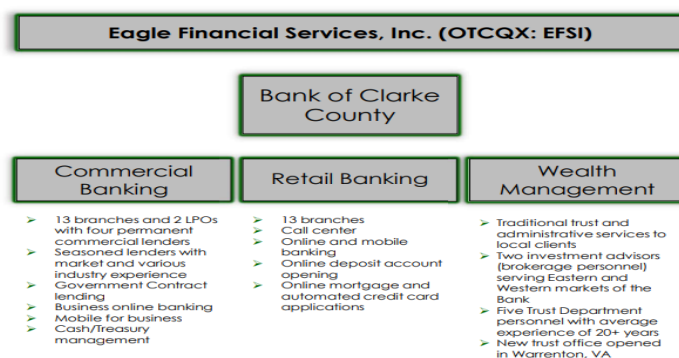
Source: Company Reports

The Bank offers a wide range of retail and commercial banking services, including demand, savings, and time deposits as well as consumer and commercial loans. The Bank has 14 ATM locations and issues ATM cards, debit cards, and credit cards to its customers. Its cards can be used at most ATMs via the Bank’s membership in both regional and national networks. Additional services include telephone banking, internet banking, and mobile banking.

The Bank, through its Eagle Investment Group division, offers both a trust department and investment services. The Trust department offers a full range of personal and retirement plan services. The brokerage division offers a full range of investment services. Non-deposit investment products are offered through a third-party provider.

Exhibit 2: Corporate Structure

The Bank grows by lending funds to local residents and businesses at a competitive price that reflects the risks in lending. The Bank funds these loans through deposits gathered from local residents and businesses. The Bank also uses both short- and long-term borrowings to fund its asset growth objectives. Primary sources of borrowed funds are from the Federal Home Loan Bank of Atlanta.



Source: Company Reports

The Bank maintains its net interest margin by changing the price, terms, and mix of its financial assets and liabilities. The Bank also earns fees on services provided through its Eagle Investment Group, mortgage originations, and deposit operations.

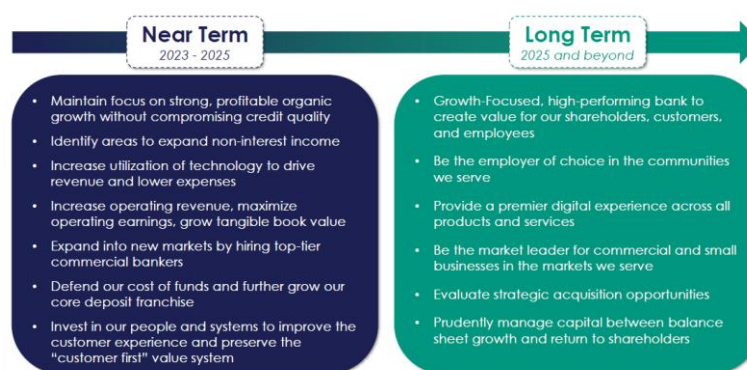
The Company is focused on achieving its long-range strategic objectives which include the following:

- **Enhance and expand revenue drivers** – The Bank will continue matching loan growth with sustainable core deposit growth, while identifying areas to expand non-interest income.
- **Improve efficiency and productivity** – The Bank will focus on increased utilization of existing technology to foster drivers of revenue efficiently.
- **Evolve to a high performing bank** – The Bank will grow operating revenue, maximize operating earnings, grow tangible book value, and increase the dividend annually.
- **Advance culture and employee engagement** – The Bank will invest in its people, systems, and technology to grow revenue, improve customer experience, and preserve its “customer-first” value system.

As such, these strategic objectives funnel into four key areas of the Bank's business as outlined in Exhibit 3.

The Bank's performance is tied to its primary market area in Northern Virginia and the Shenandoah Valley. The Bank has a solid market position in the counties it serves. Additionally, the market areas possess great demographics, as evidenced by its population numbers, median household income, and median home values. Furthermore, there are nearby expansion opportunities for the Bank in Fairfax County, VA, and Washington, DC. Both markets are a short drive from the Bank's current locations, with Washington, DC within 30-40 miles of Loudoun County.

Exhibit 3: Strategic Priorities



Source: Company reports

Exhibit 4: Market Demographics and Share Position

Winchester, VA MSA						Loudou County, VA					
Community Rank	Bank Rank ⁽¹⁾	Institution	Deposits (\$mm)	Market Share	Branches	Community Rank	Bank Rank ⁽¹⁾	Institution	Deposits (\$mm)	Market Share	Branches
1	—	Truist Financial Corp.	\$1,391	34.0 %	4	1	—	Bank of America Corp.	\$1,663	17.9 %	8
2	—	Wells Fargo & Co.	614	15.0	3	2	—	Wells Fargo & Co.	1,509	16.2	11
3	1	Eagle Financial Services Inc.	612	15.0	7	3	—	Truist Financial Corp.	1,495	16.1	12
4	2	First National Corporation	356	8.7	3	4	—	Capital One Financial Corp.	1,030	11.1	4
5	—	United Bankshares Inc.	308	7.5	6	5	—	Atlantic Union Bankshares Corp.	929	10.0	4
6	3	Romney Bankshares Inc.	250	6.1	6	6	—	PNC Financial Services Group Inc.	581	6.2	10
7	4	Eastern Bankshares Inc.	196	4.8	4	7	—	United Bankshares Inc.	470	5.1	6
8	5	Summit Financial Group Inc.	148	3.6	2	8	1	Eagle Financial Services Inc.	306	3.3	3
9	6	City Holding Co.	59	1.5	2	9	2	John Marshall Bancorp Inc.	267	2.9	1
10	7	Virginia National Bankshares Corp.	41	1.0	1	10	—	Sandy Spring Bancorp Inc.	197	2.1	2

Source: Company Reports, Property tax101.org

Loan Portfolio

The Bank's primary lending activities are originating family residential real estate lending and commercial real estate lending. Additional areas of lending include commercial and industrial lending, as well as consumer lending.

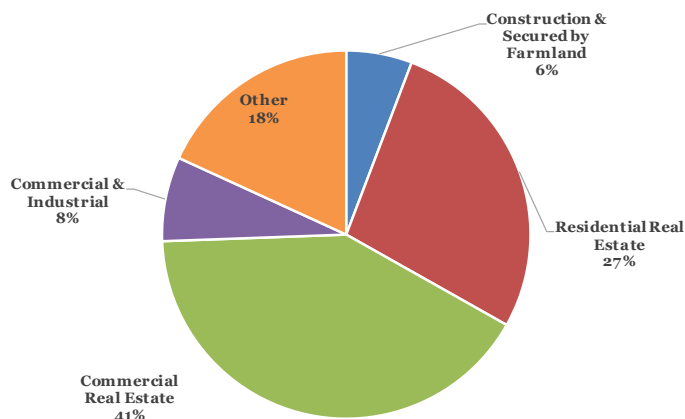
The Bank's one-to-four family residential real estate loans are secured by first or junior liens on the property. The Bank also offers home equity lines of credit. Its residential loans are primarily fixed interest rates.

The Bank's commercial loans are secured by various types of commercial real-estate, including multi-family residential buildings, commercial buildings and offices, small shopping centers, and churches. Most loans have periodically adjustable interest rates.

At 3Q23 end, the Bank's loan portfolio was \$1,448.2M and consisted primarily of commercial real estate loans and residential mortgage loans.

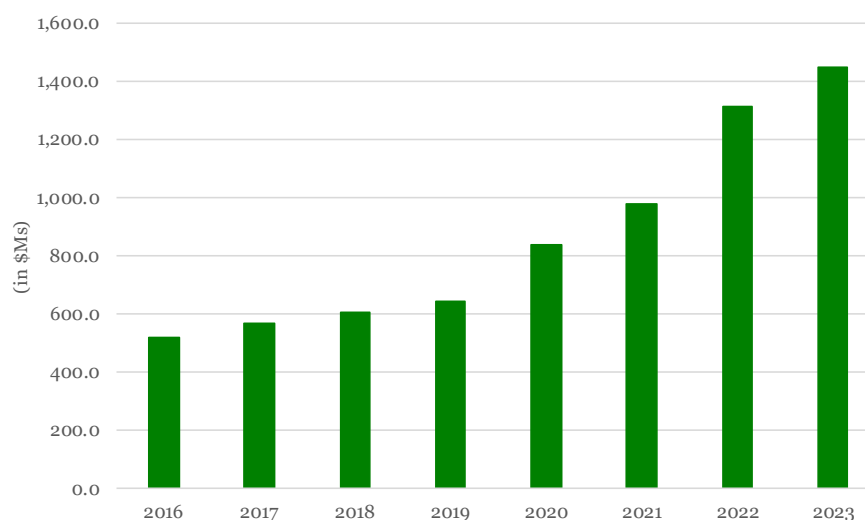
Total net loans at 4Q23 increased \$135.6 from \$1,312.6M at 4Q22 to \$1,448.2M. During the quarter EFSI sold \$11.1M in mortgage loans, as well as \$7.4M of loans from the commercial and consumer loan portfolio on the secondary market.

Exhibit 5: Loan Portfolio Composition at 4Q23



Source: Company Reports

Exhibit 6: Total Loan Growth Trends



Source: Company Reports

In 4Q23, the Company recorded a provision for loan losses of ~\$366,000. This compares to the recorded provision for loan losses of ~\$930,000 in 4Q22. The current provision for loan losses reflects the results of the Bank's analysis used to determine the adequacy of the allowance for loan losses.

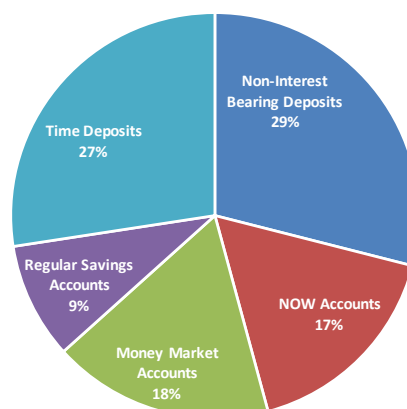
Deposits

Deposits are the primary source of funds for the bank to use in its lending and investment activities. The Bank's depositors are persons or businesses who work, reside, or operate in the Company's market area. The Bank offers a variety of deposit account types including:

- Checking
- Savings
- NOW
- Money market
- CDs

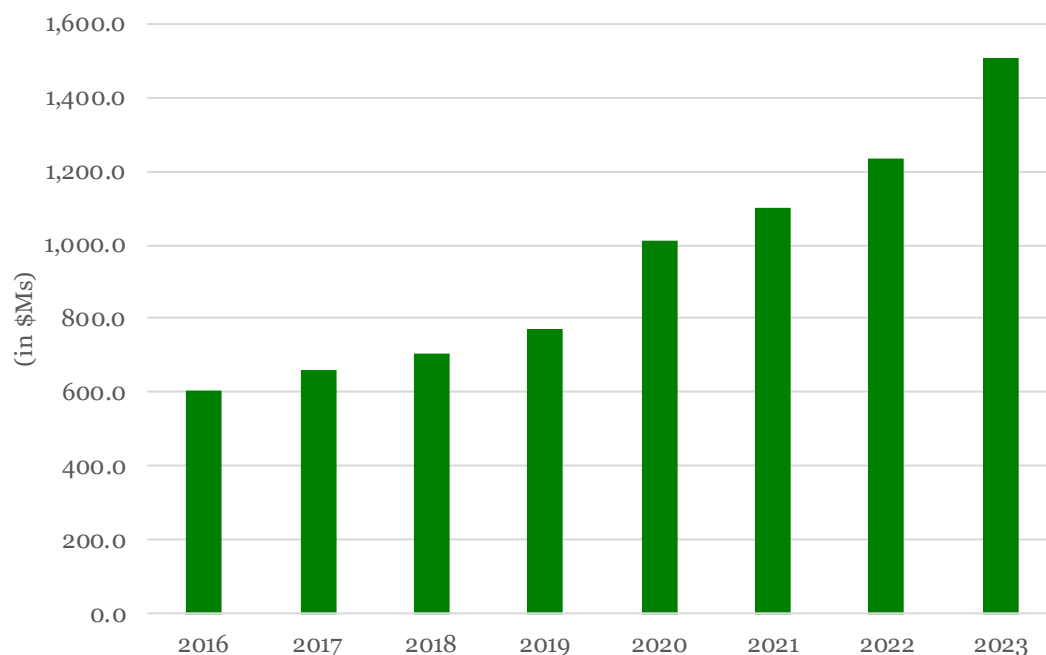
Total deposits increased \$271.3M to \$1,506.3M at 4Q23 from \$1,264.1M at 4Q22. The growth was mainly organic growth as the Company continues to expand and grow into newer market areas.

Exhibit 7: Deposit Composition at 4Q23



Source: Company Reports

Exhibit 8: Total Deposit Growth Trends

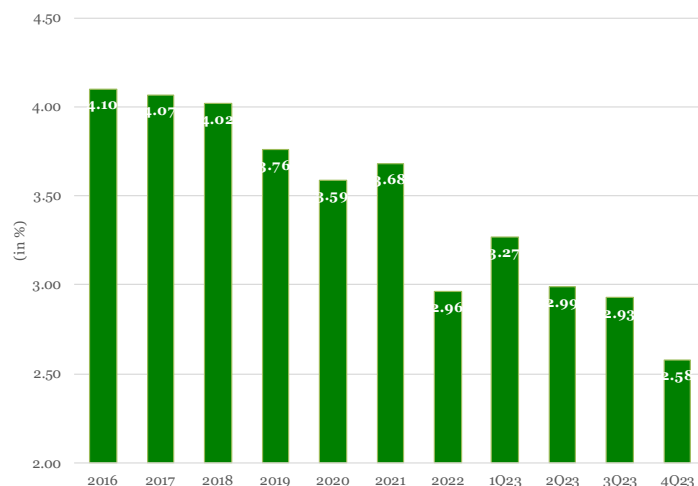


Source: Company Reports

Net Interest Income and Margins

Net interest margin (NIM) is a good indicator of how profitably banks are funding earning assets.

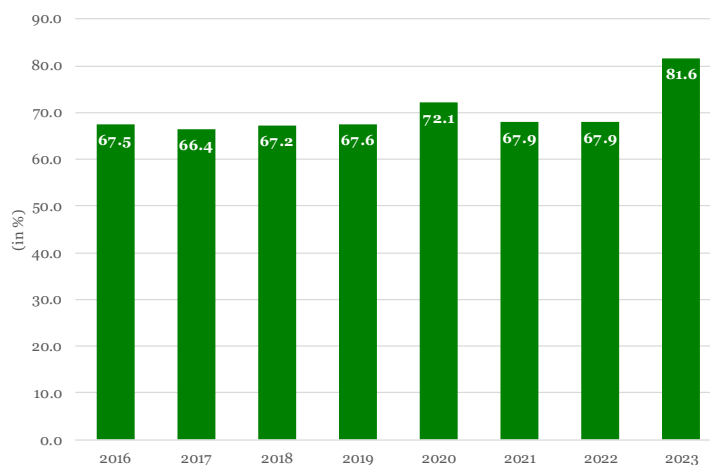
Exhibit 9: NIM Trends



Source: Company Reports

While NIM has declined over the above historical period, the COVID-19 global pandemic and the recent increases in interest rates are the primary drivers, that are expected to subside in the near future. The Company continues to maintain its net interest margin relative to peers by managing its loan and deposit pricing. Importantly, over the last 12 months, the Company has also improved its efficiency ratio toward targeted levels by focusing on overhead costs.

Exhibit 10: Efficiency Ratio Trends



Source: Company Presentation

In 2021, we note that the efficiency ratio was negatively impacted by a one-time legal expense of \$2M, related to the Company's expansion of its wealth management business.

Risks

Geographic concentration – The Bank is largely concentrated in Northern Virginia, which exposes it to risks associated with lack of geographic diversification. A local or regional economic downturn could adversely affect the Company's profitability.

Real estate loans concentration – As of December 31, 2023, ~68.0% of the Bank's loan portfolio is secured by real estate. If there are any adverse changes in the local real estate market or in the national economy, borrower ability to pay these loans could be adversely affected.

Changes in interest rates – The Bank's results depend on its net interest income; should the rates it earns on loans, securities, and other interest-bearing assets fall faster the rates it is required to pay on deposits and borrowed funds, results would suffer.

Access to future capital – Should the Company incur significant loan losses, desire to execute acquisitions, or require additional funds for other operational purposes, the timing and terms of the capital may not be favorable given certain economic and/or market conditions.

Security of systems – Any material breaches in the security of the Bank's IT systems could cause material losses for the Bank. Protecting sensitive consumer data is essential, as is maintenance and backup of key financial and customer information.

Failure to stay competitive – The Bank operates in an extremely competitive marketplace, and failure of its branches to stay competitive in its respective local markets could cause significant harm to financial results and result in closures; competition continues to increase as consolidation occurs in the industry and changes to regulations affect the business. The Bank is much smaller than certain competitors that have access to significantly more resources when compared to the Bank. Additionally, technology now enables banking online which broadens the reach of the competition, and the Bank faces higher costs than the newer trending online financial services organizations that lack physical branches.

Trading of common shares is limited – Trading in the Eagle Financials Services common shares is not very active, which could cause concern for current and future shareholders, and the limited trading can cause exaggerated price volatility for shares of the Company.

External shocks – War, terrorism, other acts of violence, or natural or manmade disasters such as a global pandemic may affect the markets in which the Company operates, the Company's customers, the Company's delivery of products and customer service, and could have a material adverse impact on our business, results of operations, or financial condition.

VALUATION SUMMARY

We are using a P/TBV comparative analysis to frame our valuation of Eagle Financial Services.

Comparative Analysis

(all figures in \$M except per share information)

Name	Ticker	Price (1)	S/O	Mrkt Cap	Financial (MRQ)			EPS (2)			Valuation				Credit (3)		Profitability (3)			
					Assets	BV/sh	TBV/sh	2022	LTM	2024E	P/E LTM	P/E 2024E	P/BV	P/TBV	NPAs / Assets (%)	Reserves / NPLs (%)	NIM (%)	ROA (%)	ROE (%)	
First Community Bankshares, Inc.	FCBC	\$ 32.94	18.5	\$ 608.4	\$ 3,268.5	\$ 27.20	\$ 18.60	\$ 2.82	\$ 2.34	\$ 2.38	14.1x	13.8x	1.2x	1.8x	0.60	185.97	3.92	1.50	10.38	
Primis Financial Corp.	FRST	\$ 11.36	24.7	\$ 280.4	\$ 3,876.1	\$ 16.09	\$ 12.23	\$ 0.72	\$ 0.66	\$ 1.57	17.3x	7.2x	0.7x	0.9x	0.28	314.92	3.39	0.21	1.88	
American National Bankshares Inc.	AMNB	\$ -	10.6	\$ -	\$ 3,090.7	\$ 32.27	\$ 24.06	\$ 3.23	\$ 2.17	\$ -	0.0x	nm	0.0x	0.0x	0.19	434.69	2.97	0.85	7.88	
Blue Ridge Bankshares, Inc.	BRBS	\$ 2.77	19.2	\$ 63.7	\$ 3,117.6	\$ 9.69	\$ 9.41	\$ 0.90	\$ (0.86)	\$ -	nm	nm	0.3x	0.3x	2.02	56.92	4.00	-1.66	-23.82	
FVCBankcorp, Inc.	FVCB	\$ 11.79	17.9	\$ 210.8	\$ 2,190.6	\$ 12.19	\$ 11.77	\$ 1.35	\$ 0.16	\$ 0.98	73.3x	12.1x	1.0x	1.0x	0.08	1,031.77	3.19	0.17	1.82	
MainStreet Bancshares, Inc.	MNSB	\$ 17.61	7.4	\$ 130.1	\$ 2,035.4	\$ 26.61	\$ 24.61	\$ 3.26	\$ 2.73	\$ 2.05	6.5x	8.6x	0.7x	0.7x	0.05	nm	4.19	1.34	12.67	
First National Corporation	FXNC	\$ 16.00	6.3	\$ 100.4	\$ 1,419.3	\$ 18.56	\$ 18.06	\$ 2.68	\$ 1.18	\$ 1.79	13.6x	8.9x	0.9x	0.9x	0.48	177.05	3.44	0.69	8.57	
Freedom Financial Holdings, Inc.	FDVA	\$ 9.77	7.3	\$ 71.3	\$ 1,084.7	\$ 10.64	\$ 10.64	\$ 1.45	\$ 0.19	\$ -	52.7x	nm	0.9x	0.9x	1.22	79.63	0.00	0.22	3.05	
Bank of the James Financial Group, Inc.	BOTJ	\$ 10.52	4.5	\$ 47.8	\$ 969.4	\$ 13.21	\$ 11.16	\$ 1.91	\$ 1.41	\$ -	7.5x	nm	0.8x	0.9x	0.04	1,895.65	3.23	0.92	15.79	
Bank of Botetourt	BORT	\$ 28.45	2.0	\$ 55.6	\$ 789.0	\$ 38.20	\$ 38.20	\$ 4.04	\$ 3.29	\$ -	8.6x	nm	0.7x	0.7x	0.02	6,233.06	0.00	1.09	11.58	
								Average	\$ 2.23	\$ 1.33	\$ 1.75	21.5x	10.1x	0.7x	0.8x	0.50	1,156.63	2.83	0.53	4.98
								Median	\$ 2.29	\$ 1.29	\$ 0.49	13.6x	8.9x	0.8x	0.9x	0.23	314.92	3.31	0.77	8.22
Eagle Financial Services, Inc.	EFSI	\$ 29.65	3.5	\$ 103.8	\$ 1,825.6	\$ 29.47	\$ 31.29	\$ 4.17	\$ 2.66	\$ 4.54	11.2x	6.5x	1.0x	0.9x	0.34	248.76	3.68	0.54	8.91	

(1) Previous day's closing price

(2) Estimates are from CapitalIQ except for EFSI which are Stonegate estimates

(3) Credit and Profitability metrics are LTM figures except for NIM which is MRQ

Source: Capital IQ, Stonegate Capital Partners

As can be seen above, Eagle Financial is trading at a P/TBV of 0.9x vs. average comps at 0.8x. We also note that over the prior 3-year period, Eagle Financial has traded at an average P/TBV of 1.1x, vs. comps at an average P/TBV of 1.1x. Given Eagle Financials' ratios compared to its comps, we believe a slight premium to comps is reasonable applying a P/TBV range of 1.0x to 1.2x with a mid-point of 1.1x. Using these assumptions, we arrive at a valuation range of \$31.29 to \$37.54 with a mid-point of \$34.42.

BALANCE SHEET

Eagle Financial Services, Inc. Consolidated Balance Sheets (\$Ms) Fiscal Year: December														
ASSETS	FY2019	FY2020	FY2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY2023	
Assets														
Total Cash and Cash Equivalents	\$ 33.7	\$ 79.9	\$ 64.1	\$ 95.9	\$ 32.1	\$ 35.9	\$ 66.9	\$ 66.9	\$ 128.7	\$ 78.9	\$ 142.0	\$ 138.4	\$ 138.4	
Securities Available for Sale	165.0	165.0	193.4	193.4	179.4	151.8	158.4	158.4	160.2	151.5	134.0	147.0	147.0	
Restricted Investments	1.2	1.3	-	1.2	1.8	4.6	-	-	-	-	8.6	-	-	
Loans Held for Sale	-	-	0.9	0.8	0.4	0.1	0.2	0.2	-	3.6	3.6	1.7	1.7	
Net Loans	639.8	829.2	976.9	1,012.1	1,111.0	1,191.1	1,312.6	1,312.6	1,386.8	1,456.5	1,426.4	1,448.2	1,448.2	
Bank Premises and Equipment, Net	19.3	18.7	18.2	18.3	18.2	18.0	18.1	18.1	17.8	18.1	18.4	18.1	18.1	
Other Real Estate Owned	0.2	0.6	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	18.2	35.4	49.5	52.5	59.7	71.7	60.7	60.7	63.2	68.2	68.5	72.3	72.3	
Total Assets	\$ 877.3	\$ 1,130.2	\$ 1,303.0	\$ 1,374.3	\$ 1,402.5	\$ 1,473.1	\$ 1,616.7	\$ 1,616.7	\$ 1,756.7	\$ 1,776.7	\$ 1,801.5	\$ 1,825.6	\$ 1,825.6	
Liabilities & Shareholders' Equity														
Non-Interest Bearing Demand Deposits	\$ 269.2	\$ 407.6	\$ 470.4	\$ 489.4	\$ 477.5	\$ 491.2	\$ 478.8	\$ 478.8	\$ 464.1	\$ 433.2	\$ 430.9	\$ 436.6	\$ 436.6	
Savings and Interest-bearing Demand Deposits	364.2	476.9	583.3	619.2	639.0	632.1	627.4	627.4	652.8	645.8	656.1	656.4	656.4	
Time Deposits	138.2	128.7	123.6	122.7	115.0	130.8	157.9	157.9	273.0	379.0	411.4	413.3	413.3	
Total Deposits	771.5	1,013.1	1,177.2	1,231.3	1,231.5	1,254.1	1,264.1	1,264.1	1,390.0	1,458.0	1,498.4	1,506.3	1,506.3	
Subordinated Debt, Net of Unamortized Costs	-	-	-	29.3	29.3	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4	
Federal Funds purchased	-	-	-	-	28.6	-	33.0	33.0	-	-	-	-	-	
Other Liabilities	9.5	12.0	15.5	11.5	13.6	91.1	188.6	188.6	232.9	185.3	172.5	181.5	181.5	
Total Liabilities	781.0	1,025.1	1,192.8	1,272.2	1,303.0	1,374.6	1,515.0	1,515.0	1,652.3	1,672.7	1,700.3	1,717.2	1,717.2	
Shareholders' Equity														
Common Stock - Par Value	8.5	8.5	8.6	8.6	8.6	8.6	8.6	8.6	8.7	8.7	8.7	8.7	8.7	
Additional Paid in Capital	11.4	10.8	12.1	12.3	12.6	13.0	13.3	13.3	13.4	13.9	14.0	14.3	14.3	
Retained Earnings	74.9	82.5	89.8	92.0	95.1	98.1	100.3	100.3	99.8	100.8	102.1	103.4	103.4	
Accumulated Other Comprehensive (Loss) income	1.5	3.3	(0.2)	(10.8)	(16.8)	(21.2)	(20.4)	(20.4)	(17.5)	(19.4)	(23.6)	(18.0)	(18.0)	
Total Shareholders Equity	96.3	105.1	110.3	102.1	99.5	98.5	101.7	101.7	104.5	104.0	101.2	108.4	108.4	
Total Liabilities & Shareholders Equity	\$ 877.3	\$ 1,130.2	\$ 1,303.0	\$ 1,374.3	\$ 1,402.5	\$ 1,473.1	\$ 1,616.7	\$ 1,616.7	\$ 1,756.7	\$ 1,776.7	\$ 1,801.5	\$ 1,825.6	\$ 1,825.6	
Book Value Per Share														
Book Value Per Share	\$ 28.08	\$ 30.86	\$ 31.93	\$ 28.22	\$ 29.15	\$ 28.28	\$ 29.15	\$ 29.15	\$ 29.65	\$ 29.47	\$ 28.74	\$ 30.78	\$ 30.78	
Return on Average Assets	1.16%	1.11%	0.90%	0.99%	1.16%	1.16%	0.83%	1.02%	0.63%	0.48%	0.51%	0.53%	0.54%	
Return on Average Equity	10.60%	11.03%	10.28%	12.08%	15.86%	15.93%	12.70%	14.06%	9.99%	7.93%	8.87%	9.33%	9.05%	
Non Performing Assets to Total Assets	0.2%	0.4%	0.21%	0.19%	0.15%	0.16%	0.16%	0.16%	0.14%	0.19%	0.33%	0.34%	0.34%	
Non Performing Assets to Total Loans	0.3%	0.6%	0.28%	0.26%	0.19%	0.20%	0.19%	0.19%	0.17%	0.23%	0.40%	0.40%	0.40%	

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Eagle Financial Services, Inc.

Consolidated Statements of Income (in \$Ms, except per share amounts)

Fiscal Year: December

	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1E Mar-24	Q2E Jun-24	Q3 E Sep-24	Q4 E Dec-24	FY 2024E	Q1E Mar-25	Q2E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E
Interest and Dividend Income																		
Interest and Fees on Loans	\$ 35.3	\$ 39.9	\$ 50.7	\$ 17.2	\$ 18.8	\$ 20.2	\$ 19.4	\$ 75.5	\$ 20.6	\$ 20.9	\$ 21.5	\$ 22.2	\$ 85.1	\$ 22.8	\$ 23.1	\$ 23.3	\$ 23.5	\$ 92.7
Taxable Interest Income	2.9	2.3	3.3	0.8	0.8	0.8	0.8	3.1	0.6	0.6	0.6	0.6	2.2	0.6	0.6	0.6	0.6	2.2
Interest Income Exempt from Federal Income Taxes	0.6	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on Deposits in Banks	0.1	0.1	0.4	0.5	0.7	1.0	1.6	3.8	0.7	0.7	0.7	0.7	2.8	0.8	0.8	0.8	0.8	3.2
Interest on Federal Funds Sold	0.0	-	0.0	0.0	0.0	0.1	0.1	0.2	-	-	-	-	-	-	-	-	-	-
Total Interest Income	38.9	42.7	54.7	18.6	20.4	22.2	22.0	83.1	21.8	22.2	22.8	23.4	90.2	24.1	24.5	24.7	24.9	98.1
Interest Expense																		
Interest on Deposits	3.3	1.7	2.9	3.5	5.5	7.0	7.7	23.6	7.2	7.0	6.5	6.6	27.4	7.0	7.1	7.3	7.4	28.9
Interest on Federal Home Loan Bank Advances	0.0	-	1.3	2.0	2.0	1.9	1.7	7.7	1.5	1.5	1.5	1.5	6.0	1.7	1.7	1.7	1.7	6.8
Int on Federal Funds Purch & Securities Sold - Repurch Agrmts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Subordinated Debt	-	-	1.1	0.4	0.4	0.4	0.4	1.4	0.4	0.4	0.4	0.4	1.4	0.4	0.4	0.4	0.4	1.4
Interest on Federal Funds Purchased	-	-	0.2	0.1	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-
Total Interest Expense	3.3	1.7	5.5	5.9	7.9	9.3	9.7	32.8	9.1	8.9	8.4	8.5	34.8	9.1	9.2	9.3	9.5	37.1
Net Interest Income	35.6	41.0	49.2	12.6	12.4	12.9	12.3	50.3	12.8	13.3	14.4	14.9	55.4	15.1	15.3	15.3	15.4	61.1
Provision For Loan Losses	1.5	1.5	1.8	0.7	0.4	0.2	0.4	1.6	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.5
Net Interest Income After Provision for Loan Losses	34.2	39.5	47.4	12.0	12.0	12.7	11.9	48.6	12.4	12.9	14.0	14.6	53.9	14.7	14.9	14.9	15.0	59.6
Total Non-Interest Income	8.6	11.3	13.3	3.5	3.4	4.2	3.7	14.7	3.3	3.3	3.3	3.3	13.0	3.5	3.5	3.5	3.5	14.1
Total Non-Interest Expense	29.4	38.0	43.1	12.4	13.0	14.1	13.3	52.8	11.9	11.9	11.9	11.9	47.4	12.4	12.4	12.4	12.4	49.5
Earnings before Taxes	13.3	12.8	17.7	3.1	2.4	2.8	2.3	10.6	3.8	4.3	5.4	6.0	19.5	5.9	6.0	6.1	6.2	24.1
Taxes and Other Expenses																		
Provision for Income Tax	2.1	1.8	3.2	0.5	0.4	0.5	(0.1)	1.3	0.7	0.8	1.0	1.1	3.5	1.1	1.1	1.1	1.1	4.3
Net Income (Loss)	\$ 11.2	\$ 11.0	\$ 14.5	\$ 2.6	\$ 2.1	\$ 2.3	\$ 2.4	\$ 9.4	\$ 3.1	\$ 3.5	\$ 4.5	\$ 4.9	\$ 16.0	\$ 4.8	\$ 4.9	\$ 5.0	\$ 5.1	\$ 19.8
EPS - Basic	\$ 3.27	\$ 3.20	\$ 4.17	\$ 0.73	\$ 0.59	\$ 0.66	\$ 0.68	\$ 2.66	\$ 0.89	\$ 1.00	\$ 1.26	\$ 1.38	\$ 4.54	\$ 1.36	\$ 1.40	\$ 1.41	\$ 1.44	\$ 5.61
EPS - Diluted	\$ 3.27	\$ 3.20	\$ 4.17	\$ 0.73	\$ 0.59	\$ 0.66	\$ 0.68	\$ 2.66	\$ 0.89	\$ 1.00	\$ 1.26	\$ 1.38	\$ 4.54	\$ 1.36	\$ 1.40	\$ 1.41	\$ 1.44	\$ 5.61
WTD Avg Shares - Basic	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
WTD Avg Shares - Diluted	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Dividend per share	\$ 1.04	\$ 1.10	\$ 1.15	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 1.20	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.31	\$ 1.21	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.32	\$ 1.25

Margin Analysis

Net income margin	28.7%	25.8%	26.6%	13.9%	10.1%	10.5%	10.9%	11.3%	14.3%	15.9%	19.6%	20.8%	17.7%	19.9%	20.2%	20.2%	20.3%	20.2%
Net Interest margin	3.76%	3.59%	3.68%	3.27%	2.99%	2.93%	2.85%	2.96%	2.85%	2.81%	2.91%	2.90%	2.90%	2.89%	2.92%	2.93%	2.95%	2.95%
Interest Income %	4.25%	4.08%	3.86%	4.95%	5.15%	5.66%	5.36%	5.21%	5.60%	5.60%	5.60%	5.60%	5.38%	5.59%	5.58%	5.52%	5.44%	5.36%
Interest Expense on deposit %	0.54%	0.24%	0.28%	1.49%	2.16%	2.61%	2.86%	2.21%	2.68%	2.60%	2.40%	2.40%	2.47%	2.48%	2.48%	2.48%	2.48%	2.41%
Tax %	16.1%	13.8%	17.8%	17.1%	15.7%	16.5%	-4.3%	12.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%

Growth Rate Y/Y

Interest and Dividend Income	9.7%	9.7%	28.1%	61.2%	61.0%	54.5%	36.2%	52.0%	17.7%	8.8%	2.7%	6.4%	8.5%	10.5%	10.4%	8.2%	6.3%	8.8%
Interest expense	-22.6%	-48.9%	226.4%	1498.4%	988.2%	532.2%	234.5%	500.0%	53.1%	12.0%	-9.8%	-12.6%	6.0%	0.0%	3.6%	11.6%	11.6%	6.6%
Net Income Interest after provision for loan losses	11.7%	15.6%	19.9%	13.0%	4.2%	-1.5%	-3.3%	2.7%	3.6%	7.2%	10.5%	22.1%	10.8%	18.5%	15.3%	6.5%	3.3%	10.5%
Earnings Before Taxes	15.0%	-3.9%	38.2%	-20.4%	-50.0%	-44.5%	-40.6%	-39.8%	22.3%	76.3%	95.9%	159.3%	83.5%	53.3%	39.8%	11.9%	3.7%	23.7%
Net Income	14.5%	-1.4%	31.8%	-20.5%	-48.4%	-43.2%	-25.1%	-35.6%	21.0%	71.5%	92.3%	103.8%	71.0%	53.3%	39.8%	11.9%	3.7%	23.7%
Non Interest Income	10.6%	32.0%	17.9%	8.7%	-12.8%	33.0%	18.3%	10.5%	-7.8%	-3.2%	-22.8%	-11.0%	-11.8%	8.5%	8.5%	8.5%	8.5%	8.5%
Non Interest Expense	10.0%	29.2%	13.2%	24.8%	23.1%	27.8%	15.0%	22.5%	-4.3%	-8.5%	-16.2%	-10.8%	-10.1%	4.5%	4.5%	4.5%	4.5%	4.5%

Source: Company Reports, Stonegate Capital Partners estimates

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