



MORRIS STATE
BANCSHARES, INC.

INVESTOR CONFERENCE

September 18 & 19, 2019

Spence Mullis, President and CEO

Chris Bond, Executive Vice President, CFO, and COO

Stacy Brantley, Executive Vice President and CBO



CAUTIONARY STATEMENTS

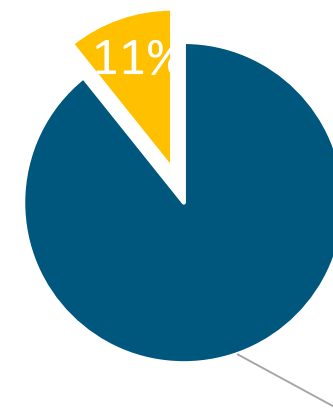
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As used on this slide, the "Company" refers to Morris State Bancshares, Inc. and its subsidiary bank, Morris Bank, on a consolidated basis.

MORRIS STATE BANCSHARES, INC.

- Established in 1954
- Diverse revenue mix
- Lower-risk balance sheet with solid capital base
- Strong market share
- Soon to debut on OTCQX under MBLU
- **CODE BLUE**



■ Interest Income ■ NonInterest Income
Q2 2019 TTM Revenue: \$45.6 million

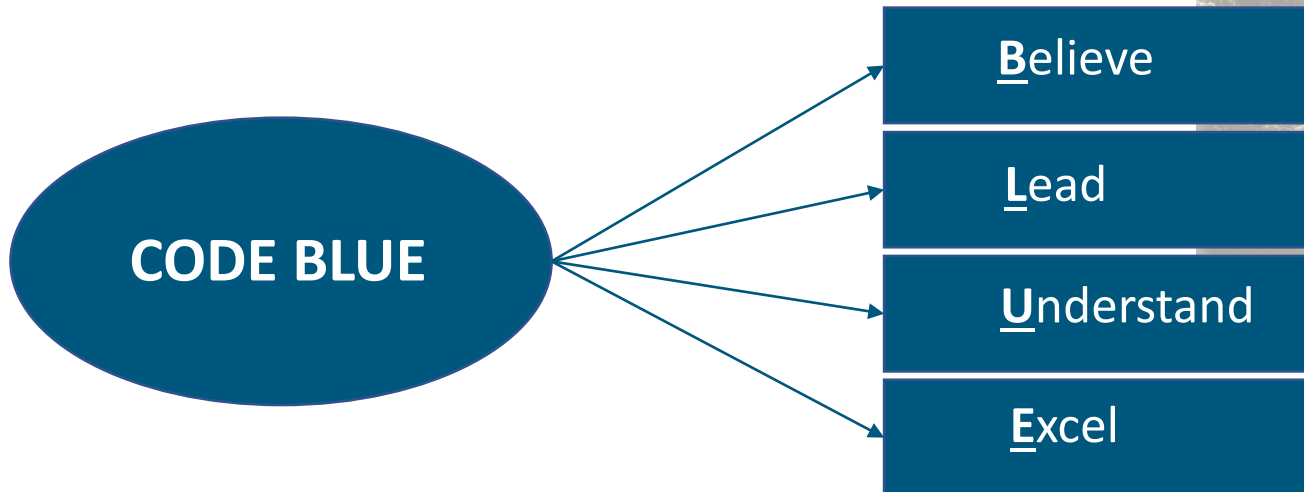
As of 6/30/2019

Total Shares Outstanding	2.06 million
Ownership - Insiders	48%
ESOP is largest single shareholder at	7.41%
Total Assets	\$925 million

Total Loans	\$722 million
Total Deposits	\$808 million
Total Equity	\$112 million
Book Value Per Share	\$43.62

CODE BLUE

- 16 expected attitudes and behaviors that every team member comes to work with everyday
- Core values developed in 2005 when the bank was only \$115MM in total assets



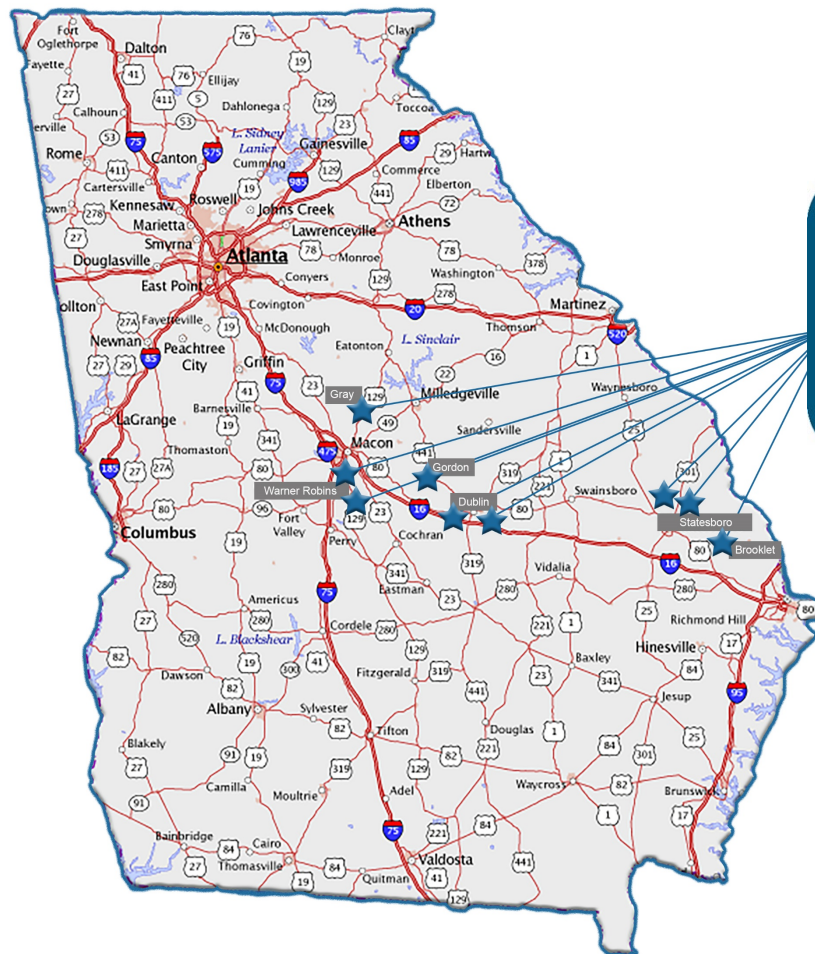
We BELIEVE that life is too short for a negative attitude. We believe that hustle and getting after it everyday with a smile will lead to success.

We LEAD with integrity. We lead with passion and enthusiasm.

We UNDERSTAND by asking sincere questions. We understand by being receptive to motivational encouragement (criticism) and not taking it personally.

We EXCEL by continuously focusing on improvements in all aspects of life. We excel by delivering results.

MARKET OVERVIEW

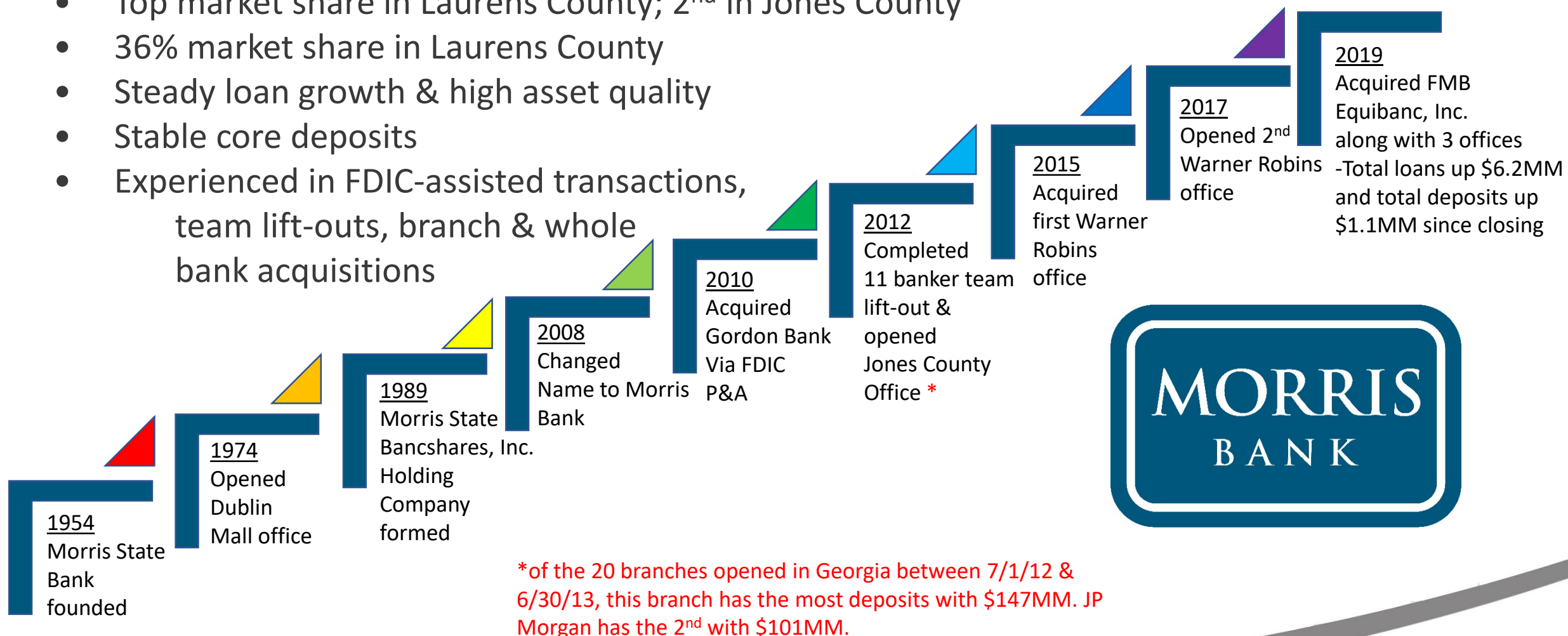


Banking assets concentrated in middle Georgia

- Diversified economy along I-16 & I-75 corridors
- Headquarters: Dublin, GA
- Branch offices:
 - Dublin
 - Gray
 - Gordon
 - Warner Robins
 - Statesboro
 - Brooklet

MARKET EXPANSION

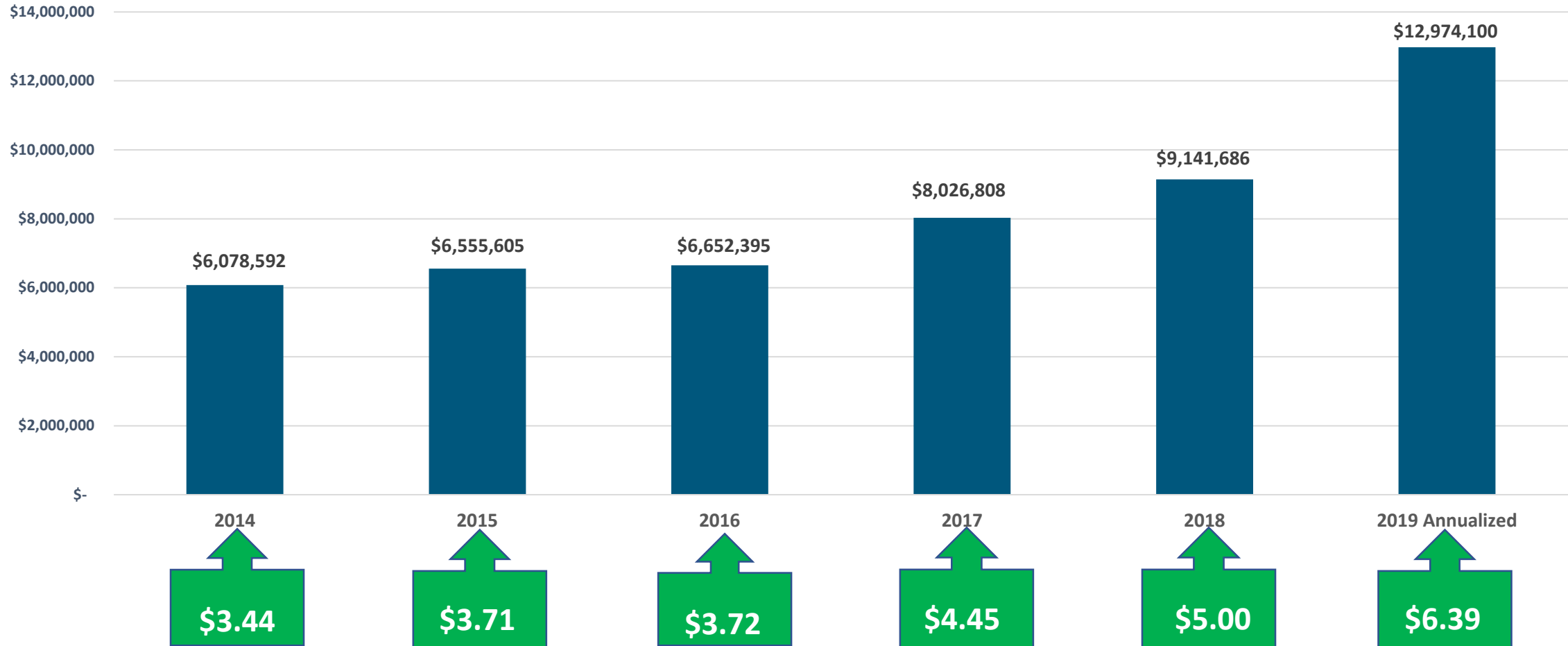
- Top market share in Laurens County; 2nd in Jones County
- 36% market share in Laurens County
- Steady loan growth & high asset quality
- Stable core deposits
- Experienced in FDIC-assisted transactions, team lift-outs, branch & whole bank acquisitions



*of the 20 branches opened in Georgia between 7/1/12 & 6/30/13, this branch has the most deposits with \$147MM. JP Morgan has the 2nd with \$101MM.

STRONG EARNINGS PERFORMANCE

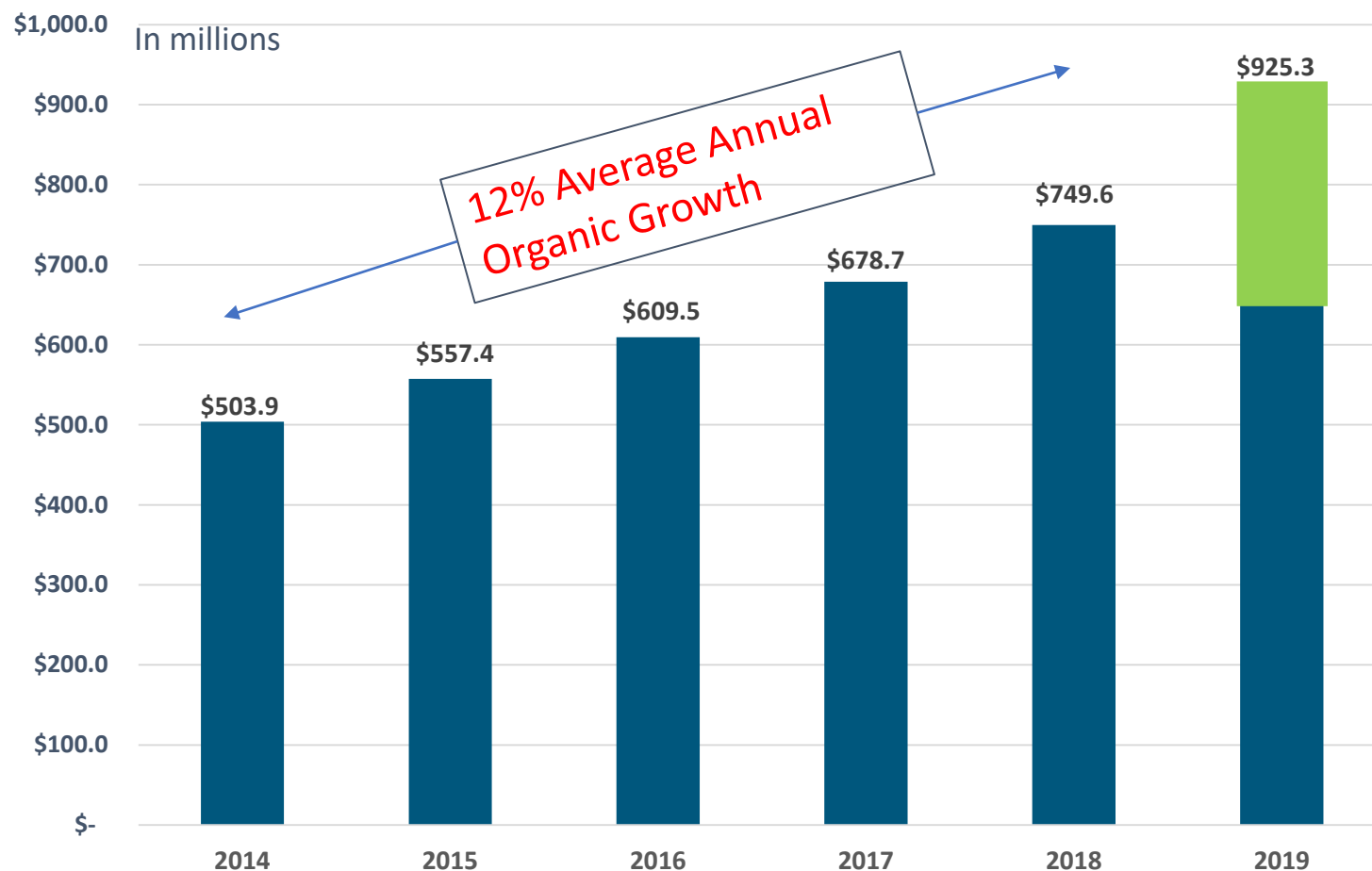
Net Income



Earnings per Share

*2014 – 2018 adjusted to reflect C Corp

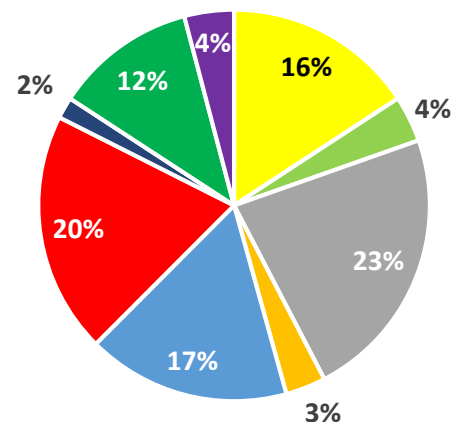
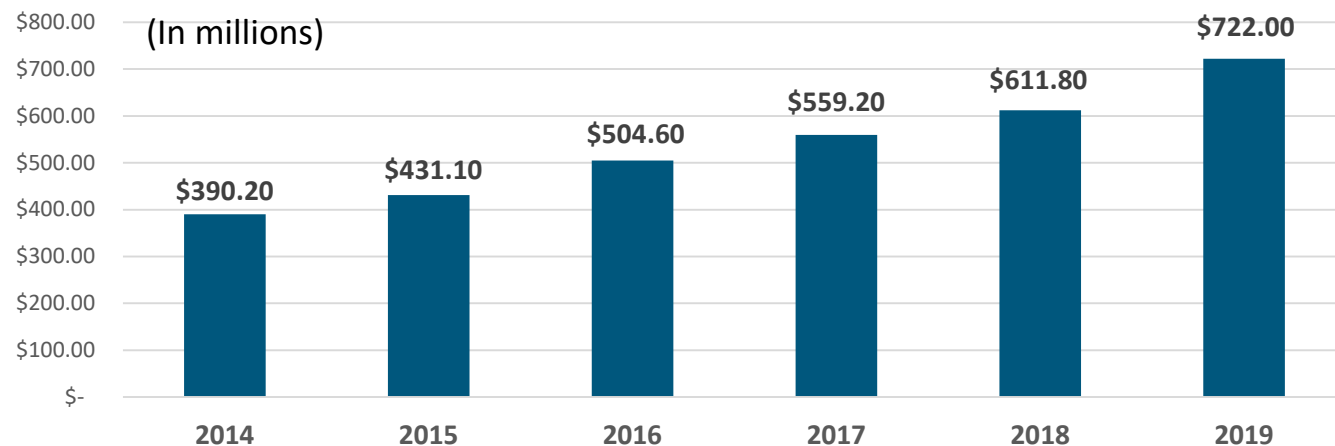
ASSET GROWTH



Indicates \$186MM in FMB acquired total assets

- Completed FMB Equibanc, Inc. (Bulloch County) purchase on 5-1-2019
- Acquisition of different experienced management teams over the years
- 5 current or former bank CEO's along with 4 current or former bank CFO's on the team

SOLID LOAN GROWTH



- Construction Loans
- Secured by Farmland
- Secure by 1-4 family
- Secure by multifamily
- Owner-occupied CRE
- Other CRE
- Agricultural Production
- C&I
- Construction & Other Loans

- +23% YOY (Q2 2019 vs Q2 2018)

- Strong customer relationships and underwriting discipline

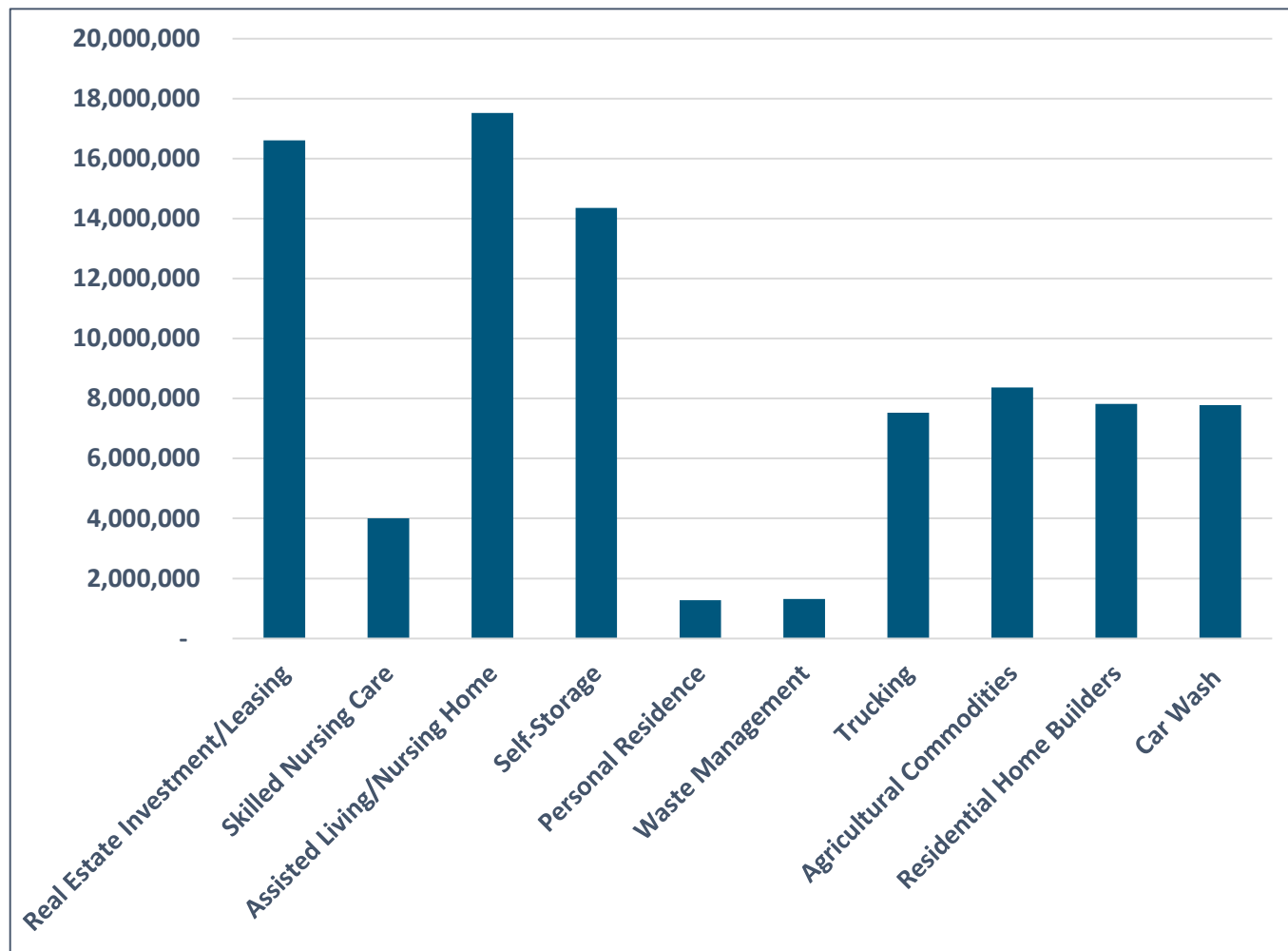
- Diversified loan portfolio

- LTD Ratio 89% as of 6/30/2019

- \$27MM legal lending limit
\$8MM house limit

- Average loan size \$75,000

TOP TEN LOAN RELATIONSHIPS

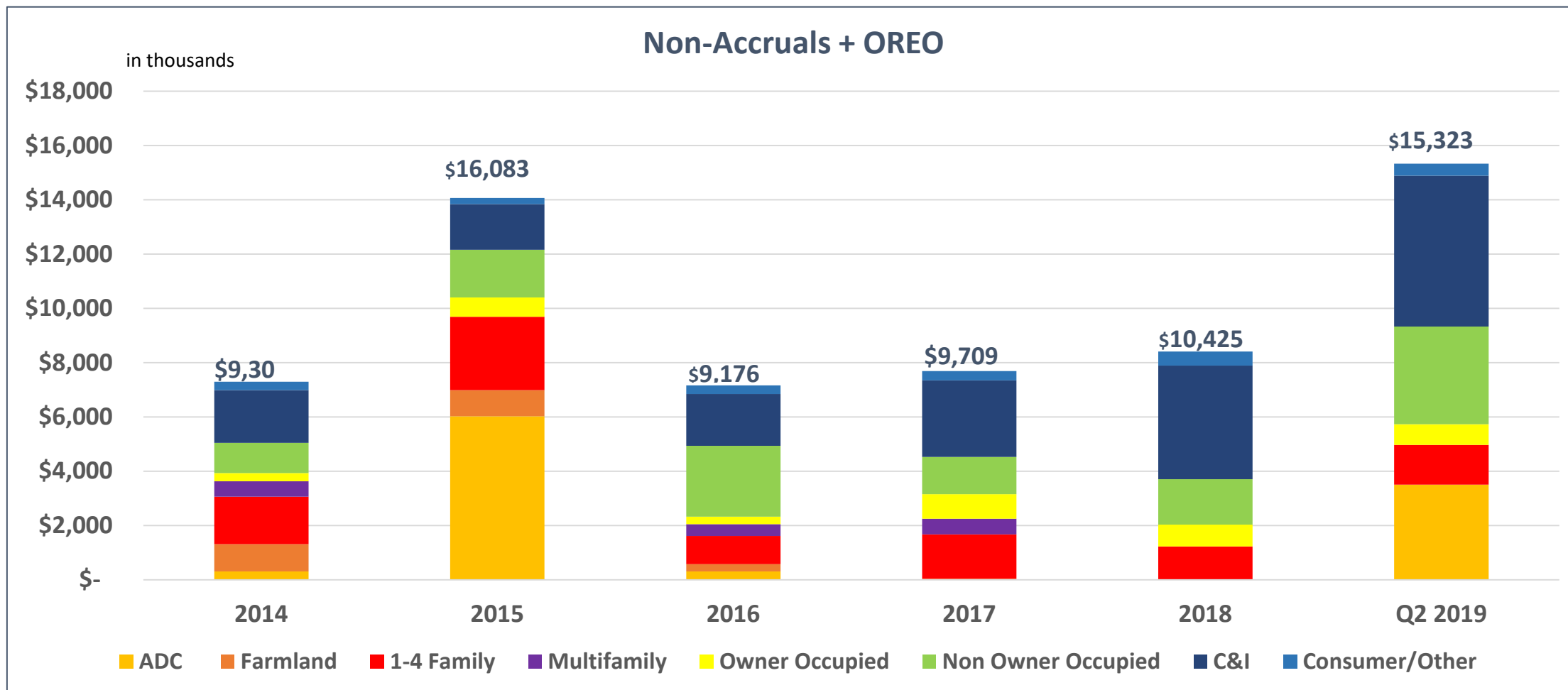


	Average Tenure	Average Deposit Balance
Real Estate Investment/Leasing	12	1,508,000
Skilled Nursing Care	4	2,854,000
Assisted Living/Nursing Home	7	632,000
Self-Storage	4	45,000
Waste Management	8	993,000
Agricultural Commodities	8	607,000
Residential Home Builders	7	2,671,000
Car Wash	2	-

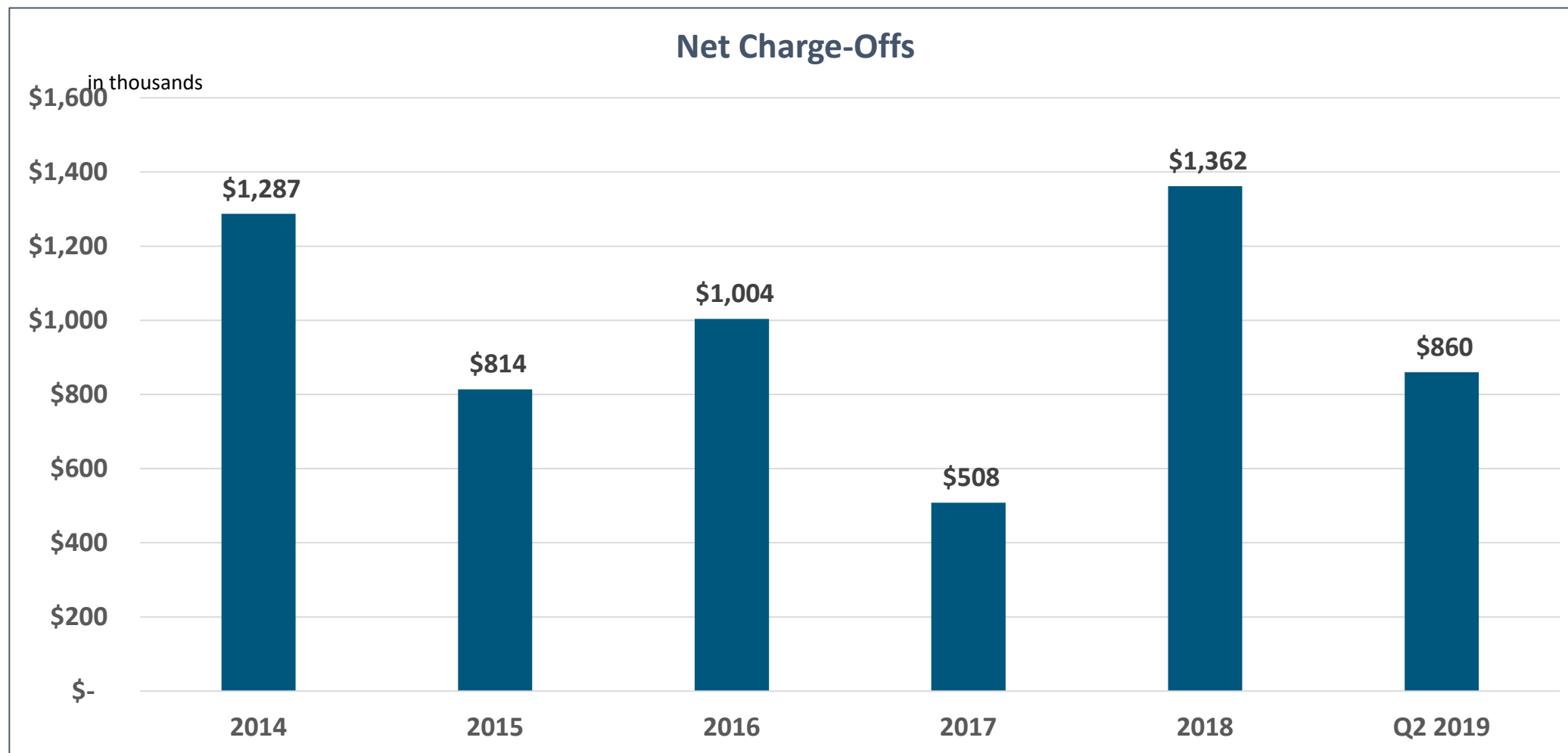
Top Ten Borrowers Represent:

- Approximately 11.99% of the total loan portfolio
- Well seasoned and have been customers for approximately 7.1 years
- Have approximately \$9.99MM on deposit, or 11.54% of their outstanding balance

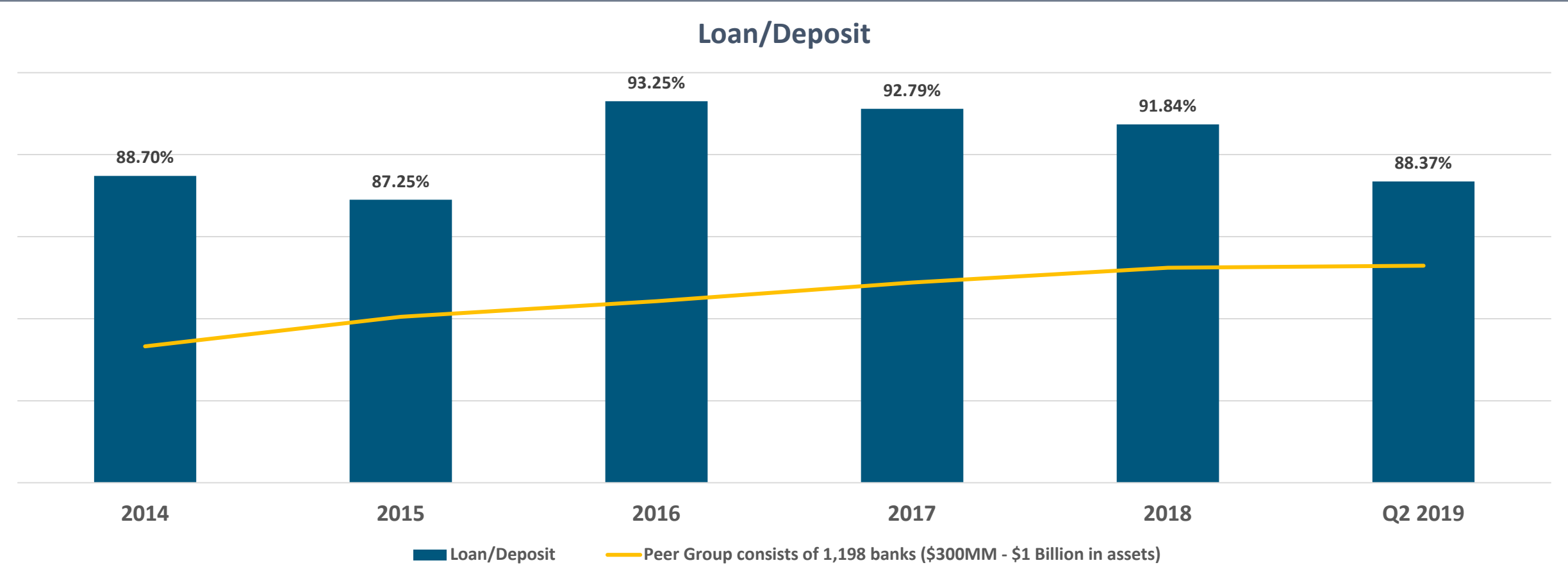
CREDIT FUNDAMENTALS



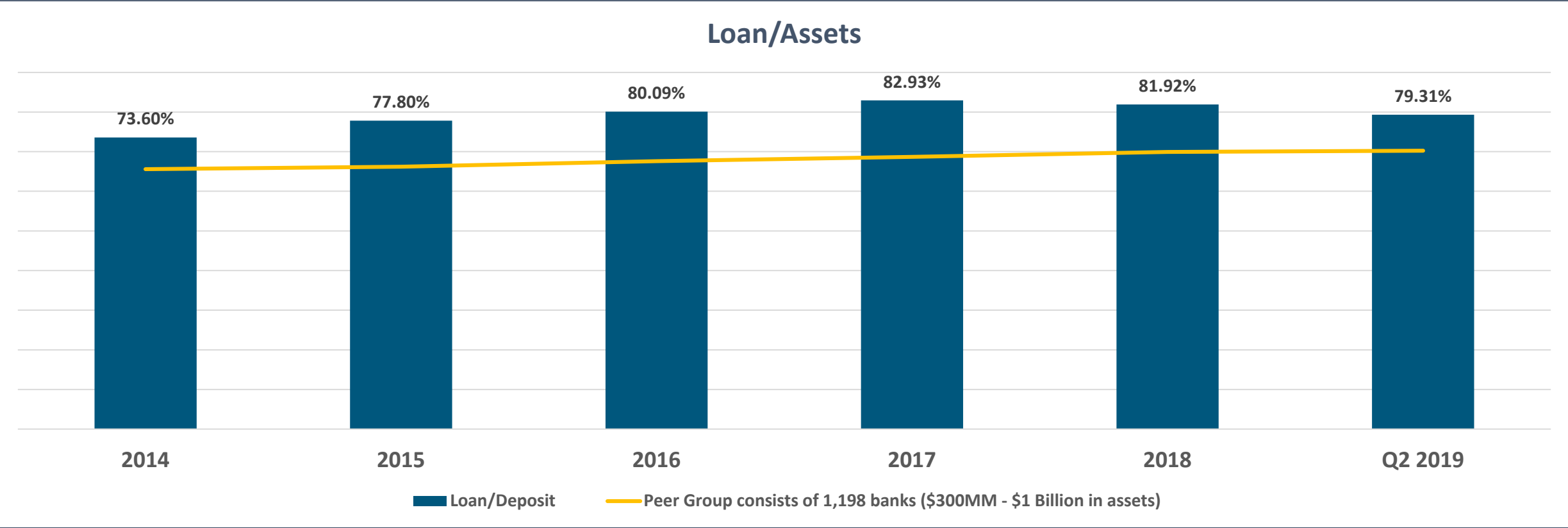
CREDIT FUNDAMENTALS



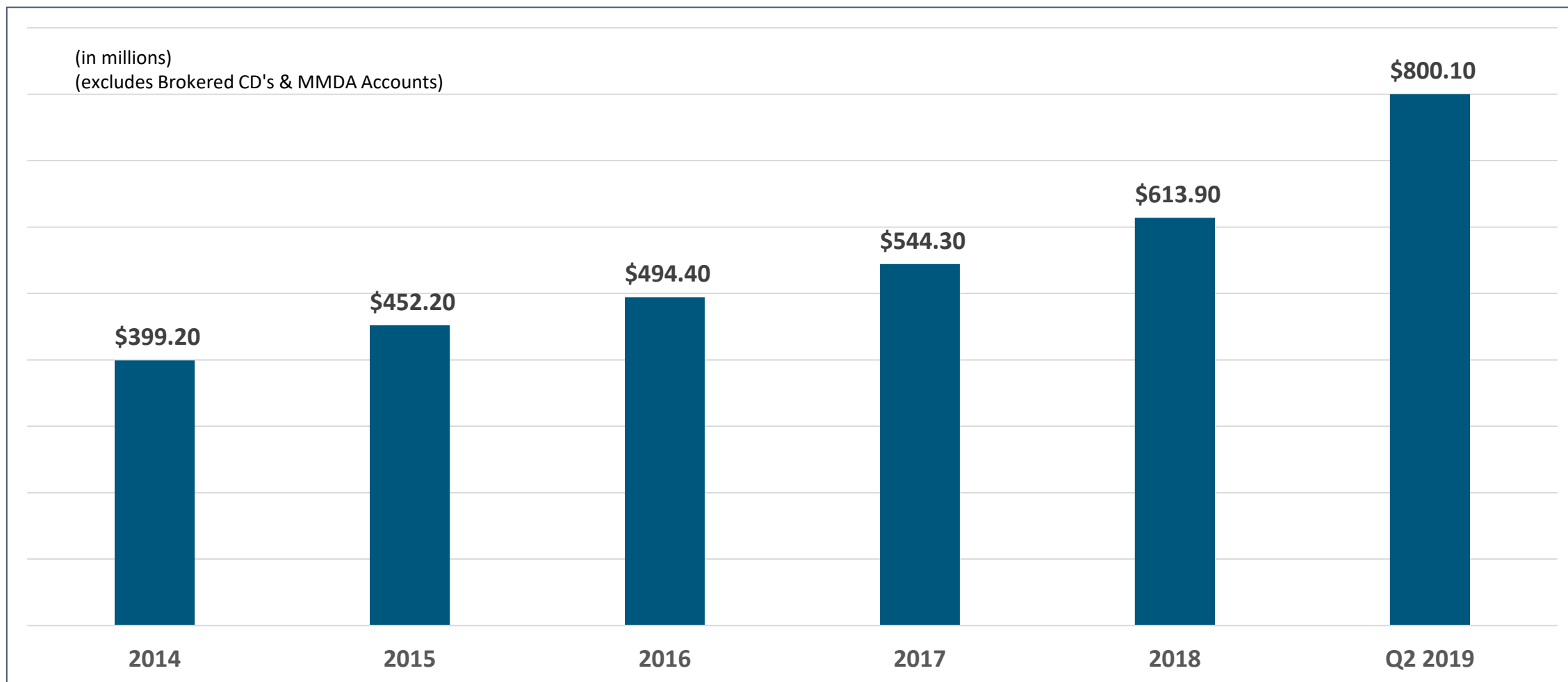
BALANCE SHEET MIX



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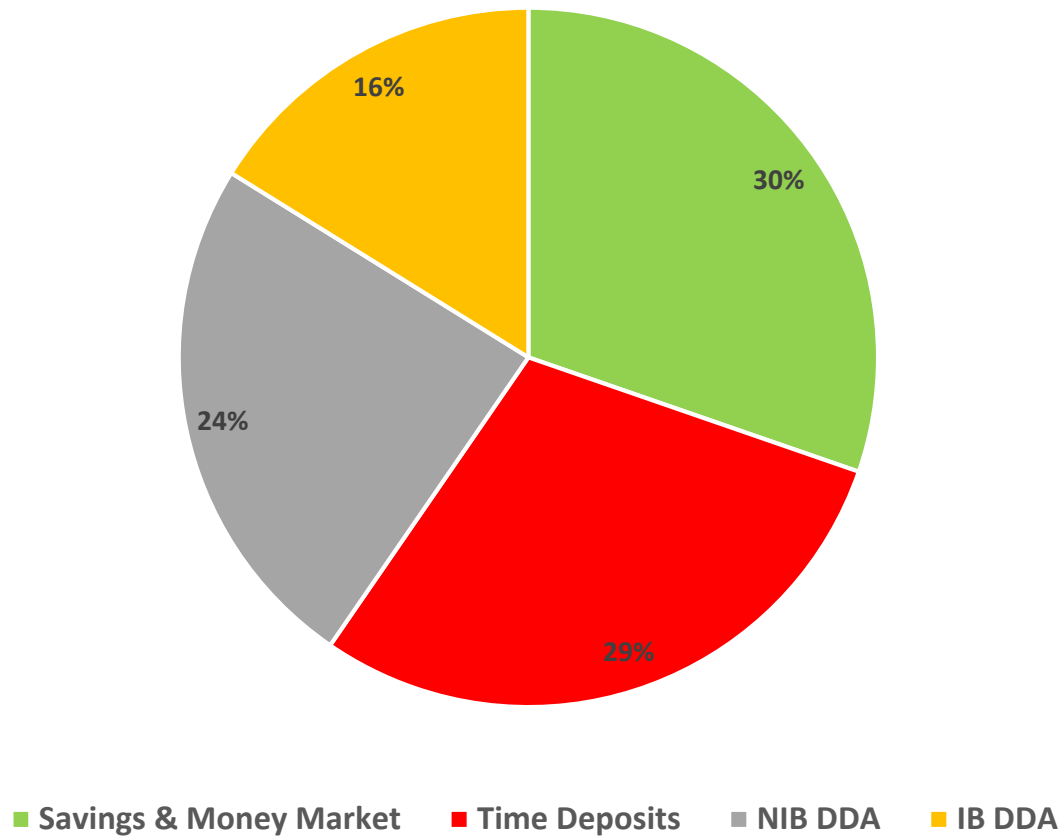


TOTAL CORE DEPOSIT GROWTH



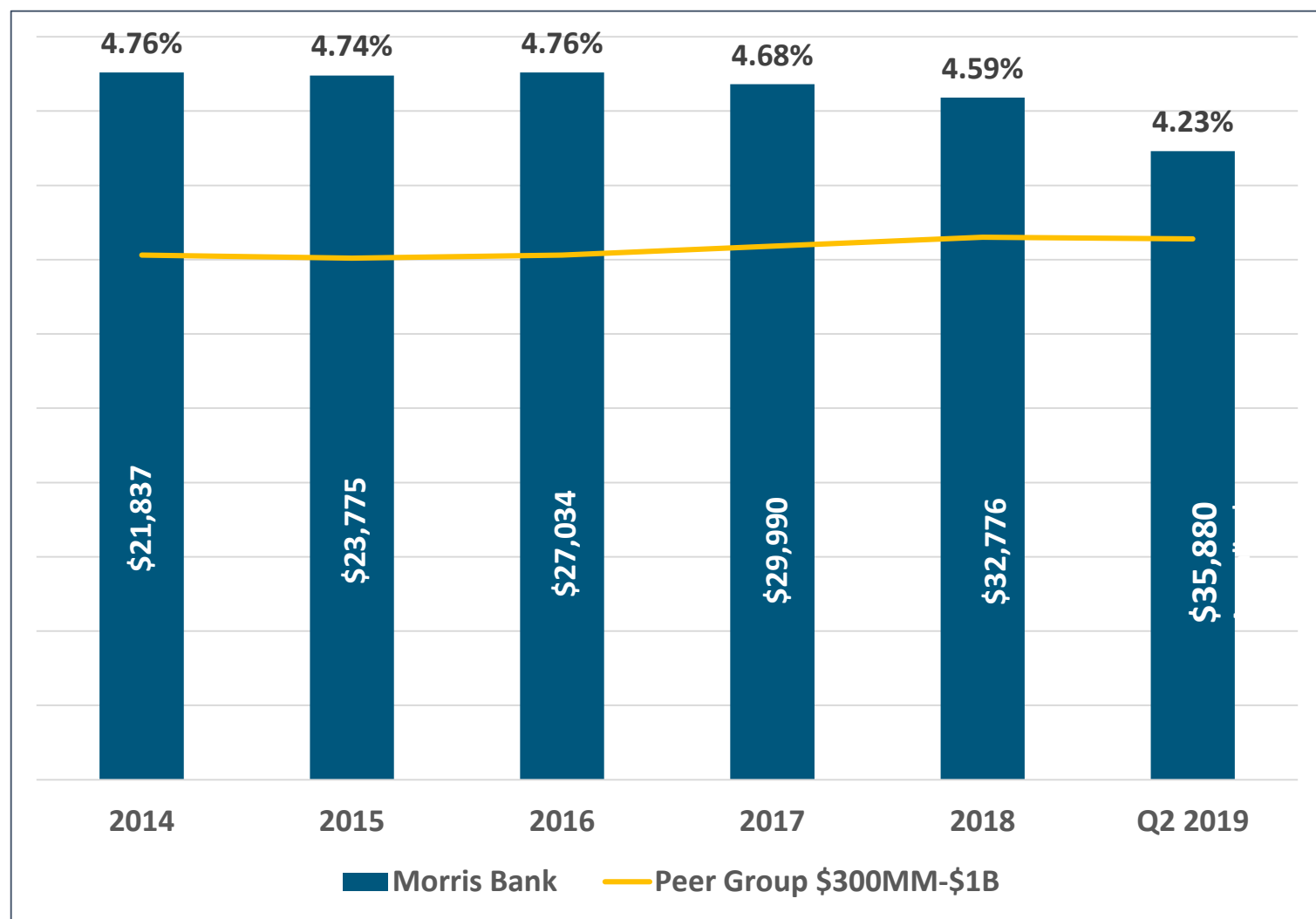
TOTAL CORE DEPOSIT GROWTH

Q2 2019 Deposit Composition



- 2014-2018 11.4% CAGR
- \$0 FHLB Advances and \$81MM available to borrow

NET INTEREST MARGIN

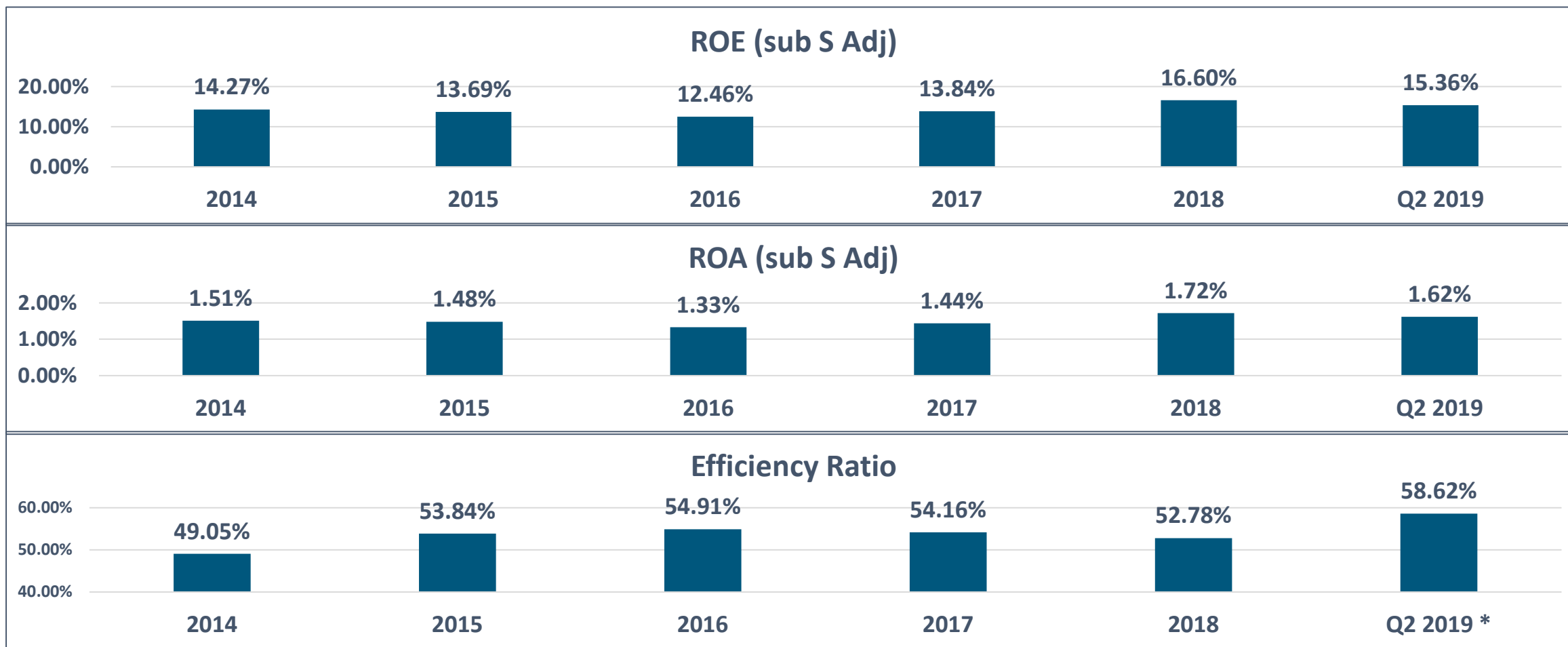


- +59 bps over peer group

- Disciplined in placing floors on variable loans

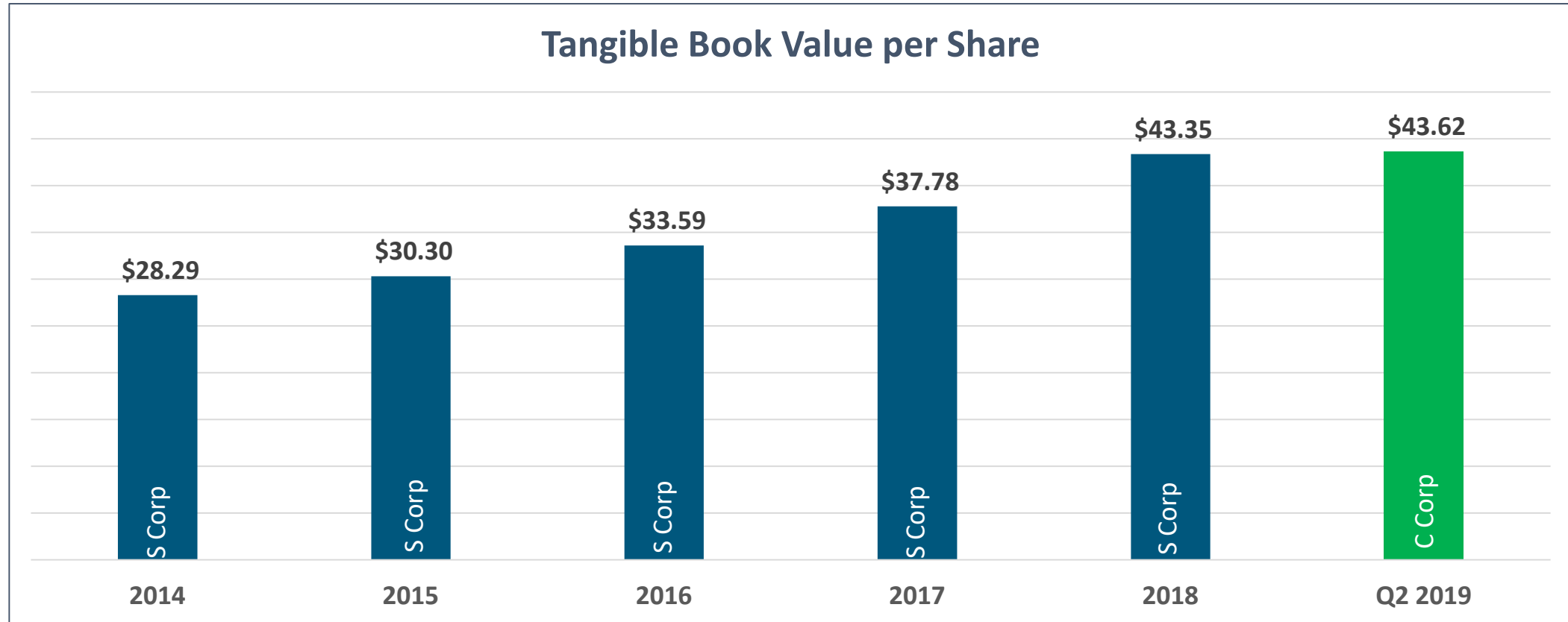
- Strong mix of consumer and commercial loans

OPERATING EFFICIENCIES



* Excludes M&A related charges

INCREASING SHAREHOLDER VALUE



54% Total Appreciation in Book Value Over Past 4.5 years

CAPITAL RATIOS

