MCB®

Mountain Commerce Bancorp

2018 Annual Report

Mission Statement

We will grow and prosper, building long-term relationships based on top-quality service, high ethical standards and core-funded, safe and sound assets.

Purpose Statement

Our brand purpose, Responsive, Relationship Banking is how we compete, how we prosper, and how we differentiate ourselves.

Core Values

Integrity

Excellence

Leadership

Communication

Reality

Accountability

Teamwork

Consideration

Recent Awards

MCB Bancorp Financial / Earnings Overview

Financial Overview ($000s, Except Percentages and Per Share Data)

	2014	2015	2016	2017	2018
Total Assets	$ 412,241	$ 495,690	$ 619,141	$ 746,860	$ 849,145
Gross Loans Held For Investment	333,100	415,782	515,433	626,102	708,301
Allowance For Loan Losses	4,514	5,186	5,281	6,153	6,641
Net Loans	328,587	410,596	510,151	619,949	701,660
Deposits	350,140	431,623	534,327	640,132	715,134
Borrowings	29,146	27,785	22,439	37,982	53,984
Equity	31,284	34,226	58,191	66,152	76,454
Equity to Assets	7.6%	6.9%	9.4%	8.9%	9.0%
Book Value Per Share	$ 7.91	$ 8.74	$ 10.11	$ 11.04	$ 12.45
Tangible Book Value Per Share	7.87	8.72	10.11	11.04	12.45
Performance Measures					
Pretax ROAA	0.96%	1.08%	1.22%	1.50%	1.69%
Pretax ROAE	11.51%	14.94%	14.76%	16.51%	18.95%
ROAA	0.61%	0.68%	0.76%	0.80%	1.28%
ROAE	7.32%	9.38%	9.16%	8.80%	14.28%
Nonperforming Assets (NPAs)	$ 9,353	$ 12,389	$ 10,041	$ 9,040	$ 7,629
NPAs / Assets	2.27%	2.50%	1.62%	1.21%	0.90%
Allowance for Loan Losses / NPAs	48%	42%	53%	68%	87%
Efficiency Ratio	64.5%	64.3%	58.8%	52.5%	48.4%

Earnings Overview ($000s, Except Per Share Data)

	2014	2015	2016	2017	2018
Interest Income	$ 15,627	$ 19,117	$ 23,140	$ 28,467	$ 35,583
Interest Expense	2,446	3,498	4,614	5,756	9,251
Net Interest Income	13,181	15,618	18,526	22,711	26,332
Loan Loss Provision	1,163	775	158	1,006	573
Net Interest Income After Provision	12,018	14,843	18,369	21,705	25,759
Noninterest Income	1,606	1,567	2,033	1,782	1,945
Noninterest Expense	10,083	11,518	13,580	13,223	14,189
Pretax Earnings	3,541	4,893	6,822	10,264	13,515
Income Taxes	1,289	1,822	2,588	4,791	3,332
Net Income	$ 2,252	$ 3,071	$ 4,233	$ 5,473	$ 10,183
Basic Earnings Per Share	$ 0.54	$ 0.79	$ 1.03	$ 0.92	$ 1.67
Basic Pretax Earnings Per Share	0.86	1.26	1.66	1.73	2.21

The President's Address

Dear Shareholders, Clients & Friends of MCB:

I am delighted to report that 2018 was another excellent year for your Bank. During that twelve-month span, we continued to execute on our strategic plan, while achieving robust managed growth, maintaining high asset quality and realizing a strong increase in earnings.

I am particularly pleased by some of our profitability metrics, most notably our return on average equity (ROAE) and our efficiency ratio. Both of these are among the best in the Bank's peer group. Achieving such figures, particularly during a year when we experienced impressive growth, is a testament to our team and the markets we serve.

It's also worth noting that our strength and performance were recognized by several outside organizations.

Here are a few more of our more remarkable accomplishments during 2018:

- Grew earnings to a record of more than $10 million—an increase of 86 percent
- Expanded balance sheet growth—with assets, loans and deposits increasing by double digits
- Adhered to sound underwriting principles, resulting in continuing improvement in asset quality
- Elevated the Bank's presence and brand, boosting market share to seventh largest in Knoxville from eighth largest the prior year
- Achieved high profitability metrics, with ROAE reaching 14.3 percent and efficiency ratio improving to 48.4 percent
- Grew shareholder value, with a 13 percent increase in tangible book value per share
- Received a superior five-star rating from BauerFinancial, Inc., indicating the Bank excelled in areas of capital adequacy, profitability and asset quality
- The Company was included in the 2019 OTCQX® Best 50, an annual ranking of top-performing US and international companies traded on the OTCQX Best Market in 2018

As we progress further into 2019, I am especially grateful to all of our Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank team members who made 2018 such an outstanding success. I applaud their efforts, and I extend my appreciation to our Board of Directors for their ongoing guidance and wisdom.

We have challenged ourselves to stay focused in 2019, and we expect yet another year of high performance.

Sincerely,

William E. Edwards III
President and Chief Executive Officer

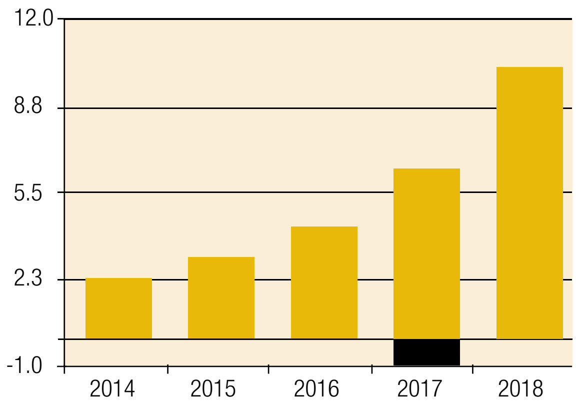
To Our Shareholders:

The positive momentum that has existed for several years at your Bank continued into 2018. Earnings reached a record level, benefitting from strong underlying trends in net interest and noninterest income, as well as a very efficient operating model. Our market presence continued to grow, with notable progress in our Knoxville market. Our capital position remained strong and our asset quality continued to improve, reflecting prudent banking practices and strict underwriting standards. These accomplishments and our overall performance did not go unnoticed. During the year, Mountain Commerce Bank was awarded a five-star rating from BauerFinancial, Inc.—the nation's leading independent bank and credit union rating and research firm—based on measurements of asset quality, profitability and capital adequacy. Additionally, based on the performance of the Company's stock, Mountain Commerce Bancorp, Inc. received the distinction of being named to the 2019 OTCQX® Best 50, an annual ranking of top-performing US and international companies that are traded on the OTCQX Best Market.

Earnings Reached an All Time High

In terms of our financial results, net income in 2018 increased to $10.183 million, or $1.67 per basic share versus $5.473 million, or $0.92 per basic share in 2017. Included in 2017 earnings was a nonrecurring deferred tax asset charge associated with the Tax Cuts and Jobs Act of 2017, which led to a non-cash reduction in earnings of $916,000. Excluding the deferred tax asset charge, net income in 2017 would have been $6.38 million, or $1.07 per basic share, effectively a 56 percent increase in earnings per share. This increase represents the continuation of higher earnings that began several years ago, as can be seen in the adjacent chart. In fact, 2018 earnings were more than four times the earnings level in 2014.

Net Income Excluding Deferred Tax Effects (in Black) ($MMs)

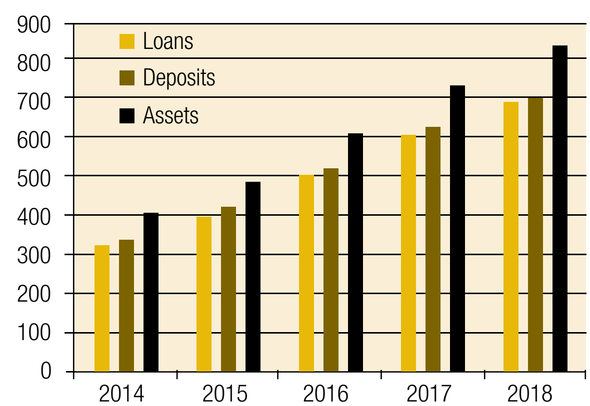


Relative to 2017's earnings, the strength in 2018's earnings came from a combination of solid increases in net interest income and noninterest income, combined with a lower provision for loan losses and continued leveraging of our efficient branch-like operating model. Additionally, the Tax Cuts and Jobs Act of 2017 contributed approximately $1.8 million to income in 2018 as the federal corporate tax rate was reduced from 35 percent to 21 percent. Net interest income was up 16 percent and mainly benefitted from growth in average earning assets, while noninterest income (excluding security gains) increased 15 percent, thanks in part to strong service charge income (up 24 percent). Operational expenses were contained, increasing 7 percent to $14.189 million in 2018 from $13.223 million in 2017. Our progress in containing costs was also evident in our efficiency ratio, which—at 48.4 percent in 2018—was exemplary. Finally, earnings also benefitted from a decrease in the provision for loan losses, reflecting the Bank's strong credit metrics and low level of charge-offs which lowers its loan loss exposure. Specifically, the provision for loan losses was $573,000 in 2018 versus $1.006 million in 2017.

Assets Increased 14 Percent; Loans Were Up 13 Percent and Deposits Grew 12 Percent

Generally speaking, it is the growth in earning assets (as opposed to margins) that drives a bank's long-term earnings. For that reason, it is especially important to maintain long-term organic growth in the balance sheet in order to increase profitability and, therefore, shareholder value. As the adjacent chart shows, our rate of growth has been consistent. At the end of 2018, total assets were nearly $850 million, up 14 percent from yearend 2017 and more than double their level a mere five years before. That rate of asset growth was mirrored in other key areas, such as loans and deposits. For example, in 2018 deposits grew 12 percent to $715 million, while net loans increased 13 percent to $702 million. This consistent growth principally reflects new customer relationships (as opposed to higher average balances) and it accounts for much of the "fuel" in the Bank's higher revenues.

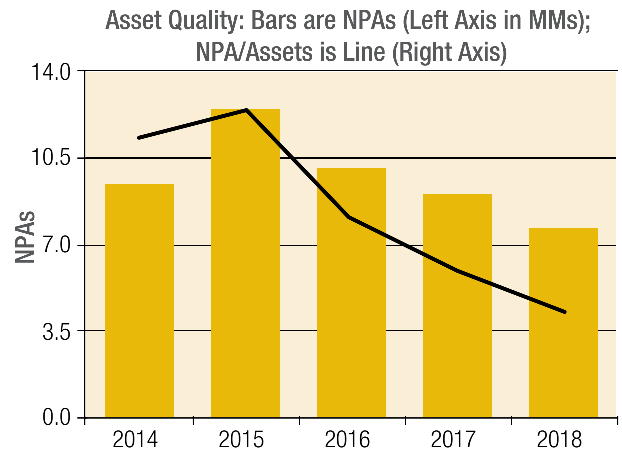
Consistent Balance Sheet Growth ($MMs)



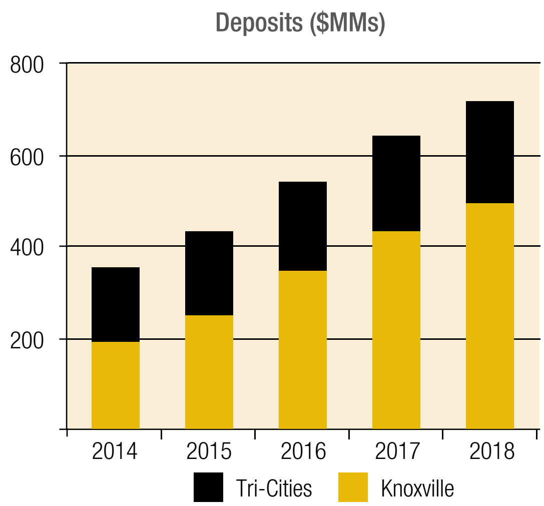
Strong Asset Quality

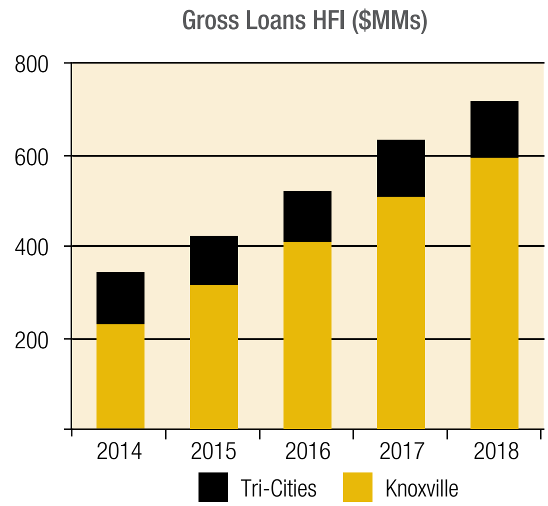
As we have stated in previous reports, asset quality is one of the most important aspects of a bank's performance. It affects the amount of interest earned on earning assets, as well as charge-off activity, reserve adequacy and the provision for loan losses. Despite the impressive growth that the Bank has achieved, we continue to have a disciplined loan underwriting process. The benefit to this approach speaks for itself as total nonperforming assets (which consists of non-accruing loans and other real estate owned) dropped for the third consecutive year and were only 0.9 percent of assets at yearend 2018, down from 1.21 percent of assets at yearend 2017.

Our reserve position remained strong as well. Although our allowance for loan losses has dropped as a percentage of loans, it has increased significantly as a percentage of nonperforming assets.



Knoxville Continues to Drive Much of Our Growth





The two main markets that we serve—Knoxville and the Tri-Cities area—are quite different yet complement one another. Our thoughtful, planned approach to these differences has allowed us to develop loan and deposit strategies based on the needs and characteristics of each community. Our decision several years ago to aggressively target the Knoxville market, and relocate our headquarters there, has been one of the most important ones that we have made. Knoxville, with its vibrant and diverse economy, remains the source of most of our loan and deposit growth, which can be seen in the chart to the right. And while it may appear that there is little lending activity taking place in our Tri-Cities markets, we are actively working to initiate loans in that area and have been able to successfully generate sufficient origination activity to offset loan pay-down activities. Additionally, the Tri-Cities market remains a strong deposit base for the Bank (as is Knoxville obviously), but interestingly, our margins tend to be better in the Knoxville market. While we continue to focus much of our efforts on the Knoxville market, we won't neglect our legacy markets. As they say, "Never forget who brought you to the dance."

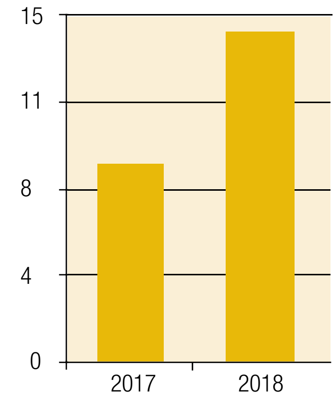
Building Shareholder Value

Ultimately, our job as the leaders of Mountain Commerce Bancorp, Inc. is to grow the value of your investment. Over the years, we have attempted to do that through a combination of strategies: Buying back the stock opportunistically; Listing the stock on the OTCQX market; Actively communicating with analysts and investors who have a growing interest in the Company; And, of course, adhering to sound banking practices and executing on our growth plans. The results have been impressive. Trading activity has picked up as well. In fact, the Company's inclusion in the previously mentioned 2019 OTCQX® Best 50 was based on an equal weighting of one-year total return and the average daily dollar volume growth in the prior calendar year.

Our High ROAE Should Support Ongoing Growth

Another of our achievements in the past year was the progress in increasing return on average equity (ROAE). While bank valuations tend to be based on earnings, another key driver of valuation is tangible book value. Many banks are, in fact, compared on the basis of their multiples to tangible book value. As of this writing, our stock was trading at $19.00 per share, or roughly 11.4 times trailing 12-month earnings, and 1.53 times tangible book value. While we are not necessarily expressing an opinion about the value of the stock at today's price, there are two points worth making. First, the quality of our earnings are high, meaning they are not heavily comprised of nonrecurring income or origination-dependent sources like mortgage fees. Second, our multiple of book value should be viewed in the context of our ROAE. The fact is, a sustainably high ROAE—with all other factors being the same—should support a stock trading at a higher multiple of book value. Our ROAE in 2018 was 14.3 percent, well above 8.8 percent in 2017 and also much higher than the ROAE for most banks in our peer group. Maintaining a high ROAE permits equity to grow at a faster rate, allowing us to augment capital. As evidence, our equity-to-assets ratio at yearend 2018 was 9 percent, up from 8.9 percent at yearend 2017. Our tangible book value at yearend 2018 was $12.45 versus a tangible book value of $11.04 at yearend 2017—an increase of $1.41 or 13 percent. Here is another way to look at it: If our net tangible book value grew at 13 percent, and the market currently gives us a multiple of 1.50 times tangible book, an increase in capital of 13 percent valued at 1.50 times would potentially translate into an increase in stock price of 19.5%. This is for illustration purposes only.

Return on Average Equity (%)



Loan Growth / Outlook

Exceptional loan growth of 13 percent occurred in 2018, which continues a strong trend established over the previous five years when annual loan growth ranged between 22 and 25 percent.

Loans secured with real estate, which is 87.4 percent of the total loan portfolio, achieved a net increase of 12.6 percent, compared to 21 percent and 27.5 percent in 2017 and 2016, respectively. All subcategories, with the exception of farmland, saw strong growth in 2018. The construction development category attained the largest percentage of growth as several commercial construction projects neared completion. These will be converted to permanent mortgages, transitioning to other real estate-secured subcategories. Residential mortgages (17.6 percent increase) and owner-occupied commercial real estate (10 percent increase) were other real estate-secured areas that experienced significant growth in 2018.

Non-real estate loans continued their steady climb in 2018, with total growth of approximately $14 million or 22 percent which followed a 24 percent increase in 2017.

Knoxville continued its strong loan growth, with a 16 percent increase following gains ranging from 25 to 37 percent over the last four years. Loan balances in the Johnson City/Unicoi County area realized slower growth, with a 2.5 percent increase in 2018 following growth rates ranging from 7 to 10 percent over the previous four years. The loan demand in the Knoxville area is a direct result of a strong, diverse economy that continues to experience significant growth. Excellent economic conditions, combined with a team of seasoned relationship managers, has enabled the Bank to take advantage of loan opportunities across the region.

Continued on page 007

Loans / Credit Quality

Loans, net of deferred loan costs, consist of the following as of December 31:

	2018	2017
Secured by real estate:		
Construction/development/land	$ 41,568,723	$ 28,873,188
Farmland	9,102,379	9,959,984
Residential	204,123,737	173,572,337
Junior mortgage	3,256,480	1,699,721
Multifamily	37,428,102	31,117,813
Commercial-owner occupied	105,705,183	96,258,914
Commerical-nonowner occupied	216,274,163	206,971,778
Total real estate loans	**617,458,767**	**548,453,735**
Non-real estate loans:		
Commercial-other	76,734,112	62,831,250
Consumer loans	14,107,828	14,817,183
Total non-real estate loans	90,841,940	77,648,433
Total loans	**$ 708,300,707**	**$ 626,102,168**

Loan Growth / Outlook Continued

The Johnson City/Unicoi County area continues to see steady yet slower growth, but loan growth along with new opportunities still increased year over year. Competition for loans continues to be extremely high throughout east Tennessee, yet our team has excelled by providing the products, services and personal attention our clients desire.

Credit quality was excellent in 2018 and continues the trend established several years ago. Total classified loans accounted for .06 percent of total loans compared to .25 percent and .24 percent of total loans at the end of 2017 and 2016, respectively. Non-performing assets decreased 15.6 percent to $7.6 million as of December 31, 2018, compared to $9 million as of December 31, 2017. This continued a positive trend of declining non-performing assets, which were $10 million at yearend 2016 and $12.4 million at yearend 2015. Total net charge-offs in 2018 were $85,000, compared to $134,000 and $63,000 in 2017 and 2016, respectively. The provision for loan losses was $573,000 in 2018 versus $1.006 million in 2017. The decrease in loan loss provision was a direct result of strong credit metrics and net charge-offs of .01 percent of total loans. Credit quality continues to be very good, which has been the case over the last several years. Loans past due 30 days or more and still accruing interest were .02 percent, compared to .13 percent as of December 31, 2017. Loans past due 30 days or more and still accruing interest combined with non-accrual loans were .08 percent, compared .25 percent as of yearend 2017. The ratio of allowance for loan losses to total loans was .94 percent, compared to .98 percent as of December 31, 2017. The decrease in the allowance as a percent of total loans is largely due to the continuation of excellent credit quality, extremely low charge-off levels and an overall high-performing loan portfolio.

Provision for Loan Losses and Credit Quality

The following tables detail the Company's allowance for loan loss activity for the years ended December 31, 2018 and 2017.

		2018	
	Secured by Real Estate	Non-Real Estate	Total
Allowance for credit losses:			
Beginning balance	$ 5,498,709	$ 654,335	$ 6,153,044
Provision for loan losses	447,532	125,468	573,000
Loans charged off	(17,530)	(92,500)	(110,030)
Recoveries credited to allowance	935	23,556	24,491
Net (charge-offs) recoveries	(16,595)	(68,944)	(85,539)
Ending balance	**$ 5,929,646**	**$ 710,859**	**$ 6,640,505**

		2017	
	Secured by Real Estate	Non-Real Estate	Total
Allowance for credit losses:			
Beginning balance	$ 4,764,537	$ 516,522	$ 5,281,059
Provision for (recovery of) loan losses	750,190	255,934	1,006,124
Loans charged off	(19,449)	(139,959)	(159,408)
Recoveries credited to allowance	3,431	21,838	25,269
Net (charge-offs) recoveries	(16,018)	(118,121)	(134,138)
Ending balance	**$ 5,498,709**	**$ 654,335**	**$ 6,153,044**

The Company identifies loans for potential impairment through a variety of means including, but not limited to, ongoing loan review, renewal processes, delinquency data, market communications and public information. If it is determined that it is probable that the Company will not collect all principal and interest amounts contractually due, the loan is generally deemed to be impaired.

2018: An Excellent Year

To summarize, 2018 was another outstanding year for your Bank. We prospered. We grew and we invested—not only in terms of our systems and facilities, but also our people. While the national economy continues to expand, there are some signs that a slowdown may be forthcoming. The key to continued success, then, for us—as caretakers of your investment—is to operate the Bank to flourish regardless of the economic environment. We do that by serving customers' needs and providing Responsive, Relationship Banking. We do it by adhering to sound lending practices and hiring the right people. And we do it by keeping a vigilant eye on ways to do things better, more efficiently and with greater customer service. We remain confident that this approach will build value over the long haul.

Consolidated Balance Sheets

December 31, 2018 and 2017

	December 31, 2018	December 31, 2017
Assets		
Cash and due from banks	$ 14,476,601	$ 4,671,548
Interest-earning deposits	4,953,073	14,154,741
Cash and cash equivalents	**19,429,674**	**18,826,289**
Certificates of deposit	6,216,000	-
Securities available for sale	87,855,044	74,448,002
Loans held for sale	110,279	270,393
Loans receivable	708,300,707	626,102,168
Allowance for loan losses	(6,640,505)	(6,153,044)
Net loans	**701,660,202**	**619,949,124**
Premises and equipment, net	11,707,819	12,029,223
Accrued interest receivable	2,401,163	2,119,284
Real estate owned	7,181,927	7,480,339
Bank owned life insurance	7,309,593	7,154,341
Restricted stock	1,536,200	1,303,000
Other assets	3,737,494	3,279,952
Total assets	**$ 849,145,395**	**$ 746,859,947**
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 97,365,744	$ 80,066,789
Interest-bearing	617,768,537	560,065,109
Total deposits	**715,134,281**	**640,131,898**
Federal Home Loan Bank advances, net	32,000,000	28,000,000
Federal funds purchased	6,000,000	-
Senior debt, net	15,984,466	9,981,723
Accrued interest payable	404,461	94,870
Other liabilities	3,168,256	2,499,276
Total liabilities	**772,691,464**	**680,707,767**
Stockholders' equity:		
Common stock; $0.01 par, 10,000,000 shares authorized; 6,142,997 and 5,994,287 issued and outstanding at December 31, 2018 and 2017	61,430	59,764
Additional paid-in capital	64,034,996	63,046,362
Retained earnings	13,537,876	3,437,713
Accumulated other comprehensive loss	(1,180,371)	(391,659)
Total stockholders' equity	76,453,931	66,152,180
Total liabilities and stockholders' equity	**$ 849,145,395**	**$ 746,859,947**

Consolidated Statements of Income

For the Years Ended December 31, 2018 and 2017

	2018	2017
Interest income:		
Loans	$ 33,240,550	$ 26,789,509
Investment securities	2,201,077	1,578,477
Interest-earning deposits	141,191	99,019
Total interest income	35,582,818	28,467,005
Interest expense:		
Interest on deposits:		
Savings	3,724,911	3,235,886
Interest bearing transaction accounts	452,577	258,747
Time certificates of deposit of $250,000 or more	1,977,228	854,740
Other time deposits	2,172,235	677,986
Other borrowings	924,019	728,246
Total interest expense	9,250,970	5,755,605
Net interest income	26,331,848	22,711,400
Provision for loan losses	573,000	1,006,124
Net interest income after provision for loan losses	25,758,848	21,705,276
Noninterest income:		
Service charges and other fees on deposit accounts	1,585,210	1,277,168
Gain (loss) on sale of investment securities	(39,054)	86,141
Gain on sale of loans	94,572	225,799
Other noninterest income	304,341	193,228
Total noninterest income	1,945,069	1,782,336
Noninterest expenses:		
Compensation and employee benefits	8,006,062	6,934,612
Occupancy expenses	1,284,698	1,308,453
Furniture and equipment costs	348,475	315,324
Data processing fees	1,235,241	1,139,319
FDIC Insurance	393,919	465,995
Office expense	445,300	422,168
Advertising	241,905	216,739
Professional fees	681,450	737,549
Real estate owned	470,069	505,301
Loss on extinguishment of debt	-	164,554
Other noninterest expenses	1,081,879	1,013,471
Total noninterest expenses	14,188,998	13,223,485
Income before income taxes	13,514,919	10,264,127
Income tax expense	3,331,574	4,791,123
Net income	**$ 10,183,345**	**$ 5,473,004**

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2018 and 2017

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2016	**$ 57,352**	**$ 60,224,408**	**$ (1,955,864)**	**$ (134,426)**	**$ 58,191,470**
Net income	-	-	5,473,004	-	5,473,004
Other comprehensive loss	-	-	-	(257,233)	(257,233)
Dividend on preferred stock	-	-	(74,225)	-	(74,225)
Amortization of stock issuance cost	-	-	(5,202)	-	(5,202)
Conversion of preferred to common stock and issuance of common stock	2,292	2,620,867	-	-	2,623,159
Share-based compensation	120	201,087	-	-	201,207
Balance, December 31, 2017	**$ 59,764**	**$ 63,046,362**	**$ 3,437,713**	**$ (391,659)**	**$ 66,152,180**
Net income	-	-	10,183,345	-	10,183,345
Other comprehensive loss	-	-	-	(841,967)	(841,967)
Cumulative effect of adoption of mark to market for equity securities	-	-	(130,400)	130,400	-
Correction of lodged tax effect on available for sale securities	-	-	77,145	(77,145)	-
Other	-	-	(29,927)	-	(29,927)
Proceeds from exercise of stock options	1,357	767,824	-	-	769,181
Share-based compensation	309	220,810	-	-	221,119
Balance, December 31, 2018	**$ 61,430**	**$ 64,034,996**	**$ 13,537,876**	**$ (1,180,371)**	**$ 76,453,931**

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2018 and 2017

	2018	**2017**
Comprehensive Income:		
Net income	$ 10,183,345	$ 5,473,004
Other comprehensive loss:		
Unrealized holdings gains (losses) on securities available for sale:		
Unrealized losses arising during the period	(1,172,015)	(330,755)
Deferred income tax benefit	301,201	126,929
Reclassification adjustment for realized (gains) losses on sale of securities available for sale	39,054	(86,141)
Deferred income tax (benefit) expense	(10,207)	32,734
Total other comprehensive loss	(841,967)	(257,233)
Total comprehensive income	**$ 9,341,378**	**$ 5,215,771**

The 2018 audited Consolidated Financial Statements and accompanying notes to Consolidated Financial Statements are available upon request to:

Marie Patterson
Senior Vice President & Chief Financial Officer
Mountain Commerce Bancorp, Inc.
Email: marie.patterson@mcb.com

Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank - Board of Directors

William E. "Bill" Edwards, III
President / Chief Executive Officer / Vice-Chairman
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Wade H. Farmer, CPA
Partner, Blackburn Childers and Steagall, PLC
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Dwight B. Ferguson, Jr., CPA
Chairman of the Board
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank
Retired since 2009; prior thereto President & CEO of Nuclear Fuel Services, Inc.

Michael L. Hatcher, CPA
Vice-Chairman
Commercial Developer; Owner of Hatcher Properties
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Kevin W. Horne
EVP / Chief Credit Officer / Chief Operating Officer & Area President - Tri-Cities
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Wendell C. Kirk, CPA
Retired since 1990; prior thereto President & CEO of Heritage Federal Bank
Consultant - Kirk and Associates
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Tim A. Topham
EVP / Area President - Knoxville Region
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Samuel L. Widener
Owner of Winco Tile and Wincrest Angus Farm
Partner, Wincrest Properties, LP
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Frank Wood
Owner & Chief Executive Officer of Holston Companies; includes Holston Distributing Co., Inc., Warehouse Central, LLC, Truck Central, LLC, Records Storage and Management Central, LLC
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Douglas A. Yoakley, CPA
Co-founded Pershing Yoakley and Associates, a CPA firm in Knoxville; serves as wealth management consultant for PYA Waltman Capital
Director of Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Mountain Commerce Bank Officers

Senior Officers

William E. "Bill" Edwards, III
President / Chief Executive Officer / Vice-Chairman

Kevin W. Horne
EVP / Chief Credit Officer / Chief Operating Officer & Area President – Tri-Cities

Tim A. Topham
EVP / Area President – Knoxville Region

Tom Jensen
EVP / City Executive – Knoxville Region

Marie Patterson
SVP / Chief Financial Officer

Phillip Wampler
SVP / Chief Compliance Officer

Tracy Jones
SVP / Director of Operations / Electronic Banking Officer

Todd Jones
SVP / Director of Investments & Financial Planning

Vicki Weaver
SVP / Director of Human Resources

Donnie Blair
FVP / Dir. of Technology & Information Security / Information Security Officer

V.V. Elliott
FVP / Director of Loan Operations

Other Officers

Bobby Brown, SVP / Relationship Manager

Connie French, SVP / Relationship Manager

Michael Saporito, SVP / Relationship Manager

Debbie Watson, SVP / Relationship Manager

Terry Weltman, SVP / Controller

Stephanie Barnes, FVP / Relationship Manager

Regenia B. Ellis, FVP / Corporate Secretary / Executive Assistant

Kara Honeycutt, FVP / Senior Credit Analyst

Jerry Beal, VP / Relationship Manager

Rualette Bowen, VP / Branch Manager – Bristol Highway

Brice Chapman, VP / Relationship Manager

Kelli Cooper, VP / BSA / AML Officer

Rick Corvin, VP / Relationship Manager

Nellie Dunn, VP / Treasury Service Manager

Janet Green, VP / Branch Manager - Unicoi

Melissa Haines, VP / Security Officer / Senior Branch Operations Specialist

Kathy Hensley, VP / Branch Manager – Erwin North Main

Tony Johnson, VP / Portfolio Specialist

Tiffany Smith, VP / Portfolio Manager

Cindy Widener, VP / Registered Investment Assistant

Diane Wilkes, VP / Branch Relationship Manager – Cedar Bluff

Erik B. Wilson, VP / Relationship Manager

Daniel Cheng, AVP / Senior Credit Analyst

Stacy Connatser, AVP / Relationship Manager

Kristie Gross, AVP / Senior Loan Coordinator

Allie Mayo, AVP / Private Banking Specialist

Brittany McDonald, AVP / Branch Relationship Manager – Bearden

Brad Pollock, AVP / Special Assets Manager

Nancy Price, AVP / Senior Operations Specialist

Helene Rodzevicius, AVP / Treasury Management Analyst

Sean Short, Electronic Banking Officer

Mountain Commerce Bancorp, Inc. Officers

William E. "Bill" Edwards, III
President / Chief Executive Officer / Vice-Chairman

Regenia B. Ellis
FVP / Corporate Secretary

Kevin W. Horne
EVP / Chief Credit Officer / Chief Operating Officer

Marie Patterson
SVP / Chief Financial Officer

Branch Locations

Bearden (Main Office)
6101 Kingston Pike
Knoxville, TN 37919
Phone: (865) 694-5725

Cedar Bluff
320 N. Cedar Bluff Road, Suite 101
Knoxville, TN 37923
Phone: (865) 694-5704

Unicoi Branch
4200 Unicoi Drive
Unicoi, TN 37692
Phone: (423) 735-5380

Bristol Highway
3122 Bristol Highway
Johnson City, TN 37601
Phone: (423) 232-5129

Erwin N Main
400 North Main Avenue
Erwin, TN 37650
Phone: (423) 735-5331

Boone Ridge Operations Center
121 Boone Ridge Drive, Suite 1002
Johnson City, TN 37615
Phone: (423) 262-5820

Corporate Information

Corporate Office
6101 Kingston Pike
P.O. Box 52942
Knoxville, TN 37919

Independent Public Accounting Firm
Dixon Hughes Goodman LLP
500 Ridgefield Court
P.O. Box 3049
Asheville, NC 28802

Legal Counsel
Bass Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201

Shareholder Inquiries
Mountain Commerce Bancorp, Inc.
Stock Investor Relations
Attn: Regenia Ellis, VP / Corporate Secretary
121 Boone Ridge Drive, Suite 1002
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Phone: (423) 262-5820

Email: ir@mcb.com

www.mcb.com

1-866-622-1910 (866-MCB-1910)

Stock Symbol
MCBI

As a Mountain Commerce Bancorp shareholder, we encourage you to access your account(s) online at www.astfinancial.com. Here you can easily initiate a number of transactions and inquiries as well as access important details about your portfolio and general stock transfer information.

- Update your mailing address
- Access statement information
- Print a duplicate 1099 tax form
- Consolidate accounts
- Download stock transfer forms

You may also access this information via the Interactive Voice Response (IVR) system by calling (800) 937-5449. Outside of the US, dial 718-921-8386 I 866-703-9077.

By mail, contact our Transfer Agent at the address below:
Transfer Agent and Registrar
Mountain Commerce Bancorp, Inc.
c/o American Stock Transfer (AST)
6201 15th Avenue
Brooklyn, NY 11219

www.astfinancial.com

For current financial disclosure and Real-Time Level 2 quotes for Mountain Commerce Bancorp, Inc. "MCBI" visit www.otcmarkets.com