

Capitol Federal Financial, Inc. (NASDAQ: CFFN; Topeka, KS) has agreed to acquire Capital City Bancshares, Inc. (Private; Topeka, KS)

Deal Value: \$37.5 Million

Sandler O'Neill acted as financial advisor to Capitol Federal Financial, Inc. in this transaction. This transaction represents Sandler O'Neill's 166th bank or thrift transaction nationwide since January 1, 2015, representing \$49.3 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Topeka, KS – Capitol Federal® Financial, Inc. (NASDAQ: CFFN) ("Capitol Federal" or the "Company"), the parent company of Capitol Federal® Savings Bank ("Capitol Federal Savings"), and Capital City Bancshares, Inc. ("CCB"), the parent company of Capital City Bank, a state chartered bank headquartered in Topeka, KS, announced today the signing of a definitive agreement and plan of merger pursuant to which CCB will merge with and into Capitol Federal. Immediately upon closing the merger, Capital City Bank will merge with and into Capitol Federal Savings. As of March 31, 2018 and excluding purchase accounting, the combined company would have had pro-forma total assets of \$9.5 billion, gross loans of \$7.5 billion, deposits of \$5.7 billion and an equity position of approximately \$1.4 billion.

With the acquisition of Capital City Bank, Capitol Federal Savings will enter the commercial banking business, through the origination of commercial lending products and offering of commercial deposit services, for the first time in its 125 year history. While Capitol Federal Savings has built a small, but meaningful, portfolio of mostly commercial real estate loan participations through its network of correspondent banks over the course of the last five years (which portfolio totaled approximately \$462 million in gross loans as of March 31, 2018), this merger with Capital City will enable the Company to offer a full array of commercial lending and deposit products and services. With the talented and experienced commercial banking teams from Capital City Bank joining Capitol Federal Savings, the Company will be able to introduce these lines of banking into its branches in overlapping communities upon closing of the merger, while working to expand to the other communities served by Capitol Federal.

John B. Dicus, Chairman and President of Capitol Federal, stated: "We are pleased to be merging with Capital City Bank to introduce a full commercial banking experience to our customer base and communities. Capital City Bank has a long history of building a conservative, customer focused community bank, with an overlapping geographic focus in markets highly familiar to us - Topeka, Lawrence and the Overland Park market of Kansas City. Through the leadership of the Sabatini family, Capital City Bank has built a well-regarded company over the course of many decades, driven by the people and platforms we need to enter the commercial banking business in the right way and in a meaningful way. Through the many years of knowing the team at Capital City Bank, it is obvious to us that we hold a shared cultural approach to banking, focused on risk management and customer service. In addition, we are able to complete this merger and remain under \$10 billion in assets, allowing us to continue our current dividend policy of paying 100% of earnings, while providing a positive upside."

Mr. Dicus continued: "We are excited that Bob Kobbeman, Capital City Bank's President and Chief Executive Officer, will be joining Capitol Federal Savings to run this new commercial banking division for our Company. After growing our commercial real estate portfolio over the last 5 years through our correspondent lending network, we believe this is the right time to enter the commercial banking business through this low risk merger."

CCB, a commercial bank holding company with \$434.1 million in total assets as of March 31, 2018, owns Capital City Bank, with locations in Topeka, Lawrence and Overland Park. Capital City Bank offers commercial, personal, trust, and brokerage products and services. Like Capitol Federal Savings, Capital City Bank adheres to a business model that prioritizes customer service and conservative lending. Established in 1892 in Richland, KS and relocated to Topeka in 1964, Capital City Bank has a strong history of community support through charitable, educational and non-profit donations. These characteristics, among others, make CCB a great fit with Capitol Federal.

The merger agreement has been unanimously approved by each of the members of the board of directors of CCB and Capitol Federal. Completion of the merger is subject to customary closing conditions, including receipt of required regulatory approvals. The transaction is expected to close by the end of October 2018.

Financial Highlights

Dollars in millions

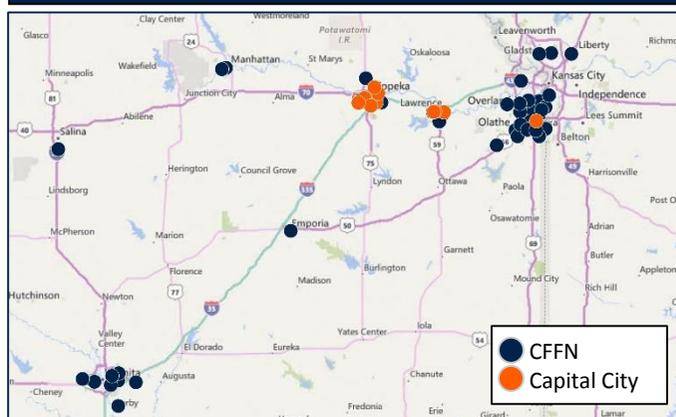
	Capitol Federal Financial, Inc.	Capital City Bancshares, Inc.
Total Assets	\$9,116	\$434
Total Net Loans	\$7,201	\$299
Total Deposits	\$5,354	\$378
Total Equity	\$1,365	\$27
TCE / TA	14.97%	6.10%

Notes: Financial data as of March 31, 2018

¹ Majority and minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence; Company Documents; Press Release

Pro Forma Map



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