

FIRST SOUTH FINANCIAL ANNOUNCES DEFINITIVE AGREEMENT TO ACQUIRE WINFIRST
AND EXPAND ITS FOOTPRINT INTO KENTUCKY

Bartlett, TN, and Winchester, KY – July 19, 2019: First South Financial, a \$589million credit union in Tennessee, and WinFirst Financial Corp., the holding company for \$138 million WinFirst Bank, located in Winchester, KY (near Lexington) today announced the signing of a definitive agreement whereby First South will acquire WinFirst Bank. Both are considered among the safest and strongest financial institutions in the nation. The transaction is expected to close during the fourth quarter of 2019, subject to customary regulatory approval and completion of closing conditions.

“This acquisition is terrific for us,” said Craig Esrael, President and CEO of First South Financial, commenting on the announcement. “WinFirst is a solid financial institution that brings distinct and unique strengths to the table. We feel that there is much we can mutually learn from each other to make our joint organization even greater and which will bring even more substantial benefits to those we serve. For example, WinFirst has deep experience in commercial loans and accounts, and we can offer their customers more product and service options like auto loans and credit cards. It truly is a case of two organizations coming together to make the lives of those who bank with us even better.”

Kari Gough, President and CEO of WinFirst, added, “Together with my fellow employees, I am excited to lead this well-established institution into a new chapter. WinFirst has a proud history that stretches back 85 years. We have built our reputation on trust, security, and confidence and making a positive difference in our community. Importantly, First South shares our values and this combination will only enhance the high-level customer service that our clients have come to expect from WinFirst.

Ms. Gough will join First South Financial upon the acquisition’s completion as Kentucky Market President, where she and the WinFirst team will continue to provide valuable service to the customers of WinFirst and FirstSouth.

“It is our intent to keep all WinFirst employees. They know the communities and their clients value the relationships they have at WinFirst. We appreciate the knowledge and experience of the WinFirst team and look forward to working together,” said Craig Esrael, Chief Executive Officer of First South Financial.

“We feel that First South Financial is the best partner we could have selected to continue the legacy that our family has built with WinFirst Bank,” says Sarah McCready Boston, granddaughter of the founder and current board member.

Her sister, Louise McCready Hart, a fellow board member, adds, “They have assured us that they understand what this bank means to our family, the staff and the community and that they will do everything they can to continue the vision our grandfather had when he founded it.”

Howard & Howard served as legal counsel to First South Financial. Sandler O'Neill + Partners L.P. served as financial advisor and Frost Brown Todd LLC acted as legal counsel to WinFirst Financial.

About First South Financial

First South Financial was known as Navy Memphis Federal Credit Union in 1957 and was founded to serve those on the naval base in Millington, TN who were overlooked by local banks. From its first office on the base, the credit union has grown to its current size, has a return on assets ratio of over 2% and capital level of over 30%. It is currently the strongest credit union in TN and among the top 2% of financial institutions nationwide for fiscal strength and stability, according to independent rating agencies.

About WinFirst Bank

WinFirst Bank, originally known as Winchester Federal Savings and Loan Association was founded in 1934 to promote savings and home ownership. From its first loan of \$1200, this community bank has grown into a strong and stable full-service community bank that has stayed true to its local roots. Three generations of the McCready family have been instrumental in the management and ownership of the firm. Richard F. McCready, Jr. was President from 1987 until his sudden passing in 2011. The Bank's assets grew nearly seven times during Richard's tenure. Both of his parents, Dolly T. and Richard F. McCready, worked there since the bank's founding. His mother kept the books for sixty-five years, until the age of ninety-five; his father served as Executive Vice-President from 1934 to 1977 and as President from 1977 to 1987. WFB is the only local bank with a Five Star Rating from Bauer Financial for more than 25 consecutive years.