

# M&A Transaction Announcement

Progressive Savings Bank Agrees to be Acquired by SmartBank

## Transaction Profile

Advised Seller



Has agreed to be acquired by



The undersigned served as exclusive financial advisor to Progressive Financial Group Inc., parent of Progressive Savings Bank



October 29, 2019

Olsen Palmer is pleased to announce that Progressive Financial Group Inc., (“Progressive”), parent company of Progressive Savings Bank, has entered into a definitive agreement to be acquired by SmartFinancial, Inc., (NASDAQ: SMBK, “SmartFinancial”), parent company of SmartBank.

**Olsen Palmer LLC served as exclusive financial advisor and issued a fairness opinion to Progressive Financial Group Inc.**

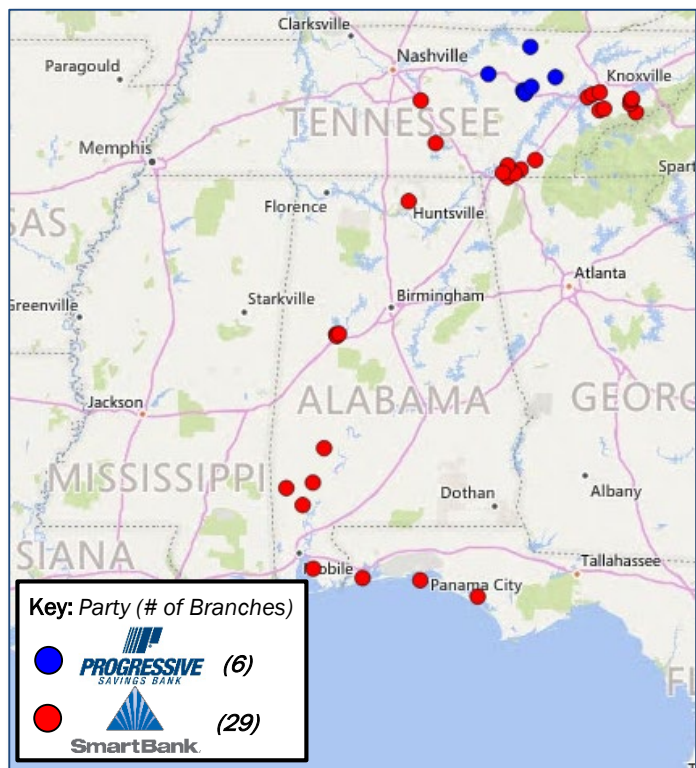
The transaction consideration, which is comprised of 1,292,592.556 shares of SmartFinancial stock and \$14.6 million in cash, is valued on an aggregate basis at approximately \$41.7 million, based on SmartFinancial’s closing stock price on October 29, 2019.

Upon completion of the merger, Ottis H. Phillips, Chief Executive Officer of Progressive, will join the board of SmartFinancial.

The transaction, which is subject to customary closing conditions including the approval of Progressive shareholders and the receipt of all necessary regulatory approvals, is expected to be completed in the first half of 2020.

**Olsen Palmer LLC is ranked as a Top 5 bank M&A advisor across the entire U.S. according to S&P Global, as ranked based on the number of whole-bank sell-side M&A transactions advised upon in 2019 year-to-date.**

## Branch Footprint



## Transaction Summary and Valuation Multiples

Transaction Date	October 29, 2019
Anticipated Closing Date	1H 2020
Aggregate Consideration Value	\$41.7 million
Form of Consideration (approx.)	65% Stock / 35% Cash
Price / Tangible Common Equity	1.25x
Price / Net Income (LTM)	18.0x
Price as % of Seller Assets	13.7%
Premium / Core Deposits	3.4%

Note: Multiples reflect data as of 6/30/19 and transaction value as of 10/29/19.

## Financial and Operating Summary

	SmartBank	PROGRESSIVE SAVINGS BANK
Location	Pigeon Forge, TN	Jamestown, TN
Year Established	2007	1980
CEO	William Carroll Jr.	Ottis H. Phillips
Total Assets	\$2.4 B	\$292.0 MM
Branches	29	6
ROAA (LTM)	1.15%	0.67%
NPAs / Assets	0.17%	2.29%
Ticker	NASDAQ: SMBK	NA
Market Capitalization	\$354.2 MM	NA

Financial information as of 6/30/19, stock information as of 10/29/19. Source: S&P Global.

# M&A Advisory Expertise

Olsen Palmer is a Leading M&A Advisor to Community Banks

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## Recent M&A Advisory Assignments

Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Merger-of-Equals	Advised Seller
 Has agreed to be acquired by  October 29, 2019	 Has agreed to sell 2 branches to  October 28, 2019	 Has been acquired by  October 11, 2019	 Has agreed to be acquired by  September 16, 2019	NORTHSIDE BANK Has merged with  August 30, 2019	 Has agreed to be acquired by  August 22, 2019
 Has agreed to be acquired by  August 5, 2019	 Has agreed to be acquired by  July 25, 2019	 Has agreed to be acquired by  July 25, 2019	 Has been acquired by  May 1, 2019	 Has acquired  April 1, 2019	 Has agreed to be acquired by  March 4, 2019
 Has been acquired by  March 1, 2019	 Has been acquired by  October 24, 2018	 Has been acquired by  May 1, 2018	 Has been acquired by  April 2, 2018	 Has merged with  January 1, 2018	 Have been acquired by  July 31, 2017
 Has been acquired by  May 15, 2017	 Has been acquired by  December 2, 2016	 Has acquired 3 branches from  May 13, 2016	 Has acquired 4 branches from  April 1, 2016	 Has been acquired by F&M Bancorp, Inc. November 6, 2015	 Has acquired  September 25, 2015
 Has been acquired by  September 11, 2015	 Has acquired  August 31, 2015	 Has acquired  April 30, 2015	 Has been acquired by  March 6, 2015	 Has acquired  October 1, 2014	OLSEN PALMER  Library of Recent Bank M&A Transactions

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By design, we combine the extensive M&A expertise of a traditional investment banking firm with the agility, creativity, responsiveness, and independence of a boutique firm.

Specializing in sell-side M&A advisory, buy-side M&A advisory, valuations, fairness opinions, branch acquisitions and divestitures, and Board-level assessments of strategic options.

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