

Crestmark Bancorp Inc. (Private; Troy, MI) has agreed to merge with Meta Financial Group, Inc. (Nasdaq: CASH; Sioux Falls, SD)

Deal Value: Approximately \$320.6 Million

Sandler O'Neill acted as financial advisor to Crestmark Bancorp in this transaction.

- Crestmark Bancorp is one of the 8 most profitable depositories in the US with a LTM ROAA and ROAE of 2.13% and 22.9%, respectively¹

This transaction represents Sandler O'Neill's 152nd bank or thrift transaction since January 1, 2015 representing \$47.3 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.²

Sioux Falls, S.D., Jan. 9, 2018 - Meta Financial Group, Inc. (Nasdaq: CASH) ("Meta"), the holding company for the federally chartered savings bank MetaBank, today announced it has reached an agreement to acquire Crestmark Bancorp, Inc. ("Crestmark"), the holding company for the Michigan state-chartered bank, Crestmark Bank, in an all-stock transaction.

Meta operates in several segments within the banking and payments industries. Crestmark is a commercial lender specializing in providing diverse financial solutions to businesses. This acquisition provides Meta with a national commercial and industrial lending platform, and is intended to add an immediate pipeline of insurance premium financing business and provide opportunities for innovation and synergistic cross-selling among business lines. It is expected to be immediately accretive to 2018 earnings per share, excluding merger costs, approximately 10% earnings per share accretive for fiscal year 2019 and to have a tangible book value earn back period of approximately 2.2 years. Upon the closing of the transaction, Crestmark will operate as a division of MetaBank.

"With this acquisition, we continue to deliver on our goal of growth and innovation through diversification," said J. Tyler Haahr, Chairman and CEO of Meta. "This transformational transaction will allow us to significantly add on-balance sheet loans at attractive yields with the addition of Crestmark's national lending platform. It also creates complementary cross-sell opportunities for our insurance premium finance business."

Crestmark, through Crestmark Bank, is a commercial lender offering asset-based loans, equipment finance leases and government guaranteed loans to small and mid-sized businesses across the US. Crestmark focuses on working with a broad range of industries, including manufacturing, transportation and health care.

"The merger of Meta and Crestmark results in the complementary combination of a leading player in the payments industry and low-cost deposit generator with a premier, high-margin asset generator," said W. David Tull, Chairman and CEO of Crestmark. "The synergies will enable the combined entity to grow and prosper. Additionally, Crestmark will be able to leverage the power of Meta's low-cost deposit franchise and larger balance sheet to capitalize on even more growth opportunities."

Financial Highlights (\$ millions)³

	<u>CASH</u>	<u>Crestmark</u>
Total Assets	\$5,228	\$1,115
Net Loans	\$1,318	\$850
Deposits	\$3,223	\$939
Equity	\$434	\$99
LTM ROAA	1.13%	2.13%
LTM ROAE	11.2%	22.9%

1: Includes all regulated depositories assets \$500mm to \$20Bn and excludes ILCs and companies with a captive bank.

2: Excludes terminated transactions and self-advisory roles.

3: Data as of September 30, 2017.

Source: S&P Global Market Intelligence

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