

Entegra Financial Corporation (NASDAQ: ENFC; Franklin, NC) and SmartFinancial, Inc. (NASDAQ: SMBK; Knoxville, TN) jointly announce the signing of a definitive agreement to combine in a merger of equals

**Deal Value: Approximately \$158.2 Million**

Sandler O'Neill served as financial advisor and provided a fairness opinion to Entegra Financial Corporation in this transaction.

This transaction represents Sandler O'Neill's 211<sup>th</sup> bank or thrift transaction since January 1, 2015, representing approximately \$64.9 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.<sup>1</sup>

Since January 1, 2015, Sandler has advised on 67 deals involving bank and thrifts based in the Southeast, representing over \$22.8 billion in aggregate deal value, more than any other investment bank during that time period.<sup>1</sup>

KNOXVILLE, Tenn. and FRANKLIN, N.C., January 15, 2019 – SmartFinancial, Inc. (Nasdaq: SMBK) ("SmartFinancial"), the parent company of SmartBank, and Entegra Financial Corp. (Nasdaq: ENFC) ("Entegra"), the parent company of Entegra Bank, jointly announced today the signing of a definitive merger agreement pursuant to which Entegra will combine with SmartFinancial in a strategic merger of equals. The merger agreement contemplates the merger of Entegra with and into SmartFinancial and the subsequent merger of Entegra Bank with and into SmartBank. The combination, an all-stock transaction, will create an approximate \$4 billion-asset bank holding company with 47 branches across Tennessee, North Carolina, Alabama, Georgia, South Carolina and Florida, serving a number of key Southeastern growth markets.

The combined company will be headquartered in Knoxville, Tennessee, with a significant portion of the combined bank's operations to be based in Franklin, North Carolina. Billy Carroll and Miller Welborn will continue to lead the combined company as President & CEO and Chairman, respectively. Additionally, the combined company is expected to benefit from the integration of key management and directors from Entegra into the SmartFinancial executive team and board of directors. Entegra President & CEO Roger D. Plemens is expected to join the combined bank as President of the Carolinas. Entegra Chief Financial Officer David Bright and Chief Operating Officer Ryan Scaggs are expected to assume the same roles with the combined company. Five Entegra directors are expected to join the pro forma boards of directors of the combined company and the combined bank, each of which would have 17 members upon completion of the merger. Additionally, current Entegra directors not joining the SmartFinancial and SmartBank boards will be invited to become members of a newly formed Carolina Advisory Board. SmartFinancial has agreed to make a \$1 million contribution to the SmartBank Foundation, a 501(c)(3) charitable organization, upon completion of the transaction, with the allocation of these funds to be directed by recommendation of the Carolina Advisory Board (in consultation with the President of the Carolinas for SmartBank) to charities in the communities served by Entegra.

"This is a historic milestone for both companies, one which we believe lays the foundation for the Southeast's next great community banking franchise," said SmartFinancial President & CEO, Billy Carroll. "This partnership strengthens both organizations in all key areas and presents a compelling value proposition for each of our constituents."

"We are thrilled to be joining forces with the SmartBank team and to combine these two strong, growing institutions," said Entegra's President & CEO Plemens. "We believe this is going to be an outstanding combination for our shareholders, customers, and employees and the communities we serve."

SmartFinancial Chairman Miller Welborn added, "The clear common vision of these two management teams and boards of directors has been evident since our first discussion. This combination will result in an exceptional company and present a tremendous amount of new growth opportunities moving forward."

Under the terms of the merger agreement, each share of Entegra common stock outstanding immediately prior to the merger will be converted into the right to receive 1.215 shares of SmartFinancial common stock. Outstanding options to purchase shares of Entegra common stock will be converted into options to purchase shares of SmartFinancial common stock, with the exercise price of and number of shares underlying each option to be adjusted to reflect the exchange ratio of 1.215. Outstanding Entegra restricted stock units will fully vest upon consummation of the merger and the holders thereof will become entitled to receive the consideration payable to holders of Entegra common stock generally in respect of the Entegra common stock subject to the restricted stock units. The transaction is valued at approximately \$22.36 per share of Entegra common stock, or approximately \$158.2 million in the aggregate, based on the closing price of SmartFinancial's common stock of \$18.40 on January 14, 2019. The transaction is projected to generate over 20% earnings per share accretion in the first full year and tangible book value dilution is expected to be earned back in less than 2.5 years.

### Financial Highlights

(Dollars in millions)	ENFC	SMBK <sup>2</sup>
Total Assets	\$1,670	\$2,051
Total Net Loans	\$1,060	\$1,578
Total Deposits	\$1,256	\$1,707
Total Equity	\$157	\$252
TCE / TA	7.86%	9.25%

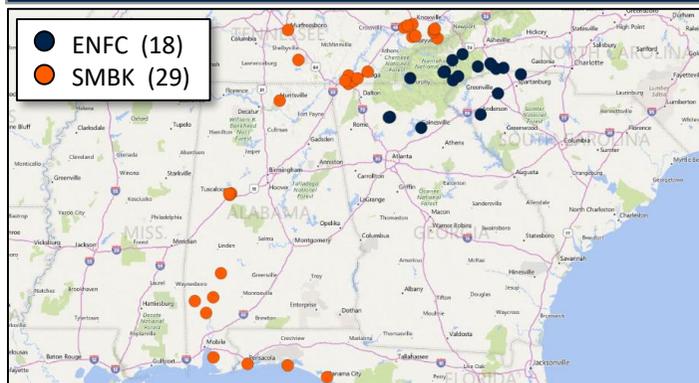
Note: Financial data as of September 30, 2018

1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

2) SMBK data is not pro forma for acquisition of Foothills Bancorp, Inc.

Source: S&P Global Market Intelligence, Company documents

### Pro Forma Branch Map



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