

BNC Bancorp (NASDAQ: BNCN; High Point, NC) has agreed to acquire Southcoast Financial Corporation (NASDAQ: SOCB; Mount Pleasant, SC)

Deal Value: Approximately \$95.5 million

Sandler O'Neill served as advisor to BNC Bancorp in this transaction. This transaction represents Sandler O'Neill's 91st bank or thrift transaction nationwide since January 1, 2014, representing \$14.7 billion in aggregate transaction value, more than any other investment bank during that time period.¹

Since January 1, 2014, Sandler O'Neill has advised on 4 bank or thrift transactions in South Carolina for an aggregate transaction value of \$978 million, more than any other investment bank during that time period.¹

High Point, NC (August 14, 2015) – BNC Bancorp (“BNC,” NASDAQ: BNCN), the holding company for Bank of North Carolina, and Southcoast Financial Corporation (“Southcoast,” NASDAQ: SOCB), the holding company for Southcoast Community Bank, have entered into a definitive agreement pursuant to which BNC will acquire all of the common stock of Southcoast in an all-stock transaction valued at approximately \$95.5 million, based on the closing price of BNC common stock on August 13, 2015.

Southcoast, headquartered in Mt. Pleasant, South Carolina, operates 10 branches in Mt. Pleasant, Charleston, Moncks Corner, Johns Island, Summerville, Goose Creek and North Charleston, South Carolina. As of June 30, 2015, Southcoast reported approximately \$506 million in assets, \$383 million in loans, and \$361 million in deposits. Upon completion of the transaction, BNC is expected to have approximately \$6.0 billion in assets, \$4.5 billion in loans, and \$4.9 billion in deposits. The transaction is expected to be immediately accretive to BNC's fully diluted earnings per share and tangible book value per share, excluding deal costs.

Under the terms of the agreement, which has been approved by the Boards of Directors of both companies, Southcoast shareholders will receive a fixed price of \$13.35 for each share of Southcoast common stock, payable in shares of BNC common stock based upon the 20-day volume weighted average price of BNC common stock prior to the closing of the merger, subject to minimum and maximum exchange ratios. The transaction, which is subject to regulatory approval, the approval of the shareholders of Southcoast, and other customary conditions, is expected to close in the first quarter of 2016.

Commenting on the announcement, Rick Callicutt, President and Chief Executive Officer of BNC, said, “We are pleased to announce the combination of BNC and Southcoast. This partnership will allow us to expand our presence in one of the fastest growing and most dynamic regions in the Southeast, the Charleston and Mt. Pleasant, South Carolina markets. We are most excited about Wayne Pearson and his team joining BNC. Our combined companies will be well positioned for further growth in the Charleston and Mt. Pleasant markets with approximately \$800 million in assets and a top-five deposit market share in the Charleston-North Charleston, SC MSA. The similar culture and core values of Southcoast and BNC will allow us to accelerate the integration, deepen existing customer relationships, and focus on expansion in these highly-sought after markets. The Southcoast team has built a bank that aligns with our vision of a high performing community bank that creates value for all of its stakeholders while ‘Delivering More’ than our customers expect.”

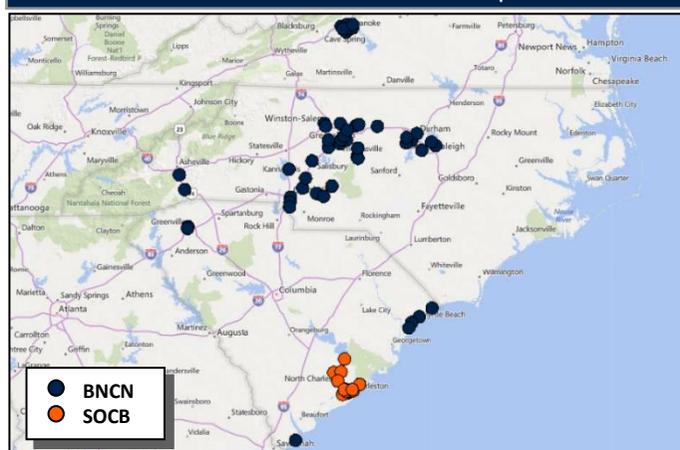
Callicutt continued, “The addition of Southcoast’s 10 offices, along with our upcoming acquisition of seven branches of CertusBank, N.A. in the Upstate Region, will allow BNC to grow our South Carolina franchise by approximately 17 office locations in the two fastest growing areas in the state.”

Financial Highlights

(\$ in USD millions)	BNCN	SOCB
Total Assets	\$4,279	\$506
Gross Loans	3,253	383
Total Deposits	3,510	361
Total Equity	404	50
TCE/TA	7.66%	9.98%
LTM ROAA	0.93%	1.11%

1) Source: SNL Financial; excludes terminated transactions and self-advisory roles

Pro Forma U.S. Branch Map



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