

Capital Bank Financial Corp. (NASDAQ: CBF; Charlotte, NC) has agreed to merge with First Horizon National Corporation (NYSE: FHN; Memphis, TN)

Deal Value: Approximately \$2.2 Billion

Sandler O'Neill served as financial advisor to Capital Bank Financial Corp. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 120th bank or thrift transaction nationwide since January 1, 2015, representing \$40.2 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 8 of the 10 largest bank or thrift deals nationwide by deal value, representing over \$23.2 billion in aggregate transaction value.¹

Sandler O'Neill has advised on more than 90% of transactions in North Carolina, South Carolina or Virginia with a deal value greater than \$100 million since January 1, 2014, representing over \$10.9 billion in aggregate transaction value.¹

MEMPHIS, Tenn. and CHARLOTTE, N.C., May 04, 2017 -- First Horizon National Corp. (NYSE: FHN) and Capital Bank Financial Corp. (NASDAQ: CBF) have entered into a definitive agreement that will create the fourth largest regional bank in the Southeast. The merger will accelerate First Horizon's strategic plan to enhance its presence in fast-growing markets in the Southeast.

The combined organization will have \$40 billion in assets, \$32 billion in deposits, \$27 billion in loans and more than 300 branches in Tennessee, North Carolina, South Carolina, Florida, Mississippi, Georgia, Texas and Virginia. First Horizon, which is headquartered in Memphis, Tenn., will retain its First Tennessee bank brand in Tennessee, where it has a 153-year history. Branches outside Tennessee will use the Capital Bank name.

Under the agreement, each holder of Capital Bank common stock will be entitled to receive cash or stock with a value equivalent to 1.750 First Horizon shares and \$7.90 in cash for each Capital Bank share held, subject to the election allocation and proration provisions of the merger agreement. In the aggregate, Capital Bank shareholders will receive a mix of approximately 80 percent stock and 20 percent cash.

"This is an exciting time for First Horizon," said Bryan Jordan, chairman and CEO of First Horizon. "Together with the accomplished team at Capital Bank we will be able to leverage the strengths of both banks and capitalize on growth opportunities in attractive, high-growth Southeast markets and enhance our strong presence in our Tennessee markets. This partnership will help us more quickly achieve our critical bonafide financial targets. We look forward to working with the talented people of Capital Bank to combine the best of both of our organizations."

The agreement calls for two members of Capital Bank's board of directors to join the First Horizon board, including Gene Taylor, Capital Bank chairman and CEO, who will become vice chairman of First Horizon.

Taylor said, "The merger with First Horizon will allow us to sustain the success Capital Bank has achieved and create new opportunities for growth. The strategic fit between the two organizations is compelling, especially for our valued customers who will benefit from the enhanced balance sheet strength and broader array of products and services offered by a \$40 billion Southeastern bank. I am looking forward to joining the board of First Horizon and am confident our combined company will reflect the values and talent of both organizations."

Financial Highlights

(Dollars in millions)	FHN	CBF
Total Assets	\$29,619	\$10,098
Total Net Loans	\$18,994	\$7,468
Total Deposits	\$23,480	\$8,093
Total Equity	\$2,740	\$1,308
TCE / TA	7.3%	10.6%

(1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of March 31, 2017; Source: SNL Financial

Pro Forma Branch Map



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