

CommunityOne Bancorp (NASDAQ: COB; Charlotte, NC) has agreed to merge with Capital Bank Financial Corp. (NASDAQ: CBF; Coral Gables, FL)

Deal Value: Approximately \$350 million

Sandler O'Neill acted as financial advisor and rendered a fairness opinion to CommunityOne Bancorp in this transaction. This transaction represents Sandler O'Neill's 55th bank or thrift transaction nationwide since January 1, 2015 representing \$15.9 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.¹

Since January 1, 2014, Sandler O'Neill has advised the Buyer or Seller on every transaction in North Carolina, South Carolina or Virginia with a deal value greater than \$100 million. There have been 10 such transactions with an aggregate deal value over \$3.5 billion.¹

CHARLOTTE, NORTH CAROLINA. (November 23, 2015) – Capital Bank Financial Corp. (Nasdaq: CBF) and CommunityOne Bancorp (Nasdaq: COB) today jointly announced the execution of a definitive merger agreement, pursuant to which Capital Bank will acquire CommunityOne. The combination will strengthen Capital Bank's franchise in North Carolina, particularly in Charlotte, as well as in Greensboro/Winston Salem and the Catawba/Caldwell county area.

Under the terms of the agreement, Capital Bank will acquire CommunityOne by merger, with Capital Bank being the surviving corporation. In the merger, CommunityOne shareholders shall have the right to receive, at the election of each holder and subject to proration, \$14.25 per share in cash or 0.43 of a share of Capital Bank Class A common stock, with the total consideration to consist of 85% stock and 15% cash. Based on Capital Bank's closing price of \$33.59 as of Friday, November 20, 2015, the merger consideration is valued at approximately \$350 million. Capital Bank intends to appoint Bob Reid and Scott B. Kauffman who are current CommunityOne board members to the Capital Bank board of directors upon the completion of the transaction.

The transaction price is a multiple of 1.3x CommunityOne's tangible book value as of September 30, 2015. Capital Bank estimates single-digit EPS accretion in 2016 excluding merger charges and double digit accretion in 2017 and thereafter, which implies an estimated earn-back period of approximately 2.3 years.

The transaction has been unanimously approved by the Board of Directors of each company and is subject to Capital Bank and CommunityOne shareholder and regulatory approvals and other customary closing conditions and is expected to close in first quarter 2016.

Capital Bank's Chairman and CEO, Gene Taylor, commented, "This combination creates a high-powered Carolinas franchise while meeting the financial expectations of our shareholders. CommunityOne brings us skilled employees, a complementary branch network, and high-quality loan and deposit relationships, and the transaction improves Capital Bank's returns. We applaud the excellent work of CommunityOne's leadership in turning around one of the Carolina's oldest franchises, and we welcome CommunityOne employees to the Capital Bank team."

CommunityOne's President and CEO Bob Reid added, "We are proud of what we have accomplished at CommunityOne, returning a historic 100 year franchise to profitability and service to its communities and customers. The hard work of our employees over the past four years has put us in position to partner with one of the most exciting growth stories among southeast regional banks. By joining up with Capital Bank, we'll be able to do even more for our customers and communities."

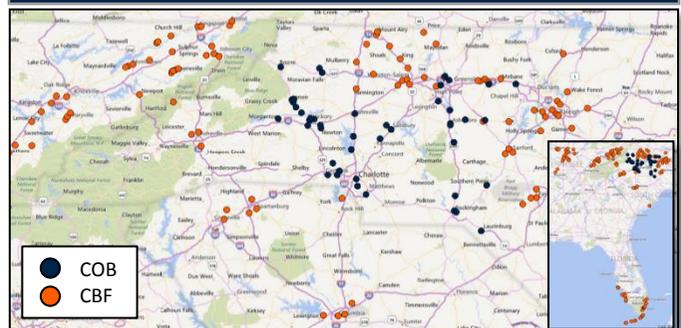
Capital Bank CFO, Chris Marshall commented "CommunityOne represents a great opportunity to expand into another highly attractive Southeast market with enormous growth potential. The acquisition is priced right, and demonstrates our disciplined approach toward capital deployment and consistently improving shareholder returns."

Financial Highlights

(Dollars in millions)	<u>CBF</u>	<u>COB</u>
Total Assets	\$7,261	\$2,353
Total Net Loans	\$5,359	\$1,509
Total Deposits	\$5,566	\$1,897
Total Equity	\$1,023	\$275
TCE / TA	12.25%	11.39%

(1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of September 30, 2015; Source: SNL Financial

Pro Forma Branch Map



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