

## CU Bancorp (NASDAQ: CUNB; Encino, CA) and 1<sup>st</sup> Enterprise Bank (OTCQB: FENB; Los Angeles, CA) Agree to Merge

**Deal Value: \$103 million**

Sandler O'Neill served as financial advisor and provided a fairness opinion to CU Bancorp in this transaction. This transaction represents Sandler O'Neill's 129<sup>th</sup> bank or thrift transaction nationwide since January 1, 2011. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2011, Sandler O'Neill has advised on 26 bank or thrift transactions in the western region with an aggregate deal value of \$5.4 billion, more than any other investment bank.<sup>1</sup>

CU Bancorp, the parent of California United Bank, and 1<sup>st</sup> Enterprise Bank today jointly announced the execution of a definitive agreement and plan of merger whereby 1<sup>st</sup> Enterprise will merge into California United Bank in a transaction valued at approximately \$103.4 million. The transaction combines two of the leading commercial banking franchises in Southern California with more than \$2.2 billion in combined assets which operate offices in Los Angeles, Orange, Ventura and San Bernardino counties.

Shareholders of 1<sup>st</sup> Enterprise will receive a fixed exchange ratio at closing of 1.3450 shares of CU Bancorp common stock for each share of 1<sup>st</sup> Enterprise common stock. Based on the CU Bancorp stock price as of June 2, 2014, total consideration for each 1<sup>st</sup> Enterprise share would be \$24.47.

CU Bancorp, headquartered in Encino, Calif., is the parent of California United Bank, a California bank with approximately \$1.4 billion in assets at March 31, 2014, and eight branches located in metropolitan Los Angeles, Orange, and Ventura counties. 1<sup>st</sup> Enterprise, headquartered in downtown Los Angeles, Calif., is a California bank with approximately \$775.9 million in assets at March 31, 2014, and three branches located in downtown Los Angeles, Orange County and the Inland Empire. The combined bank will operate as California United Bank and will be the 17<sup>th</sup> largest commercial bank headquartered in Southern California (out of the more than 100 commercial banks headquartered in Los Angeles, Orange, Ventura, Riverside, and San Bernardino and San Diego counties).

Upon completion of the transaction, the combined CU Bancorp Board of Directors will consist of 12 directors, eight representatives from CU Bancorp and four representatives from 1<sup>st</sup> Enterprise, including David Holman, current Chairman of 1<sup>st</sup> Enterprise and K. Brian Horton, current President of 1<sup>st</sup> Enterprise. David Rainer will continue as Board Chairman. The transaction is currently expected to close in the fourth quarter of 2014.

### Financial Highlights

	<u>CUNB</u>	<u>FENB</u>
Total Assets	\$1,382	\$776
Net Loans	\$935	\$507
Deposits	\$1,203	\$652
Equity	\$142	\$71
NPAs / Assets (%)	0.60%	0.57%
LTM ROAA (%)	0.76%	0.76%
Market Cap.	\$204	\$84

Dollars in millions; financial data as of March 31, 2014; market data as of June 2, 2014

<sup>1</sup>Excludes terminated transactions and self-advisory roles  
Source: SNL Financial

### Pro Forma Branch Network



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