Entegra Financial Corp. (NASDAQ: ENFC; Franklin, NC) has agreed to acquire Chattahoochee Bank of Georgia (Private; Gainesville, GA)

Deal Value: Approximately $34.9 Million

Sandler O'Neill served as financial advisor to Entegra Financial Corp. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 130th bank or thrift transaction nationwide since January 1, 2015, representing $42 billion in aggregate transaction value. Sandler O'Neill has served as financial advisor on more bank and thrift transactions and for a greater aggregate transaction value than any other investment bank during that time period.[1]

Since January 1, 2015, Sandler O'Neill has advised on 43 bank or thrift transactions in the Southeast region for an aggregate transaction value of $13.7 billion, more than any other investment bank during that time period.[1]

Franklin, NC and Gainesville, GA June 27, 2017 — Entegra Financial Corp. (NASDAQ: ENFC) ("Entegra"), the parent holding company of Entegra Bank, and Chattahoochee Bank of Georgia ("Chattahoochee"), today jointly announced the signing of a definitive agreement pursuant to which Entegra will purchase Chattahoochee for $14.75 per share or 1.4 times March 31, 2017 book value through a combination of cash and stock valued at approximately $34.9 million.

Chattahoochee currently operates one branch in Gainesville, Georgia and a loan production office in Duluth, Georgia and will add approximately $197 million in assets, $155 million in loans, and $166 million in deposits to Entegra Bank.

Commenting on the announcement, Roger Plemens, President and Chief Executive Officer of Entegra, said, "We are excited to partner with Chattahoochee as we continue to expand our existing footprint in northern Georgia. Chattahoochee has a proven track record of strong loan and deposit growth that will complement our strategy of building long-term franchise value by diversifying into high growth markets. With an unemployment rate of 3.8%, Gainesville is among the 50 fastest growing metro areas in the U.S. and home to more than 300 manufacturing and processing companies. Chattahoochee is one of the premier commercial banks in Gainesville and brings Entegra a talented team of six lenders with deep commercial experience."

Jody Lail, President and Chief Executive Officer of Chattahoochee, added, "We are excited to partner with Entegra in continuing to grow our commercial banking presence in our northeast Georgia market. Entegra provides additional capital strength to allow our commercial banking team to greatly expand lending and cash management services to both our existing customer base and our rapidly expanding business community. We are also pleased that Entegra will bring additional services for our consumer customers, including residential mortgage and investments."

The transaction, which is expected to close in the fourth quarter of 2017, has been unanimously approved by the Board of Directors of both companies and is subject to customary closing conditions, including regulatory approvals, and approval by the shareholders of Chattahoochee.

Excluding estimated transaction expenses, the acquisition is expected to be more than 15% accretive to 2018 earnings and to have a tangible book value earn-back period of approximately 4.50 years. Upon completion of this transaction, Entegra will have approximately $1.6 billion in assets, $950 million in loans, and $1.2 billion in deposits.

Financial Highlights
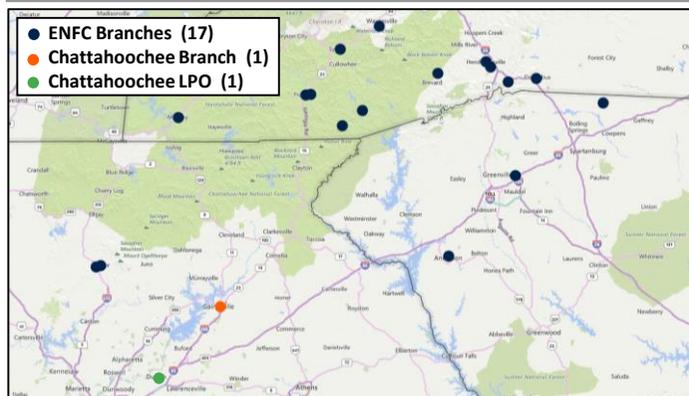
(Dollars in millions)	ENFC	Chattahoochee
Total Assets	$1,384	$197
Total Net Loans	$752	$153
Total Deposits	$988	$166
Total Shareholders' Equity	$135	$23
TCE / TA	9.11%	11.50%

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

Pro Forma Location Map

- ENFC Branches (17)
- Chattahoochee Branch (1)
- Chattahoochee LPO (1)

Sandler O'Neill Contacts:

Scott Clark	Victor Houser	Jessica Martino	Brendan Lesch
Principal	Director	Associate	Analyst
(212) 466-7965	(212) 466-7808	(212) 466-7776	(212) 466-7869

SANDLER O'NEILL + PARTNERS, L.P.
New York - Atlanta - Boston - Chicago - San Francisco