

Entegra Financial Corp. (NASDAQ: ENFC; Franklin, N.C.) has agreed to merge with First Citizens BancShares, Inc. (NASDAQ: FCNC.A; Raleigh, N.C.)

Deal Value: Approximately \$219.8 Million

Sandler O'Neill served as financial advisor and provided a fairness opinion to Entegra Financial Corp. in this transaction.

This transaction represents Sandler O'Neill's 216th bank or thrift transaction since January 1, 2015, representing approximately \$65.8 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, 2015, Sandler has advised on 67 deals involving bank and thrifts based in the Southeast, which is more than any other investment bank during that time period.¹

RALEIGH, N.C. and FRANKLIN, N.C., April 24, 2019 -- First-Citizens Bank & Trust Company (First Citizens Bank) and Entegra Financial Corp. (Entegra) announced today the signing of a definitive merger agreement. Entegra provides deposit and loan services through its subsidiary, Entegra Bank.

The agreement has been approved by the boards of directors of both companies. The transaction is anticipated to close during the second half of 2019, subject to the receipt of regulatory approvals, the approval of Entegra's shareholders, and the satisfaction of other customary closing conditions. Under the terms of the agreement, (1) cash consideration of \$30.18 per share will be paid to the shareholders of Entegra for each share of its common stock and for each restricted stock unit after conversion to common stock, (2) each Entegra option will be canceled and each option holder will receive a cash payment and (3) no consideration will be paid to First Citizens Bank or its affiliates as a result of their ownership of shares of Entegra's common stock. As of today, First Citizens Bank and/or its affiliates own approximately 1.56% of Entegra's outstanding common stock. The total transaction value, including termination fee, is anticipated to be approximately \$219.8 million.

On January 15, 2019, Entegra announced it had entered into a definitive agreement to combine with SmartFinancial, Inc. (SmartFinancial) in a strategic merger of equals, in which each share of Entegra common stock would be converted into 1.215 shares of SmartFinancial common stock. Based on the closing price of SmartFinancial's common stock of \$18.40 on January 14, 2019, this implied a transaction value of \$22.36 per share, or approximately \$158.2 million. Subsequent to that announcement, First Citizens Bank approached Entegra and its advisors with a significantly higher price to acquire the company. Under the terms of its definitive agreement with SmartFinancial, the board of directors of Entegra exercised its right to enter into discussions with First Citizens Bank. Ultimately, the board determined that the cash consideration offer of \$30.18 from First Citizens Bank was a superior proposal to the agreement with SmartFinancial, and pursuant to its fiduciary duties and, as permitted under its agreement with SmartFinancial, entered into an agreement with First Citizens Bank. Under the terms of the First Citizens Bank agreement with Entegra, First Citizens Bank will pay a termination fee of \$6.4 million to SmartFinancial on behalf of Entegra which Entegra was obligated to pay under its agreement with SmartFinancial upon the termination of that agreement by Entegra.

Frank B. Holding Jr., chairman and chief executive officer of First Citizens, said: "First Citizens has a long and proud history in nearly all of these communities. We also share many core attributes with Entegra, including a commitment to service excellence and relationship banking. We look forward to building on the solid foundations both banks have established so that, together, we can better serve even more individuals and business."

Roger Plemens, president and chief executive officer of Entegra Bank, said: "We are pleased to announce this combination with First Citizens, which shares our customer focus and community banking approach. Not only does this represent a significantly higher price for our shareholders, we also believe that First Citizens' size and resources will present more opportunities in the future for our customers and communities."

Financial Highlights

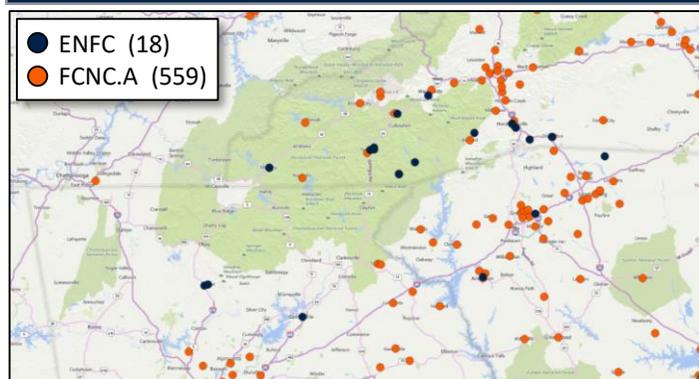
(Dollars in millions)	FCNC.A	ENFC
Total Assets	\$35,409	\$1,636
Total Net Loans	\$25,345	\$1,072
Total Deposits	\$30,672	\$1,221
Total Equity	\$3,489	\$163
TCE / TA	9.12%	8.41%

Note: Financial data as of December 31, 2018

1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence, Company documents

Pro Forma Branch Map



Sandler O'Neill Contacts:

Scott Clark
Principal, Co-Head of
Investment Banking
(212) 466-7965

Jessica Martino
Associate
(212) 466-7776

Tucker Tuberville
Analyst
(212) 466-8033