

**Sun Bancorp, Inc. (NASDAQ: SNBC) has agreed to merge with OceanFirst Financial Corp. (NASDAQ: OCFC)**

**Deal Value: Approximately \$487 Million**

Sandler O'Neill served as financial advisor to Sun Bancorp, Inc. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 132<sup>nd</sup> bank or thrift transaction nationwide since January 1, 2015, representing \$42.4 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.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 28 bank or thrift transactions in the Mid-Atlantic region for an aggregate transaction value of \$6.6 billion, more than any other investment bank during that time period.<sup>1</sup>

**TOMS RIVER, NJ and MOUNT LAUREL, NJ, June 30, 2017** – OceanFirst Financial Corp. (NASDAQ: OCFC) headquartered in Toms River, New Jersey, and Sun Bancorp, Inc. (NASDAQ: SNBC), headquartered in Mount Laurel, New Jersey, jointly announced today that they have entered into a definitive agreement and plan of merger pursuant to which Sun, the holding company of Sun National Bank, will merge with and into OceanFirst, the holding company of OceanFirst Bank. Sun National Bank will also merge with and into OceanFirst Bank. Based on the closing price of OceanFirst common stock on June 29, 2017, the transaction is valued at approximately \$25.27 per Sun common share or approximately \$487 million in the aggregate.

OceanFirst will strengthen its position as the largest bank headquartered in central and southern New Jersey and gain greater access and proximity to more robust markets within the New York and Philadelphia metro areas. Based on financial information as of March 31, 2017, the combined institution would have approximately \$7.5 billion in total assets, \$5.9 billion in total deposits, \$5.4 billion in gross loans and expects to operate over 60 full-service banking locations once the combination is fully integrated.

Under the terms of the merger agreement, which has been unanimously approved by the Boards of Directors of both companies, the aggregate consideration to be paid in exchange for the Sun common stock consists of approximately 15.1 million shares of OceanFirst common stock and \$72.5 million in cash. The consideration a Sun shareholder will receive is equivalent to 0.7884 shares of OceanFirst common stock and \$3.78 in cash per share of Sun common stock. Sun shareholders will have the right to elect to receive stock or cash consideration for their shares, subject to proration, and the merger agreement will include a mechanic whereby the per share cash consideration and the implied value of the stock consideration will be equivalent based on the average OceanFirst share price over the five trading day period ending on the trading day immediately prior to the closing date.

Thomas M. O'Brien, President and Chief Executive Officer of Sun, stated, "We consider OceanFirst an ideal partner due to the strategic benefits a combination will provide for all Sun stakeholders. Sun shareholders will benefit from pro forma earnings per share accretion of approximately 200%, a pro forma dividend increase of over 1,000% and increased shareholder liquidity. Sun clients will enjoy enhanced product distribution capabilities and new consumer and Wealth Management products and services." Mr. O'Brien added that "I am proud of the great strides our institution has made since 2014, and we are excited about the opportunity for Sun's employees to continue growing by partnering with OceanFirst to create the premier community banking franchise in New Jersey."

**Financial Highlights**

<i>(Dollars in millions)</i>	<b>OCFC</b>	<b>SNBC</b>
Total Assets	\$5,196	\$2,256
Total Net Loans	\$3,826	\$1,595
Total Deposits	\$4,199	\$1,734
Total Equity	\$583	\$323
TCE / TA	8.4%	12.8%

(1) Excludes terminated transactions and self-advisory roles  
 (2) Pro forma branch count for announced closure of five branches in July 2017  
 Note: Financial data as of March 31, 2017; Source: SNL Financial

**Pro Forma Branch Map**



**Sandler O'Neill Contacts:**

Jimmy Dunne III  
 Senior Managing  
 Principal  
 (212) 466-7819

Bill Hickey  
 Principal, Co-Head of  
 Investment Banking  
 (212) 466-7704

Josh Shropa  
 Vice President  
 (212) 466-7748

John Plantemoli  
 Analyst  
 (212) 466-7743