

Park National Corporation (NYSE AMERICAN: PRK; Newark, OH) has agreed to acquire CAB Financial Corporation (OTCQX: CABF; Spartanburg, SC)

Deal Value: Approximately \$141.8 Million

Sandler O'Neill acted as sole financial advisor and rendered a fairness opinion to Park National Corporation in this transaction. This transaction represents Sandler O'Neill's 192nd bank or thrift transaction nationwide since January 1, 2015 representing \$62.1 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 O'Neill has advised on 61 bank or thrift Southeast deals, representing over \$21.5 billion in aggregate transaction value, more than any other investment bank during that time period.¹

Park National Corporation (Park) (NYSE AMERICAN: PRK) and CAB Financial Corporation (CAB) (OTCQX: CABF) have signed a definitive agreement and plan of merger and reorganization, pursuant to which CAB will merge with and into Park, with Park surviving (the "parent merger"). Following the parent merger, Carolina Alliance Bank, the banking subsidiary of CAB, will merge with and into Park's banking subsidiary, The Park National Bank, with Park National Bank surviving (the "bank merger"). Following the consummation of the bank merger, Carolina Alliance Bank will operate as a community bank division of The Park National Bank. The bank division, its current senior leadership team, and its board of directors will continue to operate under the Carolina Alliance Bank name with headquarters in Spartanburg, SC.

Among the many benefits of the merger, Carolina Alliance Bank gains greater lending capacity through its partnership with Park, an increasingly important component of its service to commercial and small business customers. It also gains the potential to broaden its offerings to include other financial services not currently available to its customers. Carolina Alliance Bank had \$730 million in assets as of June 30, 2018. It operates seven banking offices in upstate South Carolina and western North Carolina, and a loan production office in Charlotte, NC.

"Park is a high performing, sound, and successful community banking organization. We chose to partner with Park National Bank because its leadership and service values align very closely with ours," said Carolina Alliance Bank Chief Executive Officer John Kimberly. "Our customers can feel confident that this merger only strengthens our ability to grow with them and continue to do business in the way they have come to expect from Carolina Alliance Bank."

The Park National family of community banks consists of 11 banking divisions, each led by local professionals. The banks share operational, compliance and administrative resources, placing them in a strong position to remain competitive with sophisticated technology and service capabilities – while keeping a steadfast focus on personalized service and community involvement.

"We believe in community banking excellence, and Carolina Alliance bankers share those principles and practices," Park Chief Executive Officer David L. Trautman said. "We are committed to helping John Kimberly and his colleagues in Asheville, Greenville, Spartanburg and surrounding areas as they move forward in this next chapter of their bank's story."

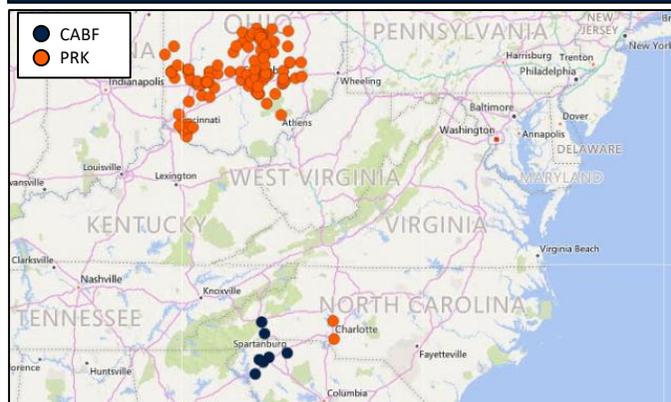
Under the terms of the merger agreement, Park will issue approximately 1.03 million shares and \$28.4 million to acquire CAB. Specifically, CAB shareholders will have the right to receive 0.1378 shares of Park common stock and \$3.80 in cash for each share of CAB common stock owned, with total consideration to consist of approximately 80% stock and 20% cash. Based upon Park's 20-day average closing price of \$110.34 through September 7, 2018, the implied per share price is \$19.00 with an aggregate transaction value of approximately \$141.8 million. The merger is subject to approval by CAB's shareholders, regulatory approvals and other customary closing conditions and is expected to close during the first half of 2019.

Financial Highlights

	Park National Corporation	CAB Financial Corporation
<i>(Dollars in millions)</i>		
Total Assets	\$7,462	\$731
Gross Loans HFI	\$5,317	\$566
Total Deposits	\$6,016	\$600
Tangible Common Equity	\$683	\$74

Financial data as of June 30, 2018; Park National Corporation's Financials exclude NewDominion transaction
 1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles
 Source: S&P Global Market Intelligence, Company documents, Press Release

Pro Forma Map



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