

VantageSouth Bancshares, Inc. (NYSE: VSB; Raleigh, NC) has agreed to merge with Yadkin Financial Corporation (NASDAQ: YDKN; Elkin, NC)

This merger of equals will create the largest community bank headquartered in North Carolina

Deal Value: Approximately \$299 million

Sandler O'Neill served as financial advisor to VantageSouth Bancshares, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 112th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period.¹ Since January 1, 2011, Sandler O'Neill has advised on 12 bank or thrift transactions in North Carolina, more than any other investment bank during that time period.¹

ELKIN, NC and RALEIGH, NC – VantageSouth Bancshares, Inc. (NYSE MKT: VSB) and Yadkin Financial Corporation (NASDAQ: YDKN) jointly announced today that they have entered into a definitive merger agreement. The combination will create the largest community bank headquartered in North Carolina with approximately \$4.0 billion in assets and significant distribution and scale across the state.

In the merger, VantageSouth Bancshares, Inc. shareholders will receive 0.3125 shares of Yadkin Financial Corporation common stock for each share of VantageSouth Bancshares, Inc. common stock. At the effective date, the transaction would be valued at approximately \$299 million, based on the closing price of Yadkin Financial Corporation common stock on January 24, 2014.

The merger is expected to generate approximately \$10 million in fully phased-in annual cost savings or approximately 8% of the expected combined expense total. This estimate is after realization of standalone cost save initiatives initiated before the merger announcement. Additionally, the merger is expected to be over 15% accretive to the standalone 2015 earnings per share of both entities, excluding the impact of the potential revenue enhancement opportunities. In the merger, Yadkin Financial Corporation will be the legal acquirer and VantageSouth Bancshares, Inc. will be the accounting acquirer.

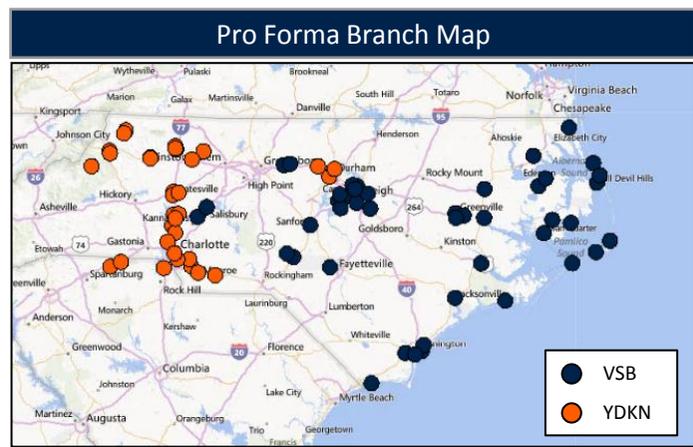
Upon closing, the name of the holding company will be Yadkin Financial Corporation. The company will be headquartered in Raleigh, North Carolina, with banking operations located in Statesville, North Carolina.

The combined company will be governed by a 14 person Board of Directors consisting of an equal number of VantageSouth and Yadkin directors. Yadkin's Joe Towell will become Executive Chairman of the new company, serving as Chairman of the Board of Directors as well as a senior executive in the company. VantageSouth's Scott Custer will become President and Chief Executive Officer of the combined company and continue his service as a director.

The transaction has been unanimously approved by the Board of Directors of each company and is expected to close late Q2 2014, subject to shareholder and regulatory approval and other customary closing conditions.

Financial Highlights		
(Dollars in millions)	VSB	YDKN
Total Assets	\$2,046	\$1,814
Gross Loans	\$1,361	\$1,346
Total Deposits	\$1,623	\$1,491
Total Equity	\$231	\$179
TCE / TA	7.75%	8.19%

¹ Excludes terminated transactions and self-advisory roles
 Note: Financial data as of 9/30/13
 Source: SNL Financial



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