

State Bank Financial Corporation (NASDAQ: STBZ; Atlanta, GA) has agreed to merge with Cadence Bancorporation (NYSE: CADE; Houston, TX)

Deal Value: \$1.4 Billion

Sandler O'Neill acted as financial advisor and rendered a fairness opinion to State Bank Financial Corporation in this transaction. This transaction represents Sandler O'Neill's 170th bank or thrift transaction nationwide since January 1, 2015, representing \$50.7 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 11 bank or thrift transactions in Georgia for an aggregate transaction value of \$3.5 billion, more than any other investment bank during that period.¹

HOUSTON, TEXAS AND ATLANTA, GEORGIA (May 13, 2018) – Cadence Bancorporation (NYSE:CADE) and State Bank Financial Corporation (NASDAQ:STBZ) jointly announced today the entry into a definitive merger agreement in a stock-for-stock transaction, creating a combined organization with \$16 billion in assets, \$12 billion in loans, \$13 billion in deposits and approximately 100 branches serving Texas, Georgia, Florida, Alabama, Tennessee and Mississippi, based on the companies' balance sheets as of March 31, 2018.

Under the terms of the merger agreement, State Bank Financial Corporation ("State Bank") shareholders will receive 1.160 shares of Cadence Bancorporation ("Cadence") Class A common stock for each share of State Bank common stock, valuing the transaction at approximately \$1.4 billion based on the closing share price of Cadence of \$30.23 on May 11, 2018. After closing, legacy Cadence and State Bank shareholders will collectively own approximately 65% and 35% of the combined company, respectively.

At closing, three State Bank directors will join the board of Cadence and of Cadence Bank. Joe Evans, Chairman of the State Bank board, will serve as Vice Chairman of Cadence and Tom Wiley, Vice Chairman of the State Bank board, will serve as a director of Cadence and Chairman of Cadence Bank. Additionally, Cadence Bank CEO Sam Tortorici will relocate to Atlanta. Cadence Bank's corporate headquarters will also move to Atlanta from Birmingham. Cadence Bancorporation will remain headquartered in Houston.

"We are excited to announce that two great companies are joining forces. State Bank is an impressive organization with talented, experienced and customer-centered bankers," said Paul B. Murphy, Jr., Chairman and CEO of Cadence. "We are pleased to combine these two strong, growing institutions which have been built on a common vision with shared values. I have enjoyed getting to know Joe, Tom and many of their bankers. When we went public a year ago, we said we wanted to be active with M&A. We said we would be selective and that we were looking for a gem. We found a gem with State Bank. I believe this is going to be an outstanding combination. I see it as a joint win for both company's shareholders, customers, employees and the communities we serve."

Sam Tortorici, CEO of Cadence Bank, added: "State Bank brings a significant Georgia presence, which will be an important part of our combined company. I look forward to relocating to the vibrant Atlanta area, where I have spent significant time over my banking career, and to working with the experience and expertise of State Bank's business leaders. We will work together to ensure our future success in Georgia and as a leading regional banking franchise."

"We are excited to be partnering with Cadence," said State Bank Chairman Joe Evans. "From this incredible combination of talents and resources will emerge a truly exceptional bank that will be a formidable competitor in the dynamic markets we serve."

The merger agreement has been unanimously approved by the boards of both companies. Following the execution of the merger agreement, Cadence Bancorp, LLC, the controlling stockholder of Cadence, delivered a written consent adopting the merger agreement and approving the issuance of the Cadence shares in connection with the merger. Closing is subject to customary approvals by regulators and the shareholders of State Bank, and is expected to occur in the fourth quarter of 2018.

Financial Highlights

Dollars in millions

	Cadence Bancorporation	State Bank Financial Corporation
Total Assets	\$10,999	\$4,892
Total Net Loans	\$8,593	\$3,635
Total Deposits	\$9,049	\$4,184
Total Equity	\$1,357	\$647
TCE / TA	9.65%	11.50%

Note: Financial data as of March 31, 2018

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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