

## CADENCE BANCORP, LLC (Private; Houston, TX) announces the acquisition of ENCORE BANCSHARES, INC. (NASDAQ: EBTX; Houston, TX)

**Deal Value: Approximately \$250 million**

Sandler O'Neill served as the financial advisor to Encore Bancshares, Inc. in this transaction, and provided a fairness opinion. This transaction represents Sandler O'Neill's 61<sup>st</sup> bank or thrift transaction since January 1, 2010. 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> This transaction is Sandler O'Neill's 6<sup>th</sup> bank or thrift transaction in Texas since January 1, 2010, representing over \$1.8 billion in deal value.

Cadence Bancorp, LLC announced today that it has entered into a definitive agreement to purchase Encore Bancshares, Inc. in an all-cash transaction. Under terms of the definitive agreement, Cadence will pay \$20.62 per share, or approximately \$250 million for the approximately 12.1 million outstanding shares of Encore, equating to 2.4x price to tangible book value multiple. Certain members of the Board of Directors of Encore have provided proxies in support of the transaction.

"When we looked at potential partners in Houston, Encore Bancshares stood out," said Paul B. Murphy, Jr., Chief Executive Officer of Cadence Bancorp. "Encore is a solid franchise with a strategically located branch network, experienced bankers and an enviable customer base. As with many banks, they weathered difficult times and have proven what a great team of bankers can accomplish. With this transaction, Cadence is positioned as a major player in the valued Houston market where we plan to continue to grow and expand. We are delighted to have the Encore banking team as part of our forward momentum."

Encore has 12 banking offices in the Houston region. As of December 31, 2011, Encore Bancshares reported total assets of \$1.5 billion, total loans of \$1.0 billion, and total deposits of \$1.1 billion. Cadence has more than 100 banking locations in five southeastern states—Florida, Georgia, Alabama, Mississippi, and Tennessee—and Texas. As of December 31, Cadence reported total assets of \$3.9 billion, total loans of \$2.3 billion and total deposits of \$3.1 billion. Encore will become part of privately held Cadence Bancorp. Headquartered in Houston, Cadence Bancorp was formed in 2010 to invest in community banks that could benefit from sophisticated banking products and services, as well as experienced bankers who thrive on customer service. Cadence raised \$1.0 billion in equity capital in 2010 from large institutional investors, including university endowments and pension funds. The management team and Board of Directors have deep experience in growing successful banking franchises.

The transaction has been approved by the Boards of Directors of both companies and is expected to close during the second half of 2012. The transaction is subject to customary conditions including shareholder and regulatory approvals.

### Comparable Financial Highlights

(Dollars in millions)

	<b>Cadence</b>	<b>EBTX</b>
Total Assets	\$3,926	\$1,523
Net Loans	\$2,343	\$1,007
Total Deposits	\$3,118	\$1,100
Total Equity	\$616	\$173
Tang. Comm. Equity / Tang. Assets	13.00%	6.76%

### Transaction Multiples

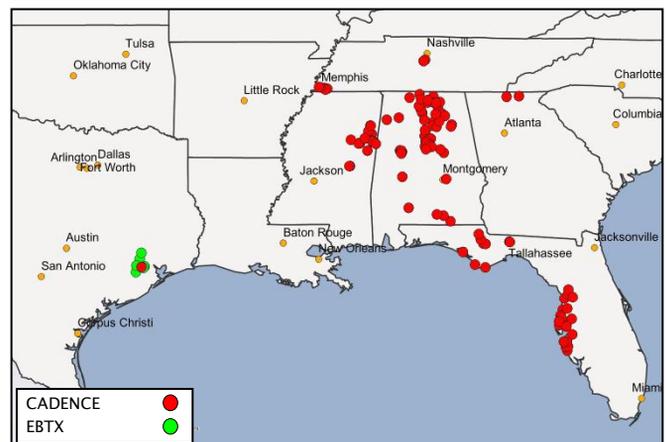
Price / Book Value	171%
Price / Tangible Book Value	240%
Market Premium	38.3%

Note: Financial data as of December 31, 2011; market data as of March 5, 2012

(1) Includes bank or thrift transactions since 2010; excludes terminated transactions and self-advisory roles

Source: SNL Financial

### Pro Forma Map



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