2016 Fourth Quarter Earnings

January 26, 2017

Safe Harbor Statement

Forward-Looking Statements

Information in this press release contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of several factors more fully described under the caption "Risk Factors" in the annual report on Form 10-K and other periodic reports filed by us with the Securities and Exchange Commission. Any or all of our forward-looking statements in this press release may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward looking statements including, but not limited to: (1) changes in general economic and financial market conditions; (2) changes in the regulatory environment; (3) economic conditions generally and in the financial services industry; (4) changes in the economy affecting real estate values; (5) our ability to achieve loan and deposit growth; (6) the completion of future acquisitions or business combinations and our ability to integrate any acquired businesses into our business model; (7) projected population and income growth in our targeted market areas; (8) competitive pressures in our markets and industry; (9) our ability to attract and retain key personnel; (10) changes in accounting policies or judgments and (11) volatility and direction of market interest rates and a weakening of the economy which could materially impact credit quality trends and the ability to generate loans. All forward-looking statements are necessarily only estimates of future results, and actual results may differ materially from expectations. You are, therefore, cautioned not to place undue reliance on such statements, which should be read in conjunction with the other cautionary statements that are included elsewhere in this press release. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Southeastern Regional Bank in Attractive Growth Markets

Eight Acquisitions

CommunityOne

Southern Community Financial Corporation

GreenBankshares, Inc.

Capital Bank

First National Bank

Metrobank

Turnberry Bank

TIB Financial Corp.

One Southeastern Franchise

Fourth Quarter Highlights

- Reported EPS of $0.24 and core EPS of $0.44
- Generated ROA of 0.53%, and core ROA of 0.96%
- Closed CommunityOne merger on October 26, 2016 and accelerated cost-savings plan for full realization in 2Q
- Managed balance sheet to year-end $9.9 billion in assets, in line with plan
- Completed new payment platform roll-out, with launch of credit card and merchant services
- Reported efficiency ratio of 78% including merger charges, and improved core efficiency ratio to 58%
- Maintained conservative credit and interest-rate risk profile, leaving Capital Bank exceptionally well-positioned for 2017

Note: See reconciliation of core EPS, core ROA, and core efficiency ratio in appendix

Fourth Quarter Financial Summary

($ mm's except per share data, growth rates, and metrics)

		4Q16	% change 3Q16	% change 4Q15
Net interest income	$	77.8	24%	25%
Provision		2.0	238%	82%
Non-interest income		17.0	38%	61%
Non-interest expense		74.0	56%	55%
Pretax income		18.9	-30%	-21%
Net income		12.4	-33%	-17%
Per share	**$**	**0.24**	**-43%**	**-29%**
Non-GAAP Adjustments		9.9	NM	NM
Core net income		22.3	21%	22%
Per share	**$**	**0.44**	**5%**	**7%**

Key Metrics	**4Q16**	**3Q16**	**4Q15**
Net interest margin (NIM)	3.67%	3.58%	3.70%
Fee ratio	17.9%	16.5%	14.6%
Efficiency ratio	78.0%	63.4%	65.7%
ROA	0.53%	0.97%	0.82%
ROE	3.8%	7.2%	6.1%
Non-GAAP Core Metrics			
Core fee ratio	16.3%	16.4%	14.5%
Core efficiency ratio	58.2%	61.1%	58.9%
Core ROA	0.96%	0.97%	1.00%
Core ROTCE	8.7%	8.4%	8.7%

- 4Q16 includes CommunityOne for 67 days
- NIM benefitted from 9 bps in loan recoveries
- Provision includes $2.6 mm for New Loans and $0.6 mm reversal of impairment on legacy purchased
- Non-interest income includes $0.5 mm from new credit card and merchant services products
- Efficiency ratio of 78% includes merger charges; core efficiency ratio down y/y and under 60% target

Note: See reconciliation of core net income, core EPS, core fee ratio, core efficiency ratio, core ROA, and core ROTCE in appendix

Fourth Quarter Financial Summary (continued)

Non-GAAP Adjustments Detail

(In thousands)

	4Q16
Conversion, merger, severance, and restructuring	$18,536
Legal settlement	1,361
Tax adjustment	(1,350)
Securities gains	(1,894)
Total pre-tax	**16,653**
Tax effect of adjustments	(6,775)
Total after-tax	**$ 9,878**

- Conversion, merger, and restructuring expenses running in line with plan

Tangible Book Value Per Share

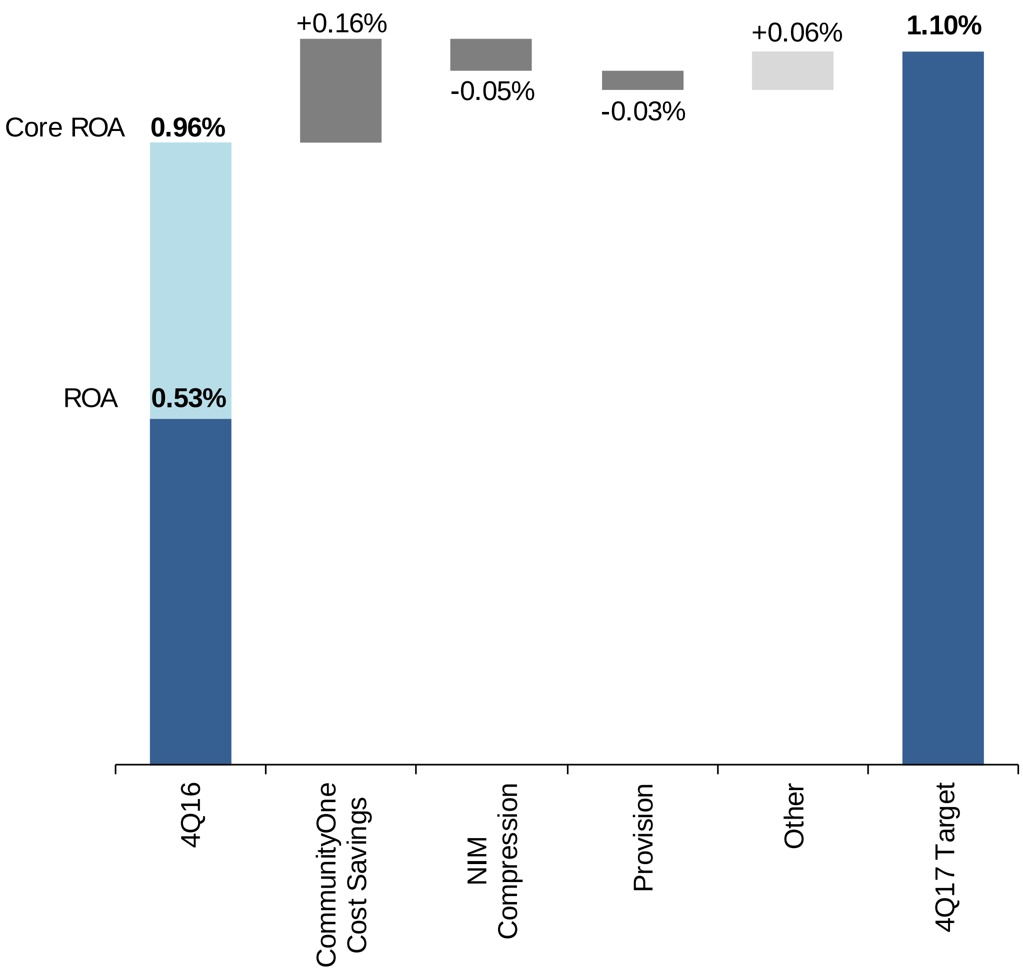
3Q16	**$ 20.53**
OCI	(0.39)
CommunityOne purchase accounting	(0.23)
Dividends	(0.12)
Buybacks	(0.11)
Other	0.09
Net Income	0.24
4Q16	**$ 20.01**

- OCI change due to rising interest rates during 4Q
- CommunityOne purchase accounting in line with original announcement

	Original	Current
TBV dilution per share	$0.19	$0.23
Cost savings	39%	mid-40%
Estimated merger/conversion expenses	$25 mm	$27 mm
Fully phased in timing	18 months	9 months
Estimated earn-back	2.3 years	2.0 years

Note: See reconciliation of core EPS, core ROA, and core efficiency ratio in appendix

On Track for 1.10% ROA by Year-end 2017



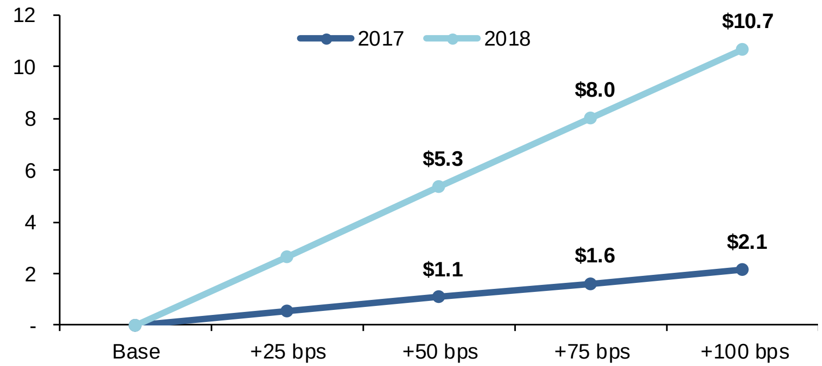
- Fully phased-in cost savings from CommunityOne expected to be realized during Q2 17
- NIM will compress due to run off in accretable yield
- Provision will increase due to fewer impairment reversals from legacy acquired loans
- Other cost savings programs in place and under development
- Projections do *not* assume higher interest rates in 2017

Note: See reconciliation of core ROA in appendix

Well Positioned for Higher Interest Rates

Earnings Sensitivity

(In millions)



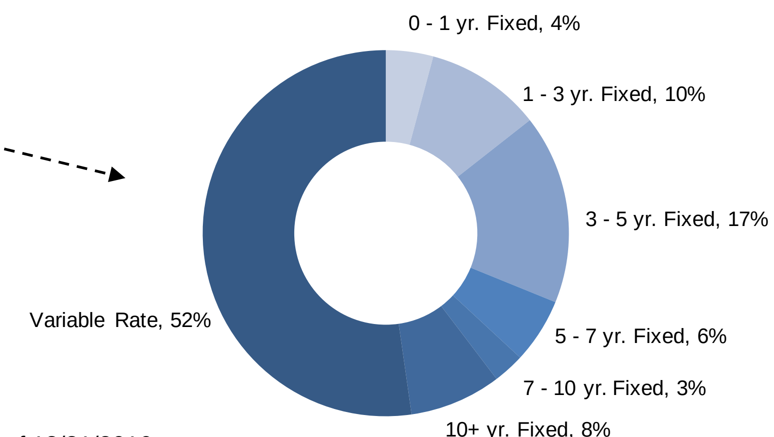
Note: Base case assumes static rates and balance sheet as of 11/30/2016. +75 bps case approximates consensus outlook with 3 rate hikes in the Federal Funds Rate (occurring in June 2017, September 2017, and December 2017), and a +125 bps increase in the 10 yr. US Treasury yield curve.

- Consensus outlook for 75 bps in rate hikes during 2017 would boost net income by $1.6 mm in 2017 and $8.0 mm in 2018
- Conservative asset sensitive position reflects short-duration loan portfolio and high proportion of core deposit funding

Asset & Liability Durations

Securities	4.0
Loans	1.4
Non-interest Checking	6.1
NOW	3.7
Money Market	2.3
Savings	3.7
Time Deposits	1.1
Borrowings	0.0

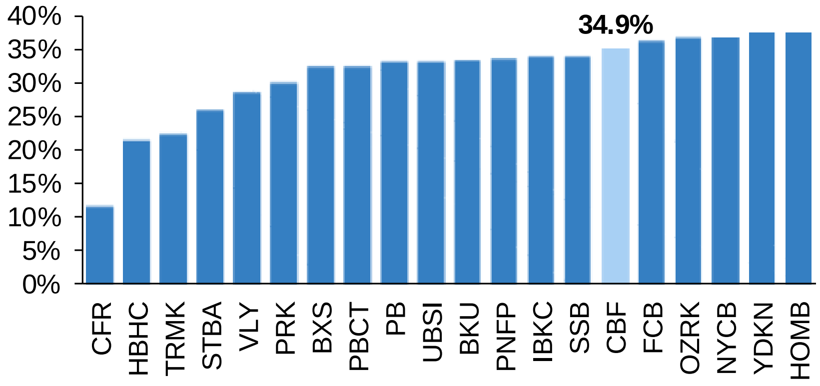
Loan Maturities



Note: Effective durations estimated as of 11/30/2016. Loan maturities as of 12/31/2016.

Well-positioned for Tax Reform

Effective Tax Rate



Impact of Changes in Federal Tax Rate

	Current Balance	Federal Tax Rate at: 25%	Federal Tax Rate at: 15%
2017 CBF Consensus EPS	$1.85	+ $0.30	+ $0.58
DTA[1]	$150.3 mm	- $15.0 mm	- $30.1 mm
Tier 1 Capital[2]	$1,101.7 mm	- $3.0 mm	- $6.0 mm

1. Decrease in DTA for federal tax rates at 25% and 15% is based on a 10% and 20% reduction in the 12/31/2016 DTA balance, respectfully.
2. Decrease in Tier 1 capital for federal tax rates at 25% and 15% is equal to 20% of the corresponding decrease in DTA at the respective federal tax rate. Tier 1 capital is preliminary.

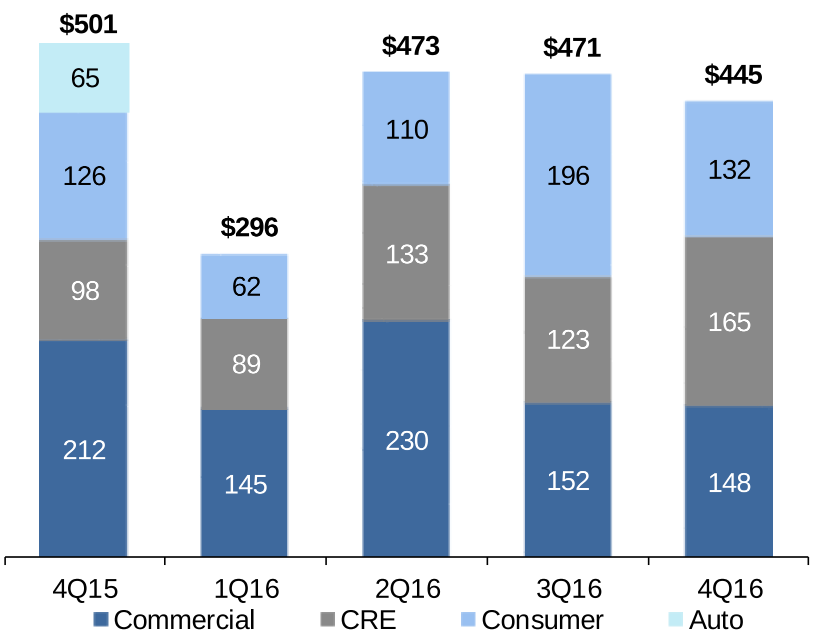
- Reduced corporate tax rates would significantly boost net income, due to high effective tax rate
  - BOLI/assets was 0.73% for CBF vs. 1.36% for peer median
  - Municipal holdings/assets was 0.22% for CBF vs. 1.97% for peer median
- DTA would be impacted by lower tax rates, but impact on regulatory capital would be limited

Note: CBF and peer data as of 3Q16 YTD per SNL and peer 10Q filings. Peer median is based on the peer group noted in the chart above.

Consistent High-Quality Loan Production

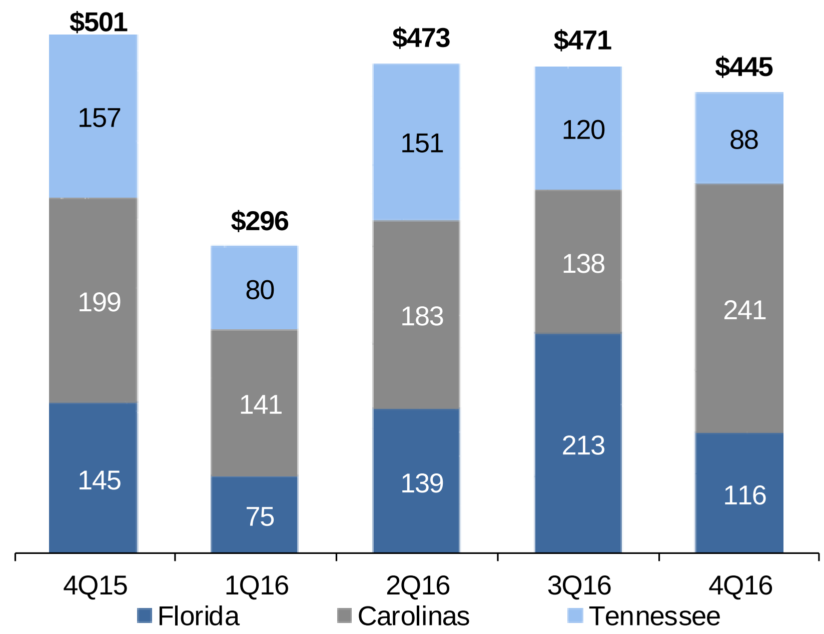
New Loans by Product

(In millions)



New Loans by Geography

(In millions)



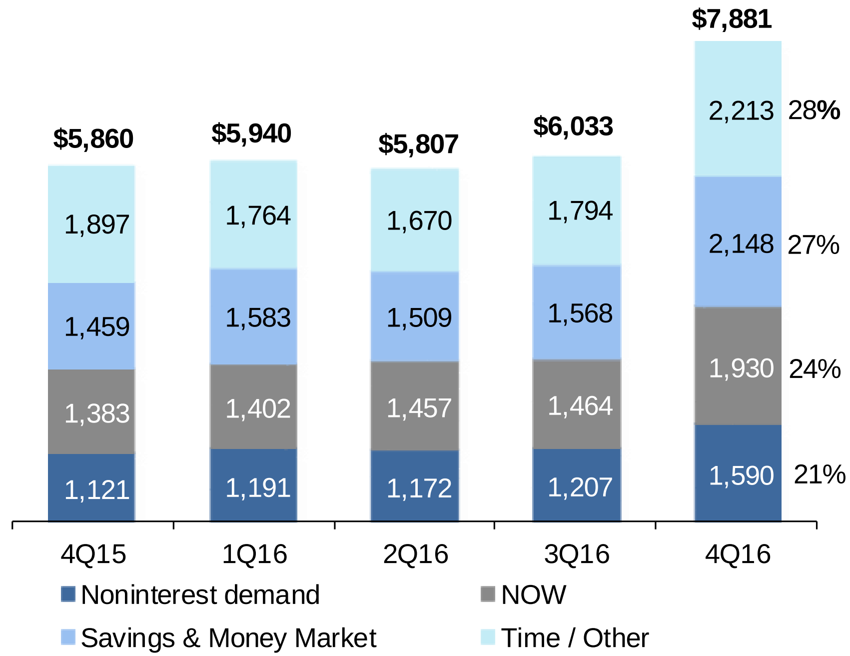
- Sold $100 mm in syndicated loans and ran off indirect portfolio by $27 mm. Excluding sales/run-off and CommunityOne acquisition, portfolio growth was 7% annualized during the quarter.
- Carolinas loan production now includes CommunityOne

Note: Includes loan purchases of $29 mm, $8 mm, $16 mm, $126 mm, and $32 mm in 4Q15, 1Q16, 2Q16, 3Q16, and 4Q16, respectively.

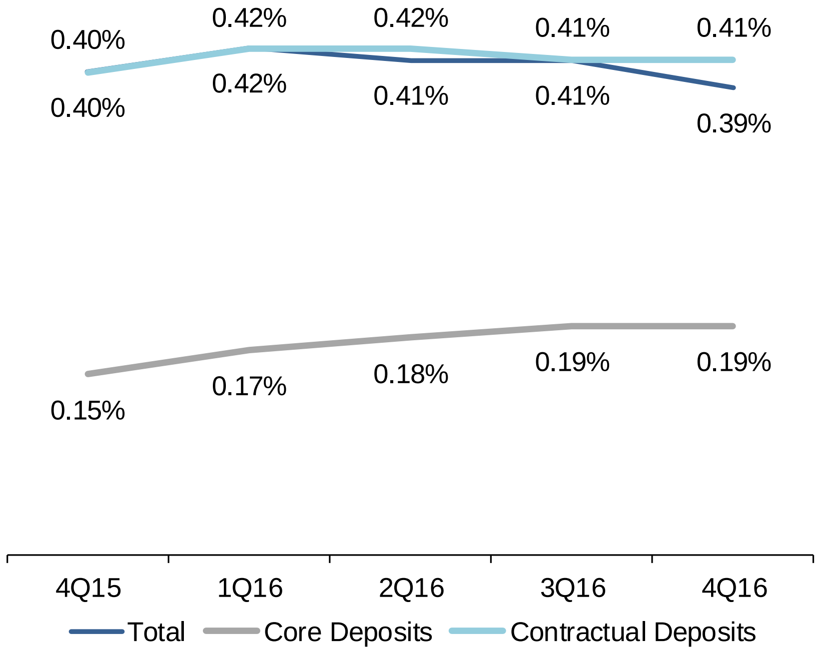
Strong Core Deposit Growth

Deposit Balances

(In millions)



Cost of Deposits

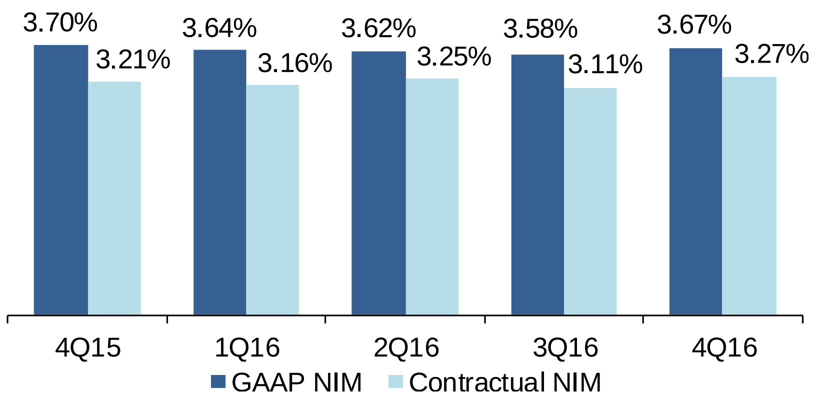


- Excluding CommunityOne acquisition, core deposits grew 11% annualized during the quarter and 10% y/y
- Cost of deposits down 1 bp y/y due to growth in core deposits offsetting shrinkage in CDs

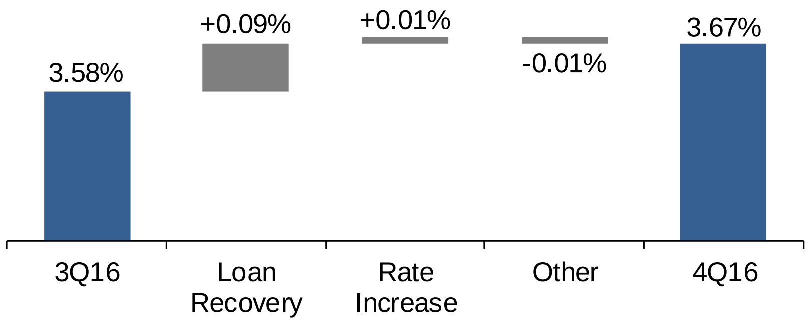
Note: Core deposits include noninterest demand, NOW, savings & money market, and excludes brokered deposits.

Net Interest Margin Grows 9 bps to 3.67%

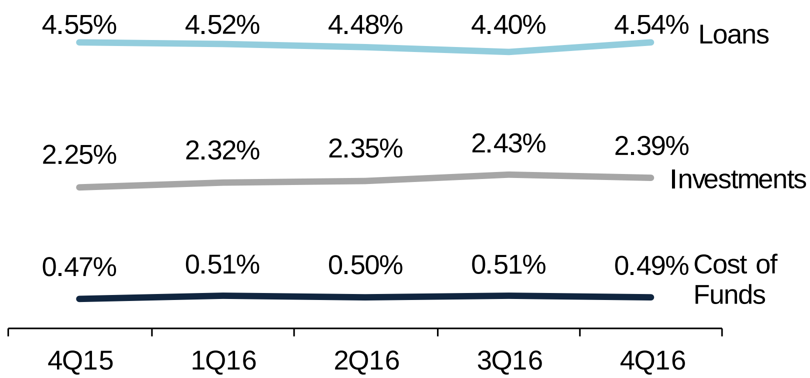
Net Interest Margin (NIM)



NIM Drivers



Yields and Cost of Funds

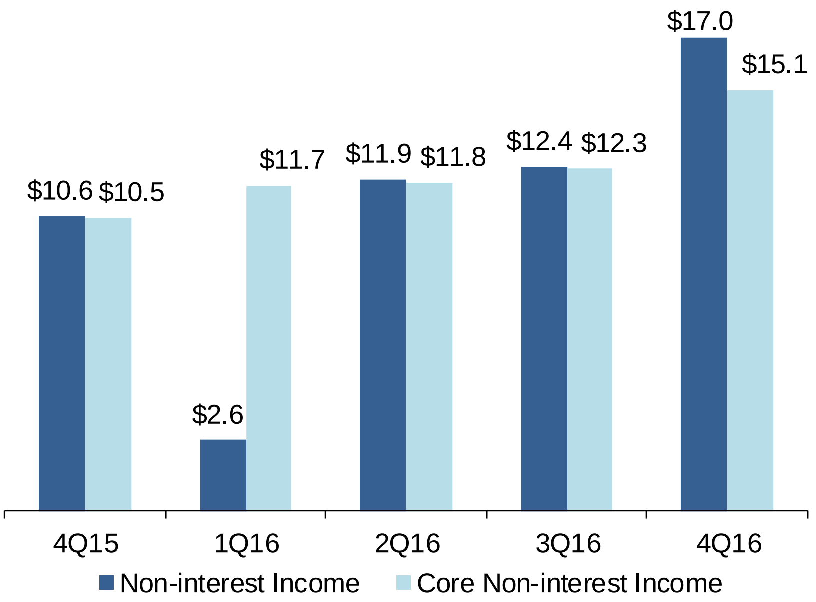


Note: See reconciliation of contractual net interest margin in appendix

Non-interest Income up Sequentially

Non-interest Income

(In millions)



Non-interest Income Detail

(In millions)

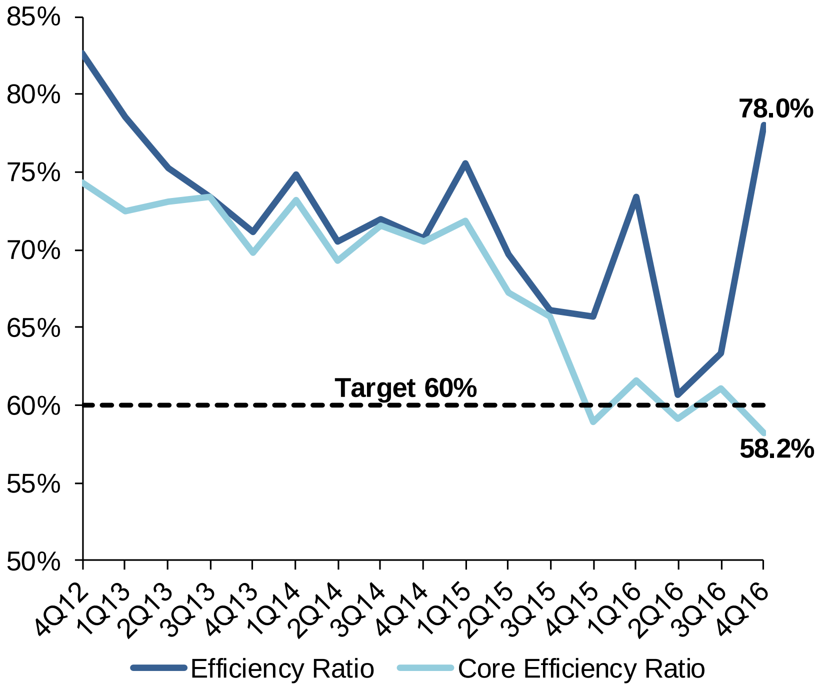
	4Q15	3Q16	4Q16
Services charges on deposits	$ 4.9	$ 4.8	$ 5.9
Debit card income	3.0	3.4	4.2
Fees on mortgage loans sold	0.9	1.3	1.4
Investment advisory and trust fees	0.6	0.3	0.6
FDIC indemnification asset expense	(1.5)	-	-
Securites gains	0.1	0.1	1.9
Other	2.6	2.5	3.0
Non-interest Income	**$ 10.6**	**$ 12.4**	**$ 17.0**
Less: Securities gains	(0.1)	(0.1)	(1.9)
Non-GAAP Core Non-interest Income	**$ 10.5**	**$ 12.3**	**$ 15.1**

- 4Q results include $0.5 mm from new credit card and merchant services products launched late last year

Note: See reconciliation of core non-interest income in appendix

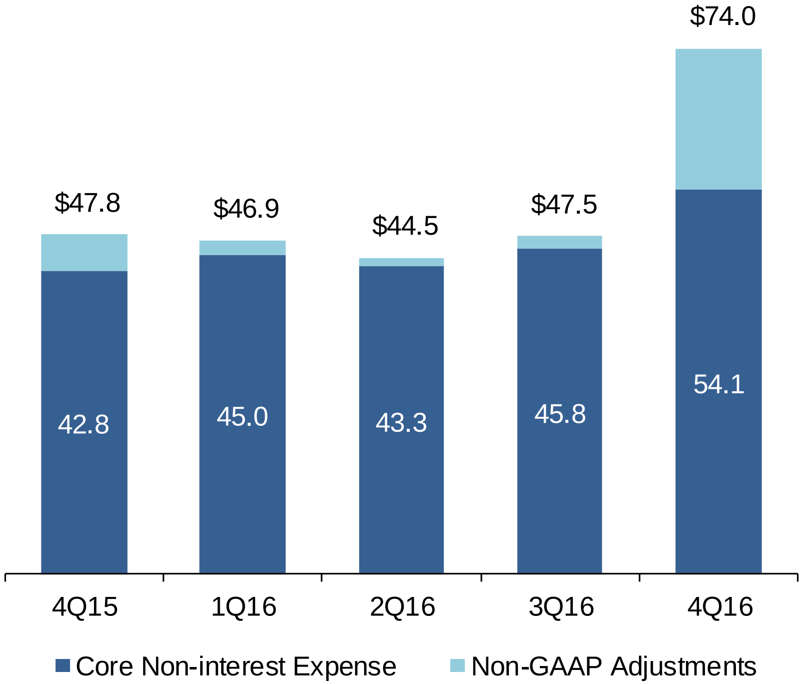
Focused on Efficiency & Merger Cost Savings

Efficiency Ratio



Non-interest Expense Detail

(In millions)

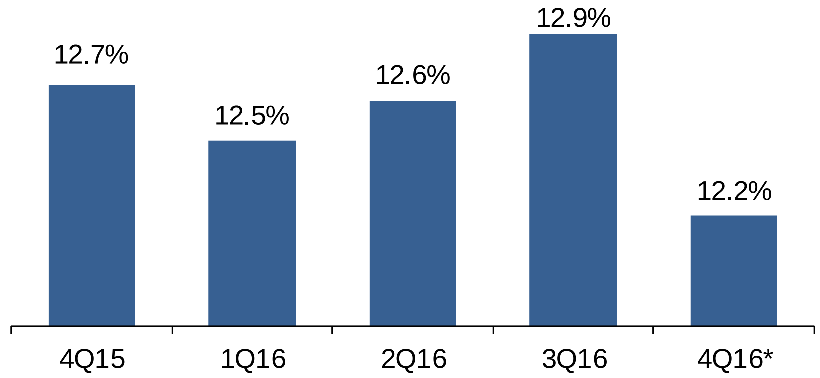


- CommunityOne cost savings now expected to be fully realized during 2Q

Note: See reconciliation of core efficiency ratio and core non-interest expense in appendix

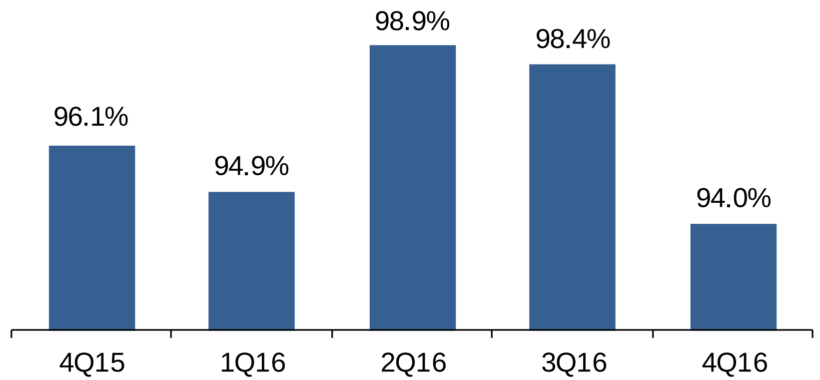
Liquidity and Capital Ratios Remain Strong

Tier 1 Leverage Ratio

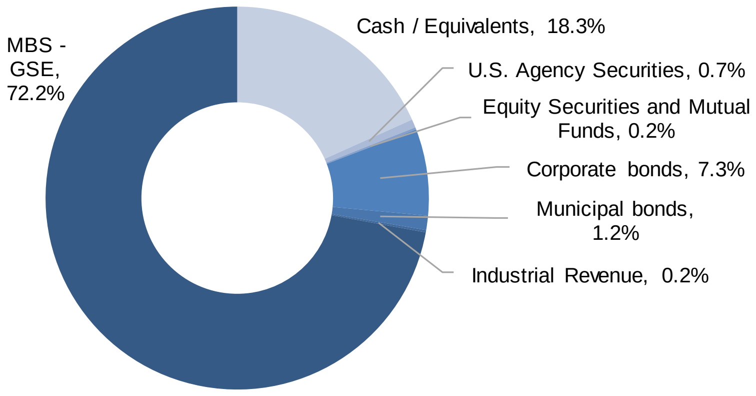


*4Q16 capital ratio is preliminary

Loan/Deposit Ratio



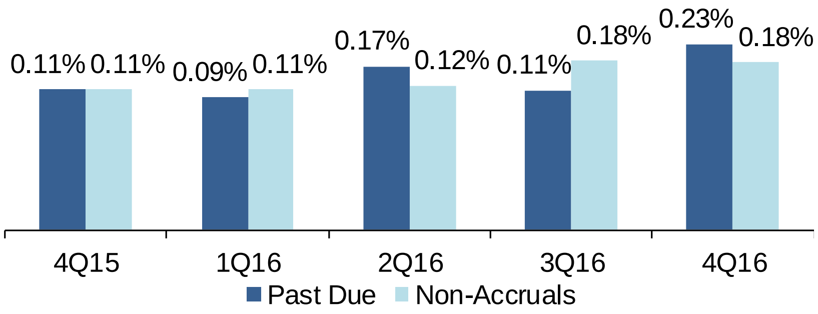
Liquidity Portfolio



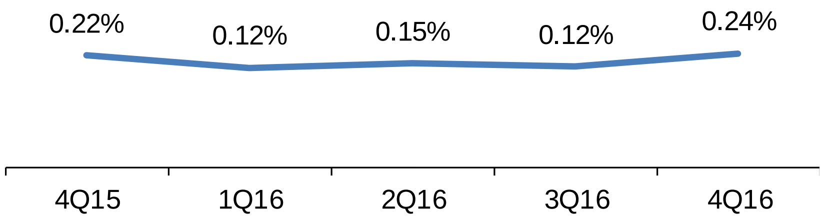
- Acquisition of CommunityOne reduced tier 1 leverage ratio to 12.2% and loan-to-deposit ratio to 94.0%
- Repurchased 0.4 mm shares following merger closing, bringing cumulative repurchases to 12.7 mm shares since IPO, which represents 25% of current outstanding shares
- Reinvested CommunityOne securities portfolio at closing and maintained duration of 4.1 years at year-end

New Loan Portfolio Performing Strongly

Past Dues & Nonaccruals



Net Charge-offs (NCOs)

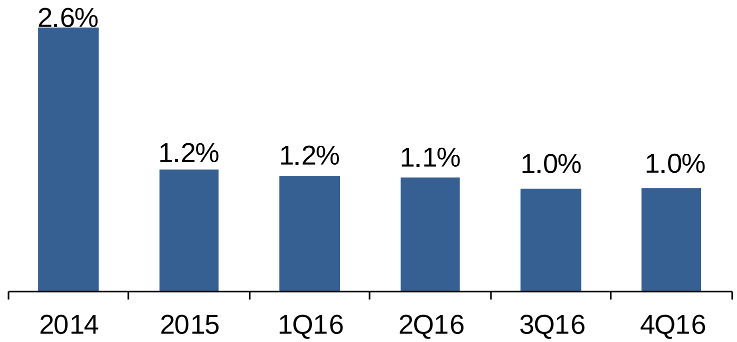


Credit Metrics

	4Q15	3Q16	4Q16
Criticized	0.51%	0.25%	0.57%
Classified Performing	0.31%	0.71%	0.37%
Classified Nonperforming	0.11%	0.18%	0.18%
Total Criticized/Classified	0.93%	1.14%	1.11%
Reserves / Loans	0.48%	0.43%	0.41%
Reserves / NCOs	2.21x	3.39x	1.72x
Reserves / Nonaccruals	4.32x	2.28x	2.27x

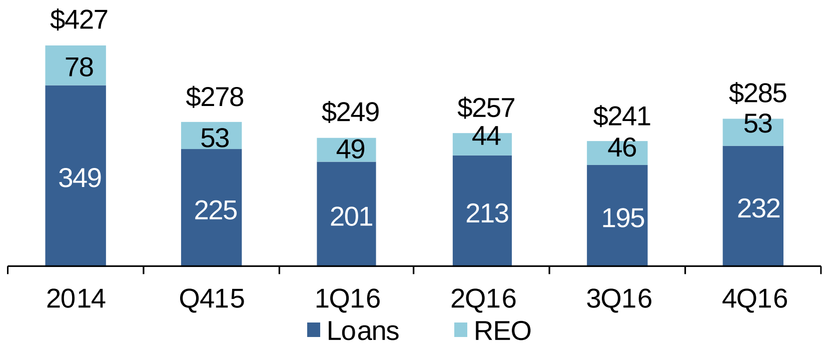
Special Assets Remain at Low Levels

Nonperforming Loans / Total Loans



Special Assets

(In millions)



Legacy Credit Expenses

(In thousands)

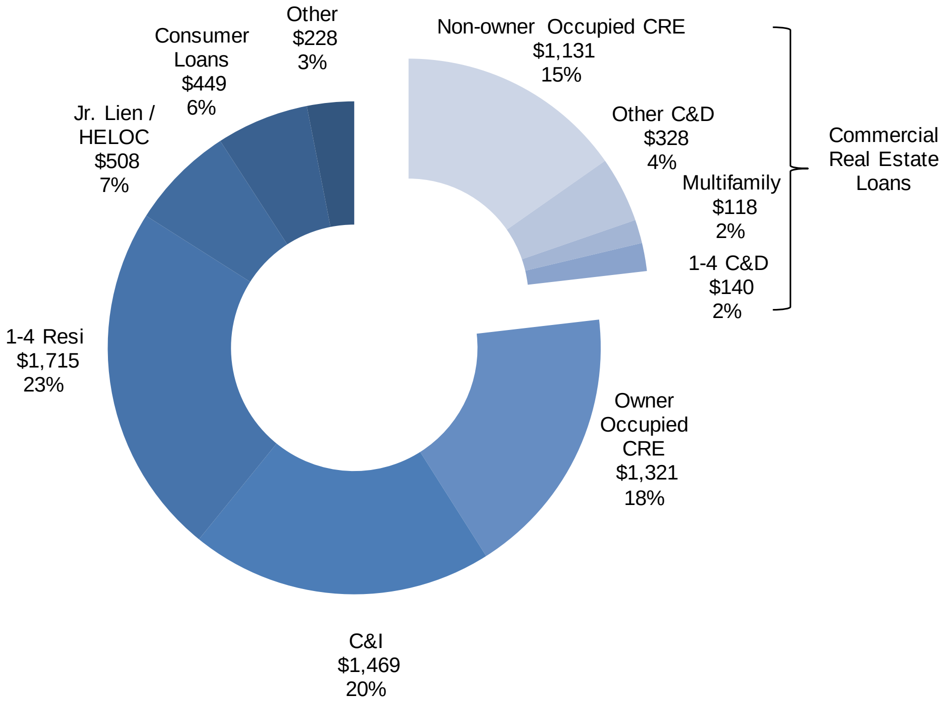
	4Q15	3Q16	4Q16
Provision (reversal) on legacy loans	$(1,161)	$ 48	$ (638)
FDIC indemnification asset expense	1,526	-	-
OREO valuation expense	341	742	677
(Gains) losses on sales of OREO	(801)	(159)	(150)
Foreclosed asset related expense	405	397	513
Loan workout expense	650	206	327
Salaries and employee benefits	549	511	510
Total legacy credit expense	**$ 1,509**	**$1,745**	**$1,239**

- $61 mm transferred from CommunityOne to Special Assets portfolio

CRE Concentration well within Regulatory Guidelines

Portfolio by Loan Type

(In millions)



- Total CRE was 150% of total risk based capital
- Construction & development loans were 41% of total risk based capital

Appendix

GAAP and Non-GAAP Disclosures

Use of Non-GAAP Financial Measures

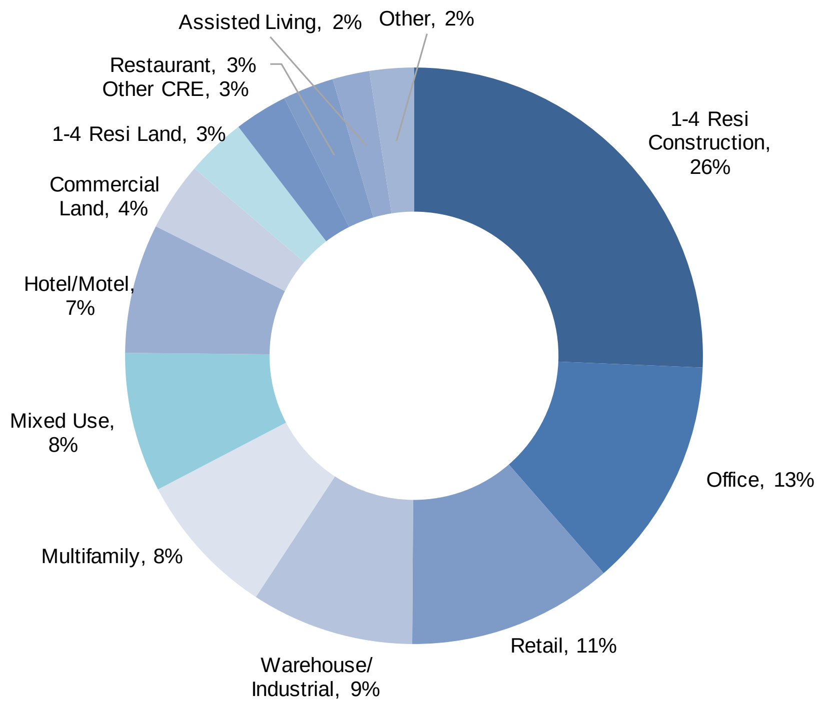
Core net income, core efficiency ratio, core return-on-assets ("core ROA"), tangible book value and tangible book value per share are each non-GAAP measures used in this report. A reconciliation to the most directly comparable GAAP financial measures - net income in the case of core net income and core ROA, total non-interest income and total non-interest expense in the case of core efficiency ratio, and total shareholders' equity in the case of tangible book value and tangible book value per share - appears in tabular form at the end of this release. The Company believes core net income, the core efficiency ratio and core ROA are useful for both investors and management to understand the effects of certain non-interest items and provide an alternative view of the Company's performance over time and in comparison to the Company's competitors. These measures should not be viewed as a substitute for net income. The Company believes that tangible book value and tangible book value per share are useful for both investors and management as these are measures commonly used by financial institutions, regulators and investors to measure the capital adequacy of financial institutions. The Company believes these measures facilitate comparison of the quality and composition of the Company's capital over time and in comparison to its competitors. These measures should not be viewed as a substitute for total shareholders' equity.

The Company uses these non-GAAP measures for various purposes, including measuring performance for incentive compensation and as a basis for strategic planning and forecasting.

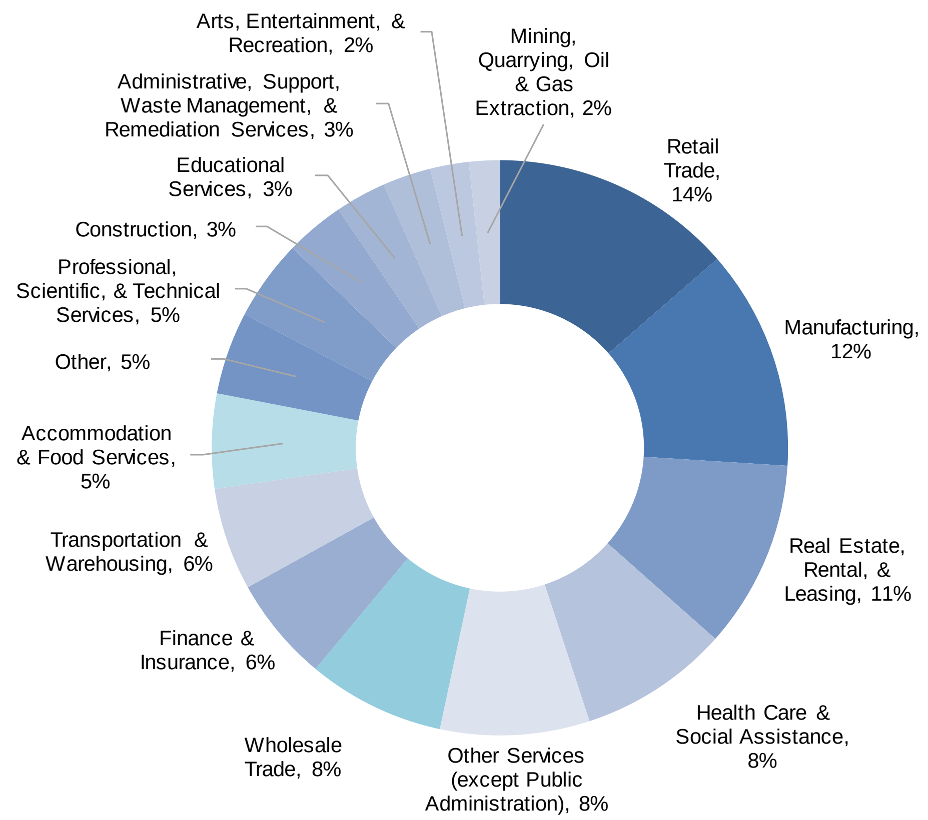
These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for analysis of results reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

Diversified Loan Portfolio

Commercial Real Estate Portfolio by Collateral



Commercial Loans by Industry



Reconciliation of Core Noninterest Income / Expense

$ 000's

	4Q16	3Q16	2Q16	1Q16	4Q15
Net interest income	$77,819	$62,627	$61,515	$61,367	$62,078
Reported non-interest income	17,016	12,370	11,922	2,566	10,597
Less: Securities gains	1,894	71	117	40	54
Termination of loss share	–	–	–	(9,178)	–
Core non-interest income	**$15,122**	**$12,299**	**$11,805**	**$11,704**	**$10,543**
Reported non-interest expense	$73,994	$47,530	$44,536	$46,938	$47,756
Less: Severance expense	7	–	–	75	–
Conversion costs and merger	18,245	331	881	1,107	31
Legal merger non deductible	280	61	355	580	673
Restructuring expense	4	(113)	5	142	33
Contract termination	–	–	–	–	4,215
Legal settlement	1,361	1,500	–	–	–
Core non-interest expense	**$54,097**	**$45,751**	**$43,295**	**$45,034**	**$42,804**
Core Fee Ratio*	**16.3%**	**16.4%**	**16.1%**	**16.0%**	**14.5%**
Efficiency Ratio**	**78.0%**	**63.4%**	**60.6%**	**73.4%**	**65.7%**
Core Efficiency Ratio***	**58.2%**	**61.1%**	**59.1%**	**61.6%**	**58.9%**

* Core Fee Ratio: Core non-interest income / (Net interest income + Core non-interest income)

** Efficiency Ratio: Non-interest expense / (Net interest income + Non-interest income)

***Core Efficiency Ratio: Core non-interest expense / (Net interest income + Core non-interest income)

Reconciliation of Core Net Income

$ 000's	Quarter Ended 4Q16	Quarter Ended 4Q16	Quarter Ended 3Q16	Quarter Ended 3Q16	Quarter Ended 4Q15	Quarter Ended 4Q15
Net income	**$ 12,434**	**$ 12,434**	**$ 18,488**	**$ 18,488**	**$ 15,021**	**$ 15,021**
Adjustments	**Pre-Tax**	**After-tax**	**Pre-Tax**	**After-tax**	**Pre-Tax**	**After-tax**
Non-Interest Income						
Security gains*	(1,894)	(1,170)	(71)	(44)	(54)	(33)
Non-Interest Expense						
Severance expense *	7	4	-	-	-	-
Restructuring expense*	4	3	(113)	(70)	32	20
Conversion costs and merger tax deductible*	18,245	11,270	331	205	33	20
Legal merger non deductible	280	280	61	61	673	673
Contract Termination	-	-	-	-	4,215	2,594
Tax adjustment	(1,350)	(1,350)	(1,067)	(1,067)	-	-
Legal settlement*	1,361	841	1,500	927	-	-
Tax effect of adjustments*	(6,775)	NA	(629)	NA	(1,625)	NA
Core Net Income	**$ 22,312**	**$ 22,312**	**$ 18,500**	**$ 18,500**	**$ 18,295**	**$ 18,295**
Diluted shares	50,387		43,909		44,550	
Core Net Income per share	$0.44		$0.42		$0.41	
Average Assets	$9,329,334		$7,592,776		$7,332,516	
Tangible Common Equity	$1,023,177		$883,031		$836,643	
ROA**	0.53%		0.97%		0.82%	
Core ROA***	0.96%		0.97%		1.00%	
Core ROTCE****	8.7%		8.4%		8.7%	

* Tax effected at an income tax rate of 38%
** ROA: Annualized net income / average assets
*** Core ROA: Annualized core net income / average assets
**** Core ROTCE: Annualized core net income / tangible common equity

Tangible Book Value

(In thousands, except per share data)

	December 31, 2016
Total common shareholders' equity	$1,292,047
Less: Goodwill and core deposit intangibles, net of taxes	256,176
Tangible book value*	$1,035,871
Common shares outstanding	51,765
Tangible book value per share	$20.01

* Tangible book value is equal to book value less goodwill and core deposit intangibles, net of related deferred tax liabilities.

Contractual Net Interest Margin

$ 000's	Average Earning Assets	Net Interest Income[1]	Net Interest Margin
December 31, 2016			
Reported	8,499,594	78,376	3.67%
Purchase Accounting Impact	(41,663)	8,633	0.40%
Contractual Net Interest Margin[2]			**3.27%**
September 30, 2016			
Reported	7,009,363	63,083	3.58%
Purchase Accounting Impact	(33,558)	8,307	0.47%
Contractual Net Interest Margin[2]			**3.11%**
June 30, 2016			
Reported	6,876,936	61,950	3.62%
Purchase Accounting Impact	(39,114)	6,438	0.37%
Contractual Net Interest Margin[2]			**3.25%**
March 31, 2016			
Reported	6,832,335	61,786	3.64%
Purchase Accounting Impact	(44,537)	8,171	0.48%
Contractual Net Interest Margin[2]			**3.16%**
December 31, 2015			
Reported	6,698,720	62,491	3.70%
Purchase Accounting Impact	(50,768)	8,460	0.49%
Contractual Net Interest Margin[2]			**3.21%**

1. Includes effects of tax equivalent adjustments
2. Excludes purchase accounting adjustments