

CAPITAL MARKETS ANNOUNCEMENT

Empire Bancorp, Inc. (OTCQB: EMPK) Closes Private Placement of \$15.25 Million of Subordinated Notes due 2025

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 41st subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter or book-runner, more than any other investment bank and approaching half of all the deals done during that period¹.

About the Offering:

ISLANDIA, NY -- Empire Bancorp, Inc. (OTCQB: EMPK), the parent holding company of Empire National Bank, announced today that it has completed a private placement of \$15,250,000 in aggregate principal amount of subordinated notes to certain qualified institutional investors. Unless earlier redeemed, the notes mature on December 17, 2025. The notes were designed to qualify as tier 2 capital under the Federal Reserve's capital guidelines. The company intends to use the net proceeds from the offering to support continued organic growth.

"This offering further diversifies our capital mix and provides us with a source of low-cost capital that is non-dilutive to our common shareholders," stated Chairman and Chief Executive Officer Douglas Manditch. "The proceeds of the offering will enable us to continue to implement our growth strategy and better serve the diverse financial services needs of our growing customer base on Long Island and in New York City."

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Empire Bancorp, Inc. is the bank holding company for Empire National Bank, a Long Island-based independent bank that specializes in serving the financial needs of small and medium sized businesses, professionals, nonprofit organizations, real estate investors, and consumers. The bank has four banking offices located in Islandia, Shirley, Port Jefferson Station and Mineola, New York, and a loan and deposit production office in New York City.

(1) Note: Includes nationwide subordinated debt and senior note offerings since 1/1/2014 that involved one or more book managers or placement agents for banks or bank holding companies with less than \$25bn in assets; excludes deals that were not reported and deals where no underwriter or placement agent was reported; Source: SNL Financial and Sandler O'Neill + Partners, L.P.

(2) Financial data is not pro forma for the offering; bank level data shown

December 17, 2015

Subordinated Notes
due 2025
\$15.25 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 9/30/2015)²

(\$ in thousands)

| | |
|---------------------------------|-----------|
| Total Assets | \$575,986 |
| Net Loans | 422,009 |
| Total Deposits | 506,828 |
| Total Equity | 64,528 |
| Tier 1 Leverage Ratio | 11.45% |
| Tier 1 Risk-Based Capital Ratio | 15.41% |
| Total Risk-Based Capital Ratio | 16.61% |
| TCE / TA | 11.20% |

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