

CAPITAL MARKETS ANNOUNCEMENT

Empire Bancorp Inc. (OTCQB: EMPK; Islandia, NY) Closes \$20.0 Million Private Placement of Common and Preferred Stock

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

This transaction represents the 35th public offering or private placement of common or preferred stock for a bank or thrift since January 1, 2014 for which Sandler O'Neill acted as book-runner, co-manager or placement agent, more than any other investment bank during that period. These transactions have raised approximately \$10.9 billion for our clients.¹

About the Offering:

Islandia, New York (December 19, 2014) – Empire Bancorp, Inc. (OTCQB: EMPK), the parent bank holding company of Empire National Bank, announced today that it had completed a private placement of \$20.0 million in equity capital through the sale of 1,343,750 shares of its common stock and 1,156,250 shares of its preferred stock at a price of \$8.00 per share to institutional and individual investors. The private placement was led by Patriot Financial Partners. The preferred stock sold in the offering was structured as a non-voting common stock equivalent for regulatory considerations. The company intends to use the net proceeds from this offering to support continued organic growth.

“We are very pleased with the results of the offering,” stated Chairman and Chief Executive Officer Douglas Manditch. “The successful completion of this capital raise 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.”

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 a 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.

1) Source: SNL Financial

Note: Financial data as of or for the quarter ended September 30, 2014

December 19, 2014

Common and Preferred Stock

\$20.0 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights

(Dollars in thousands)

Total Assets	\$514,757
Gross Loans	\$351,336
Total Deposits	\$411,482
Total Equity	\$42,483
ROAE	6.06%
ROAA	0.53%
TCE / TA	8.25%

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