

**Ion Financial MHC (Private; Naugatuck, CT) Closes Private Placement of \$15.0 Million of Subordinated Notes due 2027**

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

This transaction is the 122<sup>nd</sup> 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, book runner or initial purchaser.<sup>1</sup> Since May 20, 2016, Sandler O'Neill has raised approximately \$3.9 billion for its clients, capturing a 71.4% market share of announced transactions.<sup>1</sup>

**About the Offering:**

NAUGATUCK, CT., September 27, 2017 – Ion Financial, MHC (Company), parent of Ion Bank, Ion Investments, and Ion Insurance, today announced that it has completed a private placement of \$15.0 million in subordinated notes (Notes) to certain institutional investors. The Notes are structured to qualify for the Company as Tier 2 capital under regulatory guidelines. The Company was assigned an A- rating and the Notes were assigned an investment grade rating of BBB+ by Egan-Jones Rating Agency.

The Company intends to use the net proceeds for additional investments in Ion Bank and Ion Insurance to support growth and general corporate purposes.

"We are pleased to announce the completion of this debt offering and ratings from Egan-Jones and consider this a great accomplishment for a Community Bank. This transaction will fortify the company's capital and liquidity positions." said Charles Boulier, III, Chief Executive Officer.

*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:**

Ion Financial, MHC is the mutual holding company for Ion Bank. Ion Bank, founded in 1870, is one of the oldest banks headquartered in Central Connecticut. With assets as of June 30, 2017 of \$1.28 billion, Ion has 17 full service bank branches, 1 high school limited service bank branch, and 5 insurance agency locations. Ion offers a full complement of products and services to consumers and businesses in its communities.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt or senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data not pro forma for the offering.

September 27, 2017

6.00% Fixed-to-Floating Rate  
Subordinated Notes  
due 2027  
**\$15.0 Million**

**ion** FINANCIAL, MHC

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

**Financial Highlights (as of 06/30/2017)<sup>2</sup>***Dollars in thousands*

Total Assets	\$1,280,601
Net Loans	\$1,051,422
Total Deposits	\$1,008,025
Total Equity	\$113,716
TCE / TA	8.42%
Tier 1 Leverage Ratio	9.62%
Tier 1 Risk-Based Capital Ratio	11.77%
Total Risk-Based Capital Ratio	12.84%

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