

Metropolitan BancGroup, Inc. (Private; Ridgeland, MS) Closes Private Placement of \$15.0 Million of Subordinated Notes due 2026

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

This transaction is the 73rd 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.¹ Since May 20, 2016, Sandler O'Neill has raised over \$1.22 Billion for its clients, capturing an 84.2% market share of announced transactions.²

About the Offering:

Ridgeland, Miss. – Metropolitan BancGroup, Inc. (the "Company"), the bank holding company of Metropolitan Bank (the "Bank"), has completed a private placement totaling \$15 million in aggregate principal amount of fixed-to-floating rate subordinated notes (the "Notes") to certain institutional investors, closing on June 30, 2016 and on July 21, 2016. The Notes are non-callable for five years, have a stated maturity of July 1, 2026, and bear interest at a fixed rate of 6.50% per year, from and including June 30, 2016, to, but excluding, July 1, 2021. From and including July 1, 2021, to the maturity date or early redemption date, the interest rate will reset quarterly to a level equal to the then current three-month LIBOR rate plus 554.5 basis points.

The Notes have been structured to qualify for the Company as Tier 2 capital under regulatory guidelines. The Company plans to use the net proceeds from the sale of the Notes for general corporate purposes, including funding future growth. The Notes were assigned an investment grade rating of BBB- by Kroll Bond Rating Agency.

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:


Metropolitan BancGroup, Inc. is a bank holding company headquartered in Memphis, Tennessee and Ridgeland, Mississippi. The Company's wholly owned bank subsidiary, Metropolitan Bank, provides a full range of banking and related financial services with a focus on service to small businesses, corporate entities, local governments and individuals. With consolidated total assets of approximately \$1.1 billion at June 30, 2016, the Bank currently operates through 8 full service banking offices in Mississippi and Tennessee.

- (1) Source: Sandler O'Neill + Partners. Deal count includes nationwide subordinated debt and senior note offerings since 1/1/2014 for banks or bank holding companies with less than \$25 billion in assets.
- (2) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes \$1,000 par subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.
- (3) Financial data includes the \$4.5 million of notes issued on June 30, 2016, but does not include the \$10.5 million of notes issued on July 21, 2016

July 21, 2016

6.50% Fixed-to-Floating
Rate Subordinated Notes
due 2026

\$15.0 Million



METROPOLITAN

Exclusive Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of June 30, 2016³

(\$ in millions)

Total Assets	\$1,089
Net Loans	\$810
Total Deposits	\$884
Total Equity	\$89
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Tangible Common Equity / Tangible Assets	7.83%
Tier 1 Leverage Ratio	7.83%
Tier 1 Risk-Based Capital Ratio	9.21%
Total Risk-Based Capital Ratio	10.46%

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