

**Preferred Bank (NASDAQ: PFBC; Los Angeles, CA) has agreed to acquire United International Bank (Private; Flushing, NY)**

**Estimated Deal Value: Approximately \$21.4 million\***

Sandler O'Neill served as financial advisor to Preferred Bank in this transaction. This transaction represents Sandler O'Neill's 85<sup>th</sup> bank or thrift transaction nationwide since January 1, 2014, representing \$13.9 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Preferred Bank ("Preferred"), an independent commercial bank, today announced the signing of a definitive stock purchase agreement whereby Preferred will acquire all of the outstanding shares of United International Bank ("UIB"), headquartered in Flushing, New York.

As of March 31, 2015, UIB had approximately \$179 million in total assets, approximately \$140 million in total loans, approximately \$151 million in total deposits and approximately \$20 million in total shareholder's equity. UIB was founded in 2006 and operates out of its full service branch located on Main Street in Flushing, New York. Upon completion of the stock purchase, UIB will be merged into Preferred and UIB's Flushing office will become a full service branch office of Preferred.

Li Yu, Chairman and CEO of Preferred, said, "This transaction provides us a tremendous opportunity to enter this important market. The two banks share a philosophy of high touch service and building franchise value through responsive service and access to decision-makers. This transaction will also allow us to offer UIB's clients a greater suite of products and services and a significantly expanded legal lending limit. We look forward to continuing the strong community banking foundation that UIB has established."

The aggregate purchase price will be derived from UIB's total shareholder's equity as of five days prior to closing, plus \$1.2 million, subject to adjustment as provided in the definitive agreement, to be paid all in cash in exchange for all of the outstanding shares of UIB.

The transaction is subject to approval by banking regulators and certain closing conditions. The boards of directors of Preferred and UIB have each unanimously approved the transaction. All shareholders of UIB have agreed to sell their shares. Approval of the shareholders of Preferred for the transaction is not legally required and will not be solicited. The transaction is expected to close in the fourth quarter of 2015 and is not expected to have a material impact on Preferred's 2015 results of operations.

Preferred expects the transaction to be accretive to 2016 earnings per share and to have a minimal dilution to tangible book value at closing, with a very short earnback period.

## Financial Highlights

<i>(Dollars in thousands)</i>	<b>PFBC</b>	<b>UIB</b>
Total Assets	\$2,137,713	\$178,758
Gross Loans	\$1,668,876	\$139,919
Total Deposits	\$1,856,950	\$151,391
TCE / TA	11.40%	11.32%
LTM ROAA	1.33%	0.26%

**Notes:**  
\*Estimated deal value based on UIB's 1Q'15 total equity plus \$1.2mm premium, actual deal value to be determined at close

<sup>1</sup>Excludes terminated transactions and self-advisory roles  
Financial data as of March 31, 2015

Source: SNL Financial

## Pro Forma Branch Network



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