

**Pedcor Bancorp (Private; Carmel, IN) Closes Private Placement of \$8.0 Million of Subordinated Notes due 2029**

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

This transaction is the 107th subordinated note or senior note transaction for a community bank since January 1, 2016 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner, or initial purchaser. These transactions have raised approximately \$5.8 billion for our clients, representing a 60.8% market share of announced transactions.<sup>1</sup>

**About the Offering:**

CARMEL, INDIANA – Pedcor Bancorp (“Company”), parent company of Long Beach-based International City Bank, FSB (“Bank”), announced today it has completed an \$8 million private placement of fixed-to-floating rate subordinated notes.

Pedcor Bancorp intends to use the net proceeds to support bank-level capital ratios and for general corporate purposes, including possible repayment of callable subordinated debt instruments.

The subordinated notes will bear interest at 7.25% for 5 years and then the interest rate will reset quarterly at three-month LIBOR + 460 basis points for the remaining 5 years. Unless redeemed earlier, the notes will mature on February 15, 2029. The Company may, at its option beginning February 2024, redeem the notes. Proceeds from the notes meet the requirements to qualify as regulatory Tier 2 capital for the Company and as regulatory Tier 1 capital for the portion of the net proceeds that are invested in the Bank.

*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:**

Pedcor Bancorp is a privately-owned savings and loan holding company of International City Bank, FSB. Headquartered in Long Beach, California, International City Bank’s primary business segments cover local business banking and multifamily affordable housing financing and development activities, while maintaining a concentration of low-risk GNMA-backed FHA loans that finance affordable housing on a nationwide basis. Pedcor Bancorp and International City Bank, FSB operate within a structure run by a longstanding, well-known affordable housing developer, who is one of the largest in the country.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt or senior note offerings for Community Banks reported by Bloomberg; Community Banks defined as banks or bank holding companies with less than \$35 billion in assets.

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

February 11, 2019

7.25% Fixed-to-Floating Rate  
Subordinated Notes due 2029**\$8.0 Million****Pedcor Bancorp**The Savings and Loan Holding Company of International City Bank  
Long Beach, California

Sole Placement Agent

**SANDLER O'NEILL + PARTNERS****Financial Highlights (as of 12/31/2018)<sup>2</sup>***(Dollars in millions)*

Total Assets	\$270.6
Total Loans	\$111.7
Total Deposits	\$202.8
Total Equity	\$35.6
Reported LTM ROAA	1.85%
Tier 1 Leverage Ratio	9.47%
Tier 1 Risk-Based Capital Ratio	19.26%
Total Risk-Based Capital Ratio	20.45%
TCE / TA	13.17%

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