

**Fidelity Federal Bancorp (Private; Evansville, IN) Closes Private Placement of \$30.0 Million of Subordinated Notes due 2028**

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

This transaction is the 98th 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 \$5.6 billion for our clients, representing a 63.2% market share of announced transactions.<sup>1</sup>

**About the Offering:**

EVANSVILLE, INDIANA – Fidelity Federal Bancorp (“Company”), parent company of Evansville-based United Fidelity Bank, fsb (“Bank”), announced today it has completed a \$30 million private placement of fixed-to-floating rate subordinated notes.

The Company intends to use the capital to lend to affiliate entities, support bank-level capital ratios, and for general corporate purposes, including supporting the Company’s ongoing acquisitions strategy, the Bank’s continued growth in affordable housing activities, and to redeem existing holding company obligations.

The subordinated notes will bear interest at 6.875% for 5 years and then the interest rate will reset quarterly at three-month LIBOR + 379 basis points for the remaining 5 years. Unless redeemed earlier, the notes will mature on October 15, 2028. The Company may, at its option beginning October 2023, 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:**

Fidelity Federal Bancorp is a privately-owned savings and loan holding company of United Fidelity Bank. Headquartered in Evansville, Indiana, United Fidelity Bank’s primary business segments cover traditional community 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. Fidelity Federal Bancorp and United Fidelity bank 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.

October 11, 2018

6.875% Fixed-to-Floating Rate  
Subordinated Notes due 2028  
**\$30.0 Million**



Sole Placement Agent

**SANDLER O'NEILL + PARTNERS****Financial Highlights (as of 6/30/2018)<sup>2</sup>***(Dollars in millions)*

Total Assets	\$765.7
Total Loans	\$157.1
Total Deposits	\$654.4
Total Equity	\$90.8
Reported YTD ROAA	1.30%
Tier 1 Leverage Ratio	8.16%
Tier 1 Risk-Based Capital Ratio	26.89%
Total Risk-Based Capital Ratio	29.53%
TCE / TA	11.63%

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