

Sub Debt Issuance – Valley Republic Bancorp

March 2019

Valley Republic Bancorp

holding company for:



Subordinated Debt Offering

\$20.0 Million
6.00% Fixed-to-Floating
Notes Due March 2029

Sole Placement Agent

Performance Trust Capital Partners

For additional information, please contact our deal team for this transaction:

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Transaction Overview

On March 29, 2019, Bakersfield, California-based Valley Republic Bancorp, the holding company for Valley Republic Bank, completed the issuance of \$20.0 million in 10-year fixed-to-floating rate subordinated notes, rated by Egan Jones at BBB+. The subordinated debt is structured such that it qualifies as Tier 2 capital at the holding company. The notes will initially bear interest at 6.00% per annum through March 29, 2024, and thereafter pay an annual floating rate equal to three-month LIBOR plus 352 basis points.

The Company intends to use the net proceeds for general corporate purposes, including to strengthen its capital ratios and improve its capital structure flexibility to support Valley Republic Bank's continued growth.

Performance Trust Capital Partners served as sole placement agent for Valley Republic Bancorp in connection with this issuance of subordinated debt.

Bank Financial Highlights (December 31, 2018)

(\$000s)	Valley Republic Bank
Assets:	\$ 779,772
Loans:	521,628
Deposits:	704,289
Tang. Equity:	66,440
TCE / TA:	8.52%
NPAs (ex. TDR's):	0.00%
LTM Net Income:	\$ 9,004
LTM ROAA:	1.26%
LTM ROAE:	14.70%

Branch Map

