



Andover Bancorp, Inc. Announces Completion of Subordinated Note Offering

ANDOVER, Ohio, November 18, 2021 – Andover Bancorp, Inc. (the “Company”), the parent holding company of The Andover Bank (the “Bank”), today announced the completion of a private placement of \$10.0 million aggregate principal amount of its 3.625% Fixed-to-Floating Rate Subordinated Notes due December 1, 2031 (the “Notes”) to various qualified institutional buyers and accredited investors (the “Offering”). The price for the Notes was 100% of the principal amount of the Notes. The Notes are intended to qualify as Tier 2 capital for regulatory purposes. The Company intends to use the net proceeds from the Offering for general corporate purposes, including but not limited to the purchase of shares of its common stock from stockholders, contribution of funds to the Bank, and potential future strategic opportunities.

Interest on the Notes will accrue at a rate equal to (i) 3.625% per annum from the original issue date to, but excluding, December 1, 2026, payable semi-annually in arrears, and (ii) a floating rate per annum equal to a benchmark rate, which is expected to be the Three-Month Term SOFR (as defined in the Notes), plus a spread of 266 basis points from and including December 1, 2026 until maturity, payable quarterly in arrears. Beginning on December 1, 2026 through maturity, the Notes may be redeemed, at the Company’s option, on any scheduled interest payment date. Any redemption will be at a redemption price equal to 100% of the principal amount of Notes being redeemed, plus accrued and unpaid interest.

Stephen E. Varckette, President, Chief Executive Officer and Director of Andover Bancorp, Inc., stated, “We are excited to announce the successful completion of our subordinated debt offering on favorable terms. A portion of the capital that we will downstream to our bank will support the continued growth of our organization and our expanding commercial lending platform in Northeast Ohio and Northwest Pennsylvania. This offering will also enable us to continue repurchasing our common stock, which further increases value for our shareholders.”

Boenning & Scattergood, Inc. served as financial advisor to the Company and acted as the sole placement agent for the Offering and was represented by Hunton Andrews Kurth LLP as legal counsel. Tucker Ellis LLP served as the Company’s legal counsel in the Offering.

About Andover Bancorp, Inc., and The Andover Bank

Andover Bancorp, Inc. operates as the bank holding company for The Andover Bank, an independent community bank that provides commercial and retail banking products and services. The Andover Bank serves Northeast Ohio and Northwest Pennsylvania and takes pride in serving all segments of the community, helping individuals and businesses achieve their financial goals. The Andover Bank was founded in 1884 and is headquartered in Andover, Ohio.

Corporate Headquarters
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Forward-Looking Statements

This Press Release contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, the Company and the Bank. Forward-looking statements are identifiable by words or phrases such as "believe," "cost-effective," "enhance," "intend" and variations of such words and similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. The Company undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

Contacts

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