



FOR IMMEDIATE RELEASE

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Hanover Bancorp, Inc. Announces Completion of \$25 Million Private Placement of Subordinated Notes

MINEOLA, N.Y. - October 7, 2020 -- Hanover Bancorp, Inc. (“Hanover” or “the Company”), parent company of Hanover Community Bank, is pleased to announce that the Company has completed the private placement of \$25 million in aggregate principal amount of fixed-to-floating rate subordinated notes due 2030 (the “Notes”) to certain qualified institutional buyers and accredited investors.

The Notes will initially bear interest, payable semi-annually, at the rate of 5.00% per annum, until October 15, 2025. From and including October 15, 2025, the interest rate applicable to the outstanding principal amount due will reset quarterly to the then current three-month secured overnight financing rate (SOFR) plus 487.4 basis points. The Notes received a BBB+ rating from Egan-Jones Ratings Company.

The Company intends to use the net proceeds for acquisition financing, to refinance an existing holding company note, and for general corporate purposes, including contributing equity capital to Hanover Community Bank, the Company’s wholly owned commercial bank subsidiary.

“We are pleased to announce the successful completion of our subordinated debt offering,” said Michael Puorro, Hanover’s Chairman and CEO. “This offering is directly aligned with Hanover’s strategic plan of high growth and high profitability, which continues to create significant shareholder value. The proceeds from this transaction provide us with the necessary capital to finance our recently announced partnership with Savoy Bank, as well as the ability to continue to compete in an exciting marketplace and to execute upon our longer-term strategic goals.”

Stephens Inc. acted as lead placement agent for the offering, with PNC Financial Services Group, Inc. acting as co-placement agent. Windels Marx served as legal counsel to Hanover and Covington & Burling LLP served as legal counsel for the placement agents.

About Hanover Community Bank and Hanover Bancorp, Inc.

Hanover Bancorp, Inc., is a locally owned and operated privately held stock bank holding company for Hanover Community Bank, a community commercial bank focusing on highly personalized and efficient services and products responsive to local needs. Management and the Board of Directors are comprised of a select group of successful local businessmen and women who are committed to the success of the Bank by knowing and understanding the metro-New York area's financial needs and opportunities. Backed by state-of-the-art technology, Hanover offers a full range of financial services. Hanover employs a complete suite of consumer and commercial banking products and services, including multi-family and commercial mortgages, residential loans, business loans and lines of credit. Hanover also offers access to 24-hour ATM service with no fees attached, free checking with interest, telephone banking, advanced technologies in mobile and internet banking for our consumer and business customers, safe deposit boxes and much more. The Company's corporate administrative office is located in Mineola, New York where it also operates a full-service branch office along with additional branch locations in Garden City Park, Forest Hills, Flushing, Sunset Park, and Chinatown, New York.

Hanover Community Bank is a member of the Federal Deposit Insurance Corporation and is an Equal Housing/Equal Opportunity Lender. For further information, call (516) 548-8500 or visit the Bank's website at **www.hanoverbank.com**.

Forward-Looking Statements

This release may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and may be identified by the use of such words as "may," "believe," "expect," "anticipate," "should," "plan," "estimate," "predict," "continue," and "potential" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, estimates with respect to the financial condition, results of operations and business of Hanover Bancorp, Inc. Any or all of the forward-looking statements in this release and in any other public statements made by Hanover Bancorp, Inc. may turn out to be incorrect. They can be affected by inaccurate assumptions Hanover Bancorp, Inc. might make or by known or unknown risks and uncertainties. Further, the adverse effect of the COVID-19 pandemic on the Company, its customers and the communities where it operates may adversely affect the Company's business, results of operations and financial condition for an indefinite period of time. Consequently, no forward-looking statement can be guaranteed. Hanover Bancorp, Inc. does not intend to update any of the forward-looking statements after the date of this release or to conform these statements to actual events.