



Contact:

Monty G. Watson  
Chairman and CEO  
Piedmont Bancorp, Inc.  
770.246.0011

**Piedmont Bancorp, Inc. Completes Final Round of Private Placement  
of Common Stock and Subordinated Debt**

**Monday, May 12, 2014**

Peachtree Corners, GA – The Piedmont Bank is pleased to announce that its parent company, Piedmont Bancorp, Inc., recently completed the second and final round of a private placement of common stock and subordinated debt. A total of \$12.2 million of new capital was raised in the offering which closed on April 30, 2014. Of the \$12.2 million in new capital, \$5.2 million of the proceeds resulted from the issuance of common stock with the remaining \$7.0 million coming from the issuance of subordinated debt.

"The Board of Directors and management team of Piedmont are pleased with the strong investor interest in both the common stock and subordinated debt sold in the offering," stated Monty Watson, Chairman and CEO of Piedmont Bancorp, Inc. "Given the considerable opportunity to further enhance The Piedmont Bank's position as one of the premier community banks in the Northern Atlanta market, we believe the new capital will provide additional support for our growth efforts while also increasing our capital footings." The Piedmont Bank has offices in Peachtree Corners, Lawrenceville and Dunwoody, Georgia.

The proceeds of the offering will be utilized to service the subordinated debt and provide capital support to The Piedmont Bank. Following the close of the capital raise, The Piedmont Bank will have leverage and total risk based capital ratios well within the "Well Capitalized" range as defined by bank regulatory authorities.

Banks Street Partners, LLC served as the placement agent and Alston & Bird LLP served as legal counsel to Piedmont Bancorp, Inc. for the private placement.

