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**IBW Financial Corporation Announces Redemption of CDCI / TARP Preferred Stock**

WASHINGTON, DC— IBW Financial Corporation (“Company”) (OTCPink: IBWC), the parent company of Industrial Bank (“Bank”), has redeemed, at a discount, all \$6 million of the Series D, Community Development Capital Initiative (“CDCI”), preferred stock issued on September 3, 2010 to the U.S. Department of the Treasury (“Treasury”) in exchange for TARP preferred shares. The Company had issued 6,000 shares of Series C Fixed Rate Cumulative Perpetual Preferred Stock to the Treasury under the Troubled Asset Relief Program (“TARP”). The Company paid \$5.6 million to redeem the preferred stock, including \$15 thousand of accrued and unpaid dividends. The funds for the redemption came from existing financial resources of the Company and the Bank.

B. Doyle Mitchell, Jr., President & CEO of the Company and the Bank said, “The repurchase of the CDCI shares at a discount had an immediate positive impact on shareholder value. Going forward, this will reduce a drain on our capital and add to the financial strength of the Company and the Bank. Our capital ratios after the redemption exceed requirements for well-capitalized financial institutions, leaving the Bank well positioned for growth and expansion.”

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and the Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Company and the Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements.

**About Industrial Bank**

*Since 1934, the Bank has delivered essential banking and financial services which have contributed greatly to the growth and development of the Washington, DC community. Industrial Bank has grown into an institution with 115 employees and over \$384 million in assets and is the 5<sup>th</sup> largest black owned bank in the country, according to the 2015 Black Enterprise BE 100’s.*

*Industrial Bank offers a full range of banking services from eight banking centers in diverse neighborhoods, of which six are located in the District of Columbia and two in Prince George’s County, Maryland. These services include a host of checking, savings, and investment accounts for retail and commercial customers, including a mobile app, cash management services, corporate online banking, electronic banking services, debit cards, a variety of residential and commercial mortgages, including reverse mortgages, small business and SBA loans, life and long term care insurance and annuities through New York Life.*