

CAPITAL MARKETS ANNOUNCEMENT

First Northwest Bancorp (NASDAQ: FNWB; Port Angeles, WA), the holding company for First Federal Savings and Loan Association of Port Angeles, has completed its offering in connection with the conversion of First Federal from a mutual savings bank to stock holding company form. First Northwest Bancorp sold a total of 12,167,000 shares of common stock in the offering at \$10.00 per share for gross proceeds of \$121.7 million.

Sandler O'Neill + Partners L.P. managed the subscription and community offerings.

This transaction is Sandler O'Neill's tenth conversion transaction completed since January 1, 2013, raising approximately \$1.9 billion, more than any other investment bank during that time.

About the Offering:

On January 29, 2015, First Northwest Bancorp completed its stock offering conducted in connection with the conversion of First Federal Savings and Loan Association of Port Angeles from mutual to stock form (First Federal). Upon completion of the conversion, First Northwest became the holding company for First Federal. In connection with the conversion, First Northwest sold a total of 12,167,000 shares of common stock in a subscription offering at \$10.00 per share. Additionally, the Company contributed \$400,000 in cash and 933,360 shares of common stock to the First Federal Community Foundation. The total number of shares of common stock outstanding is 13,100,360 shares. Shares of the Company are expected to begin trading on the NASDAQ Capital Market on Friday, January 30, 2015 under the symbol "FNWB."

About the Company:

First Northwest Bancorp is the holding company for First Federal, a Washington-chartered, community-based savings bank primarily serving the North Olympic Peninsula (Clallam and Jefferson counties) region of Washington through nine full-service banking offices, eight of which are located within Clallam and Jefferson counties, Washington, and one that is located in Kitsap County. First Federal also has one loan production office located in Bellingham, Washington.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

January 29, 2015

Common Stock

\$121.7 Million



First Northwest Bancorp

Sole Marketing Agent

SANDLER O'NEILL + PARTNERS

Financials as of September 30, 2014

(dollars in millions)

Total Assets	\$788
Net Loans	\$489
Total Deposits	\$605
Total Equity	\$82
TCE / TA	10.4%

Source: Prospectus filed November 12, 2014.

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