

CAPITAL MARKETS ANNOUNCEMENT

Northern Bancorp, Inc. Closes Private Placement of \$25.0 Million of Subordinated Notes due 2026

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 44th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter or book-runner, more than any other investment bank and half of all the deals done during that period.¹

About the Offering:

WOBURN, Mass. – Northern Bancorp, Inc. (the "Company"), the holding company for Northern Bank & Trust Company, (the "Bank"), today announced that it has issued \$25.0 million in aggregate principal amount of Fixed-to-Floating Rate Subordinated Notes Due 2026 (the "Notes") through a private placement to certain accredited investors. The Notes have been assigned an investment grade rating of BBB by Kroll Bond Rating Agency and were issued by the Company at a price equal to 100% of their face amount.

The Notes, which are intended to qualify as Tier 2 capital for regulatory purposes, are due on January 15, 2026 (the "Maturity Date") and are callable by the Company, subject to regulatory approval, at par beginning January 15, 2021. The Notes pay interest at a fixed rate of 5.50% per annum through January 15, 2021 and beginning on January 15, 2021 through the Maturity Date or any early redemption date, the interest rate on the Notes will adjust quarterly at an interest rate of 382 bps plus the then current three-month LIBOR.

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

About the Company:

Northern Bancorp, Inc. was incorporated in June 1987 to be the holding company for Northern Bank & Trust Company, which was established in 1960. The Company is headquartered in Woburn, Massachusetts and serves the greater Boston area. Substantially all of the Company's activities are carried out through the Bank, a state-chartered commercial bank, with thirteen branches in Acton, Billerica, Burlington, Chelmsford, Littleton, Melrose, Reading, Sudbury, Westford and four locations in Woburn (all part of Middlesex County, Massachusetts).

(1) Note: Includes nationwide subordinated debt and senior note offerings since 1/1/2014 that involved one or more book managers or placement agents for banks or bank holding companies with less than \$25bn in assets; excludes deals that were not reported and deals where no underwriter or placement agent was reported; Source: SNL Financial and Sandler O'Neill + Partners, L.P.

(2) Financial data is not pro forma for the offering; Source: SNL Financial

January 13, 2016

\$25.0 Million

5.50% Fixed-to-Floating
Rate Subordinated Notes
due 2026



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 9/30/2015)²

(\$ in thousands)

Total Assets	\$1,383,940
Net Loans	1,156,167
Total Deposits	1,167,502
MRQ ROAA	1.50%
MRQ ROAE	16.52%
TCE / TA	8.54%

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