

CAPITAL MARKETS ANNOUNCEMENT

Northpointe Bancshares, Inc. Closes Private Placement of \$8.5 Million of Subordinated Notes due 2027

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

This transaction is the 97th 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, book runner or initial purchaser. Since May 20, 2016, Sandler O'Neill has raised approximately \$2.4 Billion for its clients in 40 transactions as the book-running manager or placement agent, capturing a 67.8% market share of announced transactions.¹

About the Offering:

Grand Rapids, MI – Northpointe Bancshares, Inc. ("Northpointe") completed the private placement of \$8.5 million in aggregate principal amount of fixed-to-floating rate subordinated notes to certain institutional accredited investors. Unless earlier redeemed, the notes mature on March 1, 2027 and bear interest at a fixed rate of 7.00% per year, from and including February 13, 2017 to but excluding March 1, 2022. From and including March 1, 2022 to the maturity date or early redemption date, the interest rate shall reset quarterly to an interest rate per annum equal to the then current three-month LIBOR rate plus 495 basis points, payable quarterly in arrears. The Company intends to use the net proceeds for the repayment of all or a portion of the outstanding balance currently drawn on its revolving line of credit, to fund its organic growth opportunities and for general corporate purposes.

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:

Northpointe is a financial services company that operates three main business lines: a Mortgage Purchase Program, a Mortgage Banking business, and a community bank. Northpointe strives to be a resource for sound financial solutions with exceptionally high levels of service for all customers.

- (1) Source: Sandler O'Neill + Partners. Deal count includes nationwide subordinated debt and senior note offerings since 1/1/2014 for banks or bank holding companies with less than \$25 billion in assets.
- (2) Financial data is not pro forma for the offering.

February 13, 2017

7.00% Fixed-to-Floating Rate
Subordinated Notes
due 2027
\$8.5 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 9/30/2016)²

(\$ in thousands)

Total Assets	\$616,937
Net Loans	\$528,840
Total Deposits	\$521,026
Total Equity	\$39,575
TCE / TA	6.41%
Bank Level Capital Ratios	
Leverage Ratio	8.73%
Tier 1 Risk-Based Capital Ratio	10.04%
Total Risk-Based Capital Ratio	10.85%

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