

CAPITAL MARKETS ANNOUNCEMENT

Stewardship Financial Corporation (NASDAQ: SSFN; Midland Park, NJ) Closes \$20.7 Million Follow-On Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as Sole Book-Running Manager for this offering.

This transaction represents the 117th public offering or private placement of common stock for a bank or thrift since January 1, 2012 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$20.7 billion for our clients.¹

About the Offering:

Midland Park, NJ – April 17, 2017 – Stewardship Financial Corporation (NASDAQ: SSFN) (the "Corporation"), the parent company of Atlantic Stewardship Bank ("ASB") serving Northern New Jersey, today announced the closing of its underwritten public offering of 2,509,090 shares of the Corporation's common stock, which includes 327,272 shares issued pursuant to the full exercise of the underwriter's option to purchase additional shares, at a price to the public of \$8.25 per share, for aggregate gross proceeds of approximately \$20.7 million. The offering was increased from the originally announced amount of 1,800,000 shares. The net proceeds to the Corporation after deducting the underwriting discount and estimated offering expenses are expected to be approximately \$18.8 million. The Corporation expects to use the net proceeds of this offering to support organic growth and other general corporate purposes.

About the Company:

Stewardship Financial Corporation's subsidiary, Atlantic Stewardship Bank is a full-service community bank serving both individuals and businesses. ASB is known for tithing, or sharing, 10% of its pre-tax profits with Christian and local charities. To date, ASB's total tithe donations total over \$9 million. ASB maintains 11 banking locations in NJ and plans to open a twelfth branch in Morristown in late spring. Current locations include: Midland Park, Hawthorne, Montville, North Haledon, Pequannock, Ridgewood, Waldwick, Westwood, Wyckoff and two offices in Wayne.

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

1) Source: SNL Financial

2) Financial data is not pro forma for the offering

April 17, 2017

Follow-On Offering

\$20.7 Million

SFC
STEWARDSHIP FINANCIAL CORPORATION
AND SUBSIDIARY

Sole Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights as of December 31, 2016²

(Dollars in thousands)

Total Assets	\$ 795,535
Net Loans	596,725
Total Deposits	658,930
Total Equity	51,387
Tang. Common Equity/ Tang. Assets (%)	6.46
LTM ROAA (%)	0.63
LTM ROAE (%)	9.43

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