

CAPITAL MARKETS ANNOUNCEMENT

Tectonic Financial, Inc. (NASDAQ: TECTP; Dallas, TX) Closes \$15.0 Million Initial Public Offering of Non-Cumulative Perpetual Preferred Stock

Sandler O'Neill + Partners, L.P. served as the lead book-running manager for this offering.

Since January 1, 2014, Sandler O'Neill has acted as a book-runner or co-manager on 45 bank IPOs, or an 82% market share by number of deals. These transactions have raised approximately \$9.8 billion for our clients.¹

About the Offering:

DALLAS, Texas, May 14, 2019 -- Tectonic Financial, Inc. ("Tectonic Financial" or the "Company"), the parent company for T Bank, N.A., Tectonic Advisors, LLC and Sanders Morris Harris LLC, today announced that it has completed its initial public offering of 1,500,000 shares of its 9.00% Fixed-to-Floating Rate Series B Non-Cumulative Perpetual Preferred Stock ("Series B preferred stock") at a price to the public of \$10.00 per share. The Series B preferred stock is expected to begin trading on the NASDAQ Capital Market within 30 days after the date of initial issuance under the symbol "TECTP."

The underwriters have a 30-day option, which commenced May 10, 2019, to purchase up to 225,000 additional shares of Series B preferred stock at the initial public offering price less underwriting discounts.

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:

Tectonic Financial, Inc. is a financial holding company that offers banking, trust, investment advisory, securities brokerage and insurance services to high net worth individuals, small businesses and institutions in all 50 states. Tectonic Financial strives to leverage this combination of financial services to create shareholder value through its integrated financial services platform. As of December 31, 2018, Tectonic Financial had, on a pro forma combined basis², \$311.7 million in total assets, \$250.4 million in total net loans, \$250.4 million in total deposits, \$34.9 million in total shareholders' equity, and \$3.3 billion in total client assets³.

(1) Source: Sandler O'Neill

(2) Financial data is pro forma for the pending merger of Tectonic Holdings, LLC and Tectonic Financial, Inc.

(3) Client assets include assets under management, client assets in custody, and client brokerage assets

May 14, 2019

Initial Public Offering

\$15.0 Million



Lead Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights as of December 31, 2018²

(Dollars in millions)

Total Assets	\$312
Total Net Loans	250
Total Deposits	250
Total Equity	35
Tang. Common Equity/ Tang. Assets (%)	5.43
LTM ROAA (%)	2.97
LTM ROATCE (%)	51.61
Total Client Assets	3,300

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