

CAPITAL MARKETS ANNOUNCEMENT

Wellesley Bancorp, Inc. (NASDAQ: WEBK) Closes Private Placement of \$10.0 Million of Subordinated Notes due 2025

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

This transaction is the 40th 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 approaching half of all the deals done during that period.¹

About the Offering:

Wellesley, MA – On December 17, 2015, Wellesley Bancorp, Inc. (the "Company") entered into a Subordinated Note Purchase Agreement (the "Purchase Agreement") with certain institutional accredited investors (the "Purchasers") pursuant to which the Company sold and issued \$10.0 million in aggregate principal amount of 6.00% fixed-to-floating rate subordinated notes due 2025 (the "Notes"). The Notes have a stated maturity of December 30, 2025, and bear interest at a fixed rate of 6.00% per year, from and including December 17, 2015 to but excluding December 30, 2020, computed on the basis of a 360-day year consisting of twelve 30-day months, payable semi-annually in arrears. From and including December 30, 2020 to but excluding the maturity date or early redemption date, the interest rate shall reset quarterly to an interest rate per year equal to the then current three-month LIBOR rate plus 435.5 basis points, computed on the basis of a 360-day year and the actual number of days elapsed, payable quarterly in arrears.

The Company intends to use the net proceeds from the sale of the Notes for general corporate purposes, including for the provision of additional liquidity and working capital.

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:

Wellesley Bank is a Massachusetts chartered cooperative bank headquartered in Wellesley, Massachusetts. The Bank has been serving Wellesley and the greater Boston area since 1911. The Bank also provides investment management services for high net worth individuals, families, businesses, private partnerships, nonprofit organizations, foundations and trusts through its wholly-owned subsidiary, Wellesley Investment Partners, LLC, a registered investment advisor.

(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

December 17, 2015

6.00% Fixed-to-Floating
Rate Subordinated Notes
due 2025
\$10.0 Million

WELLESLEY BANCORP, INC.

Sole Placement Agent
SANDLER O'NEILL + PARTNERS

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

(\$ in thousands)

Total Assets	\$589,515
Net Loans	502,169
Total Deposits	452,717
Total Equity	51,390
TCE / TA	8.72%

Bank Level Capital Ratios

Tier 1 Leverage Ratio	8.05%
Tier 1 Risk-Based Capital Ratio	10.66%
Total Risk-Based Capital Ratio	11.79%

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SANDLER O'NEILL + PARTNERS, L.P.

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