

Bridgewater Bancshares, Inc. (Private; Bloomington, MN) Closes Private Placement of \$25.0 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 117th 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.¹ Since May 20, 2016, Sandler O'Neill has raised approximately \$3.6 billion for its clients, capturing a 71.4% market share of announced transactions.¹

About the Offering:

BLOOMINGTON, MN – Bridgewater Bancshares, Inc. (the "Company"), parent company of Bridgewater Bank, announced today it has completed a \$25 million private placement of subordinated notes due July 15, 2027. Bridgewater Bank, founded in 2005, has a solid history of proactively raising capital to support its successful, growth model. Bridgewater is among a handful of banks in the Midwest market to use this type of financial instrument to fund growth.

The subordinated debt is structured as a 10-year unsecured fixed-to-floating rate note, with a fixed rate of 5.875% for the initial five years, payable semi-annually. Unless redeemed earlier, the note will mature on July 15, 2027. From July 15, 2022 to maturity, the interest rate will reset quarterly to the then current three-month LIBOR rate plus 388 basis points, payable quarterly. Prior to marketing the note, the Company received an investment grade rating from Kroll Bond Rating Agency (KBRA), a Nationally Recognized Statistical Rating Organization registered with the SEC.

The Company intends to use the net proceeds for general corporate purposes and to provide capital to support the growth of Bridgewater Bank. Proceeds from the issuance of the subordinated debt will qualify as Tier 2 capital for regulatory purposes and the portion that the Company contributes to Bridgewater Bank qualifies as Tier 1 capital for the Bank.

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:

Bridgewater Bank is a full-service bank committed to serving the diverse needs of successful entrepreneurs. Providing responsive service and simple solutions for real estate investors and small business entrepreneurs has been the focus of the Bank since its inception in 2005. The leaders are entrepreneurs themselves and understand that creative, flexible solutions are what set them apart as market leaders.

The Bank's six locations serving clients across the Twin Cities Metropolitan area offer a full range of both consumer and commercial lending products; state of the art business services options; commercial and consumer deposit accounts. Bridgewater Bank has been consistently profitable since January 2006. The Bank has been recognized as one of the Top Performing Banks in the Nation by SNL Financial and holds a 5 Star client rating from Bauer Financial.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt or senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data not pro forma for the offering.

July 12, 2017

5.875% Fixed-to-Floating
Rate Subordinated Notes
due 2027
\$25.0 Million



**BRIDGEWATER
BANCSHARES, INC.**

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 3/31/2017)²

Dollars in thousands

Total Assets	\$1,356,081
Net Loans	\$1,068,041
Total Deposits	\$1,142,221
Total Equity	\$120,770
TCE / TA	8.64%
Tier 1 Leverage Ratio	9.13%
Tier 1 Risk-Based Capital Ratio	10.92%
Total Risk-Based Capital Ratio	12.16%

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