

Minnwest Corporation (Private; Minnetonka, MN) Closes Private Placement of \$30.0 Million of Subordinated Notes due 2028

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

Since January 1, 2016, Sandler O'Neill has acted as a placement agent, sole underwriter, book runner or initial purchaser for 90 subordinated note or senior note transactions for community banks, representing a 63.8% market share of announced transactions.¹ These transactions have raised approximately \$5.4 billion for our clients.¹

About the Offering:

Minnetonka, MN – Minnwest Corporation (the "Company"), the bank holding company of Minnwest Bank (the "Bank"), has completed a private placement totaling \$30 million in aggregate principal amount of fixed-to-floating rate subordinated notes (the "Notes") to certain institutional investors, closing on July 10, 2018. The Notes are non-callable for five years, have a stated maturity of July 15, 2028, and bear interest at a fixed rate of 5.875% per year, from and including the Closing Date to, but excluding, July 15, 2023. From and including July 15, 2023 to the maturity date or early redemption date, the interest rate will reset quarterly to a level equal to the then current three-month LIBOR rate plus 298 basis points.

The Notes have been structured to qualify for the Company as Tier 2 capital under regulatory guidelines. The Company plans to use the net proceeds from the sale of the Notes to support organic growth, including the maintenance of bank-level capital ratios, as funding for potential acquisitions and for general corporate purposes. The Notes were assigned an investment grade rating of A- by Egan-Jones.

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:

Minnwest Bank is a family owned bank with 24 branches in 19 communities throughout Minnesota and South Dakota, with \$1.7 billion in assets as of March 31, 2018. Minnwest Bank is a preferred SBA lender and participates in State and Federal loan programs such as SBA, FSA, Farmer Mac, Rural Finance Authority and South Dakota Dept. of Agriculture. Minnwest Bank is one of Minnesota's largest agricultural lenders.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes subordinated debt or senior note offerings for Community Banks reported by Bloomberg; Community Banks defined as banks or bank holding companies with less than \$35 billion in assets.

(2) Source: S&P Global Market Intelligence; Bank level financial data, not pro forma for the offering.

July 10, 2018

5.875% Fixed-to-Floating
Rate Subordinated Notes
due 2028
\$30.0 Million



**MINNWEST
BANK®**

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 03/31/2018)²

Dollars in thousands

Total Assets	\$1,722,018
Net Loans	\$1,427,225
Total Deposits	\$1,440,831
Total Equity	\$195,696
TCE / TA	11.20%
Tier 1 Leverage Ratio	11.30%
Tier 1 Risk-Based Capital Ratio	12.62%
Total Risk-Based Capital Ratio	13.87%

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