

N.B.C. Bancshares in Pawhuska, Inc. (Private; Pawhuska, OK) Closes Private Placement of \$12.0 Million of Subordinated Notes due 2028

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

This transaction is the 95th subordinated note or senior note transaction for a community bank since January 1, 2016 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner, or initial purchaser. These transactions have raised approximately \$5.5 billion for our clients, representing a 65.1% market share of announced transactions.¹

About the Offering:

PAWHUSKA, OKLAHOMA – N.B.C. Bancshares in Pawhuska, Inc. ("NBC"), the parent holding company of Blue Sky Bank, today announced the completion of its private placement of a total of \$12.0 million in fixed-to-floating rate subordinated notes due 2028 (the "Notes").

The Notes will initially bear interest at 6.95% per annum, payable semi-annually in arrears, with interest commencing on the issue date, to, but excluding, September 1, 2023, and, thereafter, payable quarterly in arrears, at an annual floating rate equal to three-month LIBOR (but not less than zero) as determined for the applicable quarterly period, plus 405 basis points. The Notes will mature on September 1, 2028.

NBC intends on using the Notes proceeds for general corporate purposes, which may include capital to finance and support a potential acquisition.

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:

Blue Sky Bank was originally chartered in Osage County, Oklahoma in 1905, the Bank changed its name to Bank of Commerce in Pawhuska. During the last 113 years, the Bank has grown and changed names several times, being known as the National Bank of Commerce, NBC Bank and, most recently, Citizens Bank of Oklahoma. While maintaining its roots in Pawhuska, the Bank grew first to mid-town Tulsa in 2004 and then expanded into Cleveland, Oklahoma in 2014. Citizens Bank was renamed Blue Sky Bank on November 1, 2016.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide 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) Bank-level data, earnings are not tax-adjusted. Financial data not pro forma for the offering or pending acquisition.

August 29, 2018

6.95% Fixed-to-Floating Rate
Subordinated Notes due 2028**\$12.0 Million****N.B.C. BANCSHARES IN
PAWHUSKA, INC.**

Sole Placement Agent

SANDLER O'NEILL + PARTNERS**Financial Highlights (as of 6/30/2018)²***(Dollars in millions)*

Total Assets	\$207.8
Total Loans (Inc. HFS)	\$177.9
Total Deposits	\$179.8
Total Equity	\$27.4
Reported LTM ROAA	1.50%
Tier 1 Leverage Ratio	13.11%
Tier 1 Risk-Based Capital Ratio	13.72%
Total Risk-Based Capital Ratio	14.86%
TCE / TA	13.19%

Sandler O'Neill Contacts:

Jacques de Saint Phalle
Principal
(212) 466-7721

Susan Weinberg
Managing Director
(212) 466-7807

James Furey
Managing Director
(212) 466-7934

Jennifer Docherty
Managing Director
(212) 466-7796

Christopher Hopkins
Director
(312) 281-3472

Andrew Wislow
Vice President
(312) 281-3406

Dylan Plachta
Analyst
(312) 281-3449