

CAPITAL MARKETS ANNOUNCEMENT

Narragansett Financial Corp. (Private: No-Stock Mutual Holding Company) 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 127th 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. Since May 20, 2016, Sandler O'Neill has raised over \$4.2 Billion for its clients, capturing a 69.3% market share of announced transactions.¹

About the Offering:

Swansea, MA – Narragansett Financial Corp. completed the private placement of \$25.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes to certain institutional accredited investors. Unless earlier redeemed, the notes mature on December 15, 2027 and bear interest at a fixed rate of 5.875% per year, from and including December 15, 2017 to but excluding December 15, 2022. From and including December 15, 2022 to the maturity date or early redemption date, the interest rate shall reset quarterly to an interest rate per annum equal to the then current three-month LIBOR rate plus 375.0 basis points, payable quarterly in arrears. The company intends to contribute the net proceeds for general corporate purposes, including supporting business line growth, additional liquidity and funding working capital needs. The subordinated notes are expected to qualify as Tier 2 capital at the holding company. Egan Jones Bond Rating Agency has assigned a rating of BBB+ to the notes.

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:

Narragansett Financial Corp., the no-stock mutual holding company for BayCoast Bank (the "Bank"), is a community bank serving the people and businesses of southeastern Massachusetts and Rhode Island. The Bank upholds the time-honored belief in community involvement and provides a wide range of financial services. BayCoast has locations in Dartmouth, Fairhaven, Fall River, New Bedford, North Dighton, Seekonk, Somerset, Swansea, Westport and Tiverton, Rhode Island.

(1) Source: Sandler O'Neill + Partners, SNL Financial. Deal count includes nationwide subordinated debt and senior note offerings since 1/1/2014 for banks or bank holding companies with less than \$25 billion in assets.

(2) Source: SNL Financial. Financial data is not pro forma for the offering.

November 28, 2017

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

***Narragansett
Financial Corp.***

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of September 30, 2017²

(\$ in Millions)

Total Assets	\$1,404.1
Gross Loans	\$1,066.5
Total Deposits	\$1,047.1
Total Equity (Including Minority Interest)	\$114.3
Leverage Ratio	6.97%
Tier 1 Risk-Based Capital Ratio	8.28%
Total Risk-Based Capital Ratio	10.87%
Tang. Common Equity / Tang. Assets	6.74%

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