

CAPITAL MARKETS ANNOUNCEMENT

NexBank Capital, Inc. Closes Private Placement of \$54 Million of Subordinated Notes due 2027

Sandler O'Neill + Partners, L.P. served as the Sole Placement Agent for this offering.

Prior to the subordinated debt offering, Sandler O'Neill acted as a solicitation agent for NexBank to eliminate a covenant in its previously issued Senior Notes, providing the company with the flexibility to raise additional debt and continue with its strategic plan.

This transaction is the 124th 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 approximately \$4.0 Billion for its clients, capturing a 72.0% market share of announced transactions.¹

About the Offering:

(Dallas – September 29, 2017) – NexBank Capital, Inc., a Dallas-based financial services company, announced the successful completion of a \$54 million private placement of its fixed-to-floating rate subordinated notes to certain institutional and high net worth investors. NexBank Capital, Inc. intends to use the proceeds of the offering for general corporate purposes. With this closing, NexBank Capital, Inc. has raised \$283 million of debt and equity since 2016.

The notes are non-callable for five years and have a stated maturity of September 30, 2027. The notes bear interest at a fixed rate of 6.375% for five years, and thereafter at a floating rate based on a spread above the then current three-month LIBOR of 458.5 basis points. The notes have been assigned an investment grade rating of BBB- with a stable outlook by Kroll Bond Rating Agency and qualify as Tier 2 capital under applicable capital regulations.

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:

NexBank Capital, Inc. is a financial services company that serves its clients through three core businesses: Commercial Banking, Mortgage Banking and Institutional Services. NexBank provides customized financial and banking services primarily to institutional clients, financial institutions, and corporations nationwide.

(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 is not pro forma for the offering.

September 19, 2017

6.375% Fixed-to-Floating Rate
Subordinated Notes
due 2027

\$54 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 6/30/2017)²

(\$ in thousands)

Total Assets	\$6,397,831
Net Loans	3,743,501
Total Deposits	5,818,057
Total Equity	347,070

Capital Ratios

Tier 1 Leverage Ratio	6.27%
Tier 1 Risk-Based Capital Ratio	9.43%
Total Risk-Based Capital Ratio	10.07%

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