

CAPITAL MARKETS ANNOUNCEMENT

Merchants Bancorp (NASDAQ: MBIN; Carmel, IN) Closes \$100.0 Million Initial Public Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as joint book-running manager for this offering.

Merchants Bancorp is a diversified bank holding company headquartered in Carmel, Indiana operating multiple lines of business with a focus on Federal Housing Administration ("FHA") multi-family housing and healthcare facility financing and servicing, mortgage warehouse financing, retail and correspondent residential mortgage banking, agricultural lending and traditional community banking.

Since January 1, 2014, Sandler O'Neill has acted as a book-runner or co-manager on 26 bank IPOs, more than any other investment bank during this period. These transactions have raised approximately \$8.1 billion for our clients.¹

About the Offering:

CARMEL, Indiana – Merchants Bancorp (NASDAQ: MBIN), parent company of Merchants Bank of Indiana, today announced the closing of its previously announced initial public offering of 6,250,000 shares of its common stock at an initial public offering price of \$16 per share. As a result, Merchants received aggregate net proceeds of approximately \$92.2 million from the initial public offering, after deducting underwriting discounts and estimated offering expenses.

The common stock began trading on The Nasdaq Capital Market on October 27, 2017 under the symbol "MBIN."

In addition, Merchants has granted the underwriters a 30-day option to purchase up to an additional 937,500 shares of its common stock at the initial public offering price, less the underwriting discount.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

About the Company:

Merchants Bancorp is a diversified bank holding company headquartered in Carmel, Indiana operating multiple lines of business with a focus on FHA multi-family housing and healthcare facility financing and servicing, mortgage warehouse financing, retail and correspondent residential mortgage banking, agricultural lending and traditional community banking. Merchants Bancorp, with \$3.1 billion in assets as of June 30, 2017, conducts its business through its direct and indirect subsidiaries, Merchants Bank of Indiana, P/R Mortgage and Investment Corp., RICHMAC Funding LLC and Merchants Mortgage, a division of Merchants Bank of Indiana.

(1) Source: SNL Financial

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

October 31, 2017

Initial Public Offering

\$100.0 Million



Joint Book-Running Manager

SANDLER O'NEILL + PARTNERS

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

(Dollars in thousands)

Total Assets	\$3,091,500
Net Loans	\$2,047,421
Total Deposits	\$2,771,501
Total Equity	\$226,513
YTD ROAA	1.74%
YTD ROAE	22.00%

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