

Bank of Pontiac to Acquire Branches of Farmers-Merchants Bank of Illinois

September 7, 2023 – Bank of Pontiac, headquartered in Pontiac, Illinois and Farmers-Merchants Bank of Illinois (“Farmers-Merchants”), headquartered in Joy, Illinois, announced today that Bank of Pontiac will acquire three Illinois branch locations from Farmers-Merchants, with an aggregate of approximately \$157 million in deposits and \$22 million in associated loans. The transaction will add banking locations in Paxton, Melvin, and Piper City to the footprint of Bank of Pontiac, which presently has 11 locations throughout the counties of Livingston, McLean, Tazewell, and Grundy. The transaction will bring the assets of Bank of Pontiac to approximately \$1.16 billion. The acquisition is subject to customary closing conditions, including regulatory approval, and is expected to close in the first quarter of 2024.

“We are excited to announce the addition of Paxton, Melvin, and Piper City branches to Bank of Pontiac,” said Mark Donovan, President and CEO of Bank of Pontiac. “Opportunities to add valuable customer relationships on this scale are rare, especially so close to our current market area. We have a long-standing tradition of supporting the local business community. We’re confident that the transaction can provide additional strength and opportunities for our customers.”

Mark Donovan added, “Farmers-Merchants Bank of Illinois has served the Paxton, Melvin, and Piper City communities very well which provides us with a solid foundation to build on, as we are likewise dedicated to community involvement and exceptional customer service. We look forward to welcoming our new employees and meeting our new customers.”

Pontiac Bancorp, Inc., with current assets of \$1.0 billion, is the holding company for Bank of Pontiac. Bank of Pontiac opened its doors in 1947 and presently has Illinois branch offices in Pontiac, Odell, Dwight, Coal City, Fairbury, Forrest, Bloomington, Delavan, and Minier.

Barack Ferrazzano Kirschbaum & Nagelberg LLP served as legal counsel for Pontiac Bancorp, Inc. and Bank of Pontiac, and Cummings & Company, LLC served as financial advisor. Krieg DeVault LLP served as legal counsel for Farmers-Merchants, and Piper Sandler served as financial advisor.