



## **NEWS RELEASE**

**DECEMBER 20, 2018**

Merchants Bancorp, Inc.  
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Hillsboro, OH 45133

Citizens Independent Bancorp, Inc.  
188 West Main Street  
Logan, OH 43138

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**Paul Pence, Chairman and CEO at 937-393-1993**  
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**Dan Fischer, President & CEO at 740-385-1424**

### **MERCHANTS BANCORP AGREES TO ACQUIRE CITIZENS INDEPENDENT BANCORP**

**Hillsboro, Ohio and Logan, Ohio** – Merchants Bancorp, Inc. (“Merchants”), the holding company for Merchants National Bank, and Citizens Independent Bancorp, Inc. (“Citizens”), the holding company for Citizens Bank of Logan, announced today that they have signed a definitive merger agreement whereby Merchants will acquire Citizens in an all-cash transaction. Citizens (OTCQX: CZID) operates two branches in Logan, Ohio and one branch in Athens, Ohio. Citizens had approximately \$201.1 million in assets, \$178.8 million in loans, \$178.7 million in deposits and \$20.2 million in common equity as of September 30, 2018.

This transaction extends Merchants National Bank’s operations into the attractive markets of Logan and Athens where Merchants’ expanded lending capabilities, complementary products and long history of commitment to its communities will provide exceptional value to the Citizens banking customers. Once finalized, Merchants National Bank will have 18 branches serving ten counties across southern Ohio.

Subject to the terms of the merger agreement, which has been approved by the Board of Directors of each company, Citizens shareholders will receive \$47.00 per share in cash for each outstanding common share of Citizens. For all outstanding stock appreciation rights (“SARs”) of Citizens, Merchants will pay in cash the spread between the exercise price of each SAR and the per share merger consideration. Citizens has 687,769 shares outstanding, as well as 46,600 SAR’s with a weighted average exercise price of \$25.48. The transaction is valued at \$33.3 million, or approximately 160% of Citizens’ tangible book value as of September 30, 2018.

Paul Pence, Chairman and CEO of Merchants and its wholly-owned subsidiary, Merchants National Bank, noted, “We hold Citizens Bank of Logan in high regard, and we are very pleased that the Citizens board has decided to join forces with us.” Jim Evans, President and COO of Merchants, noted, “While some of the large regional banks are relatively less interested in smaller markets, we view Logan and Athens as key components of our continued growth and profitability. We look forward to the continued delivery of quality community banking services to the Citizens customers.”

Dan Fischer, President and CEO of Citizens, stated, “This transaction gives our shareholders an attractive valuation and the certainty of cash consideration. We also believe that our communities will be served very well by the

combined products and resources of our two banks. We are pleased that we will still be part of a community bank, and Merchants is a very strong and well-managed company.”

When the transaction is completed, Merchants will have pro forma consolidated assets of approximately \$907 million. Subject to customary regulatory approvals, Citizens shareholder approvals and other conditions set forth in the definitive merger agreement, the transaction is anticipated to close in the second quarter of 2019. At that time, Citizens Bank of Logan branches will become branches of Merchants National Bank.

Merchants expects to have a very high retention rate with respect to Citizens employees, and Dan Fischer will join Merchants as Area President and a member of the senior management team.

Merchants is being advised by Boenning & Scattergood, Inc. and Shumaker, Loop & Kendrick, LLP. Citizens is being advised by Sandler O'Neill + Partners, L.P. and Vorys, Sater, Seymour and Pease LLP.

**About Merchants Bancorp, Inc.:**

Merchants Bancorp, Inc. is a financial holding company headquartered in Hillsboro, Ohio serving markets in central and southwest Ohio through its bank subsidiary, Merchants National Bank, which was established in 1879. Merchants’ banking philosophy is built on providing a “REAL Community Bank” experience. Merchants prides itself on making decisions locally, providing exceptional customer service, and investing in the communities they serve. Merchants offers its customers a wide range of banking products and services to meet customers’ financial needs. Lending products include residential real estate (mortgage and home equity), construction, agricultural, commercial real estate, and consumer loans. Merchants has a full line-up of deposit products including checking, savings, money market, certificates of deposit, individual retirement accounts, and health savings accounts. Merchants customers have electronic access to their accounts through debit cards, ATMs, online banking, bill payment, mobile banking, and card valet. Merchants is a member of the Allpoint ATM network, giving its customers access to over 55,000 surcharge-free ATMs, worldwide.

Merchants operates branches in Hillsboro, Greenfield, Wilmington, Washington Court House, London, Mt. Orab, Springfield, Higginsport, Batavia, Georgetown and Marysville. Additional information about Merchants National Bank may be found on its website: [www.merchantsnat.com](http://www.merchantsnat.com).

**About Citizens Independent Bancorp, Inc.:**

Founded by local business leaders, Citizens Independent Bancorp, Inc. has focused on serving the banking needs of Logan, Ohio since 1961. Over the years, Citizens has built a reputation of competitive rates, excellent customer service, and generosity as a sponsor for community events. Citizens offers its customers a wide array of community banking services including, auto, personal installment, credit card, home equity, construction, ready reserve and home mortgage loans, checking, savings, money market, health savings and IRA accounts and ATM cards to retail and corporate customers alike. In addition to its three branches, Citizens offers five ATM’s in Hocking, County and 2 ATM’s in Athens County. Additional information about Citizens may be found on its website: [www.tcbol.com](http://www.tcbol.com).