

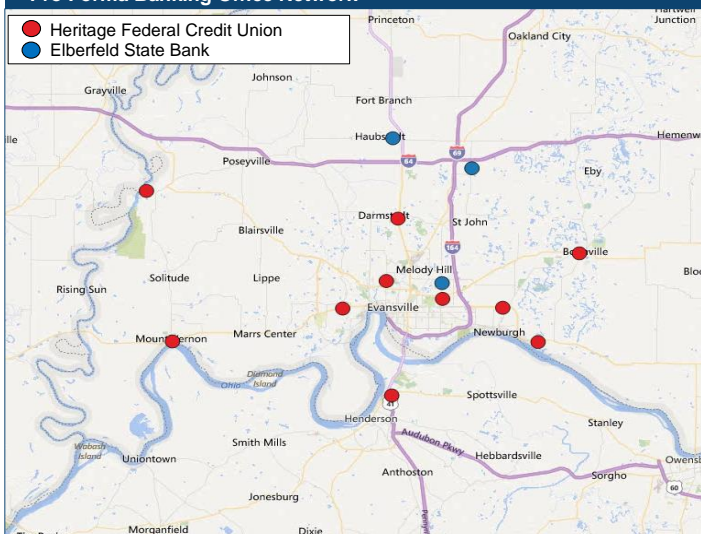
Heritage Federal Credit Union - Newburgh, IN
has announced a definitive agreement to purchase assets and assume liabilities of
Elberfeld State Bank - Elberfeld, IN

Hovde Group, LLC served as exclusive financial advisor to ESB Bancorp, Inc. and its wholly owned subsidiary Elberfeld State Bank

Transaction Summary

- Heritage Federal Credit Union ("Heritage"), with this transaction, will operate 13 branch locations in the Evansville MSA
- Heritage will add three banking offices and approximately \$82.1 million in assets, resulting in approximately \$810 million in combined assets
- With this transaction Heritage will add \$42.2 million in loans and \$71.3 million in deposits
- This transaction is estimated to close in Q1 2021
- This transaction will mark Hovde's 83rd announced M&A transaction since the beginning of 2017

Pro Forma Banking Office Network



Deposit Market Share as of 6/30/2019

2019 Rank	Institution	# of Branches	Tot. Dep. in Market (\$000)	Market Share (%)
Warrick County, IN				
7	Elberfeld State Bank	1	32,325	3.87
8	Banterra Corp.	1	27,480	3.29
9	First Bancorp of Indiana, Inc.	1	17,496	2.51
Gibson County, IN				
7	Elberfeld State Bank	1	22,610	4.35
8	Fidelity Federal Bancorp	1	13,147	2.53
9	First Financial Corp	0	6,669	1.28
Vanderburgh County, IN				
9	First Eldorado Bancshares, Inc.	1	31,144	0.74
10	Regions Financial Corp.	1	26,258	0.62
11	Elberfeld State Bank	1	14,764	0.35

Tombstone Announcement



Newburgh, IN

has announced a definitive agreement to purchase assets and assume liabilities of



Elberfeld, IN

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July 1, 2020

Bank Level Financial Highlights

Target data as of 03/31/20

Headquarters:	Elberfeld, IN
States of Operation (Branches):	IN (3)
Total Assets (\$000):	82,057
Total Deposits (\$000):	71,327
Gross Loans (\$000):	42,151
Tangible Common Equity (\$000):	9,897
Loan-to-Deposit Ratio:	59.1%
Tangible Common Equity Ratio:	12.1%
YTD ROAA:	0.54%
YTD ROAE:	4.46%
Efficiency Ratio:	80.3%
Net Interest Margin:	3.23%
Cost of Funds:	0.58%
NPAs / Assets:	2.62%
Reserves / Gross Loans:	1.55%



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