

Michigan State University Federal Credit Union Announces Agreement to Acquire McHenry Savings Bank

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McHenry Bancorp, Inc. and McHenry Savings Bank

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EAST LANSING, MI and McHENRY, IL Aug. 28, 2023 -- Michigan State University Federal Credit Union (MSUFCU) announced today it has entered into a definitive agreement to acquire McHenry, IL based McHenry Savings Bank from its parent company McHenry Bancorp, Inc. (OTCPK: MCHN). The transaction is structured as a purchase agreement with MSUFCU purchasing substantially all assets and assuming substantially all liabilities of McHenry Savings Bank.

The transaction has been unanimously approved by the boards of directors of both institutions. Following the completion of the transaction, McHenry Bancorp, Inc. will liquidate and dissolve and distribute its remaining assets to its stockholders. When the transaction is finalized, the combined institution will have approximately \$8.2 billion in assets, \$6.3 billion in loans, \$6.7 billion in shares and deposits and will have thirty-one branches throughout Michigan and Illinois. In connection with the transaction, the shareholders of McHenry Bancorp, Inc. are expected to receive approximately \$39-\$41 in cash for each share of McHenry Bancorp, Inc. common stock, subject to adjustment based on McHenry Savings Bank's equity value at closing.

The acquisition helps MSUFCU grow its presence in the Chicago market, diversify its assets, and add additional talent and expertise. McHenry Savings Bank customers who become members of MSUFCU will have full access to all MSUFCU's expansive product and service offerings. The transaction serves as a milestone, as McHenry Savings Bank is the first bank MSUFCU will acquire.

April Clobes, President and CEO of MSUFCU, said “This transaction provides an excellent opportunity to further expand and complement our services in McHenry County and the surrounding Chicagoland area. MSUFCU has five branch locations in downtown Chicago and this adds exponentially to our growing market. We look forward to the combined synergies our two organizations will achieve in our local communities while providing McHenry Savings Bank’s clients with an expanded array of resources and products.”

Donald H. Wilson, Chairman, President and CEO of McHenry Savings Bank stated, “We are excited about the opportunity to combine resources with MSUFCU and look forward to joining with a successful organization that is like-minded in its philosophy of offering highly personalized financial services and that has the financial capabilities to support further expansion.” Mr. Wilson emphasized that by joining forces with MSUFCU, “the transaction allows us to continue to serve our customers and communities while becoming part of a growing and dynamic force in Chicagoland banking. We clearly see the benefits for our clients, and look forward to joining the MSUFCU team. For our shareholders this represents the culmination of the turnaround process begun in 2018, and we appreciate their support during the process.”

The transaction is anticipated to be completed in the late first quarter of 2024 subject to receiving all required regulatory approvals, approval by the shareholders of McHenry Bancorp, Inc., and other customary closing conditions.

Michigan State University Federal Credit Union was advised in the transaction by Piper Sandler & Co as exclusive financial advisor and Luse Gorman, PC as legal counsel. McHenry Bancorp, Inc. was advised by Janney Montgomery Scott LLC as exclusive financial advisor and Godfrey & Kahn, S.C. as legal counsel.

About Michigan State University Federal Credit Union

Founded in 1937, MSUFCU has a national reputation for excellence and has received several top industry and workplace awards, including being named a Best Credit Union to Work For[®] by American Banker for the sixth year, a Top Workplace by the Detroit Free Press for 12 consecutive years, and a National Best and Brightest Companies to Work For[®] winner for seven consecutive years. MSUFCU has also been certified as a Great Place to Work[®] for 10 consecutive years and has been recognized by the Credit Union National Association, earning first place for the people-helping-people philosophy Louise Herring Award. MSUFCU is headquartered in East Lansing, Mich., and has 23 branches, and an additional five in construction, over 350,000 members, \$7.61 billion in assets, and more than 1,200 employees. For more information, visit msufcu.org.

About McHenry Bancorp, Inc. and McHenry Savings Bank

McHenry Bancorp, Inc. is the holding company for McHenry Savings Bank, which operates three offices in McHenry County, Illinois. McHenry Savings Bank has served the financial objectives of personal and business clients in McHenry County and surrounding areas since its founding in 1955. The Bank's service-driven professionals deliver personal service supported by a wide array of technology solutions across banking and wealth management products. Since its recapitalization in 2018, the Bank has built on its "Fair, Clear and Transparent" values to earn the trust of the clients and communities it serves. For more information, please visit www.mchenrysavings.com.

Forward Looking Statements

This news release may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations. Such forward-looking statements are about matters that are inherently subject to risks and uncertainties. Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this news release or made elsewhere from time to time by McHenry Bancorp, MSUFCU or on behalf of either of them. McHenry Bancorp and MSUFCU disclaim any obligation to update such forward-looking statements. In addition, statements regarding historical stock price performance are not indicative of, nor guarantees of, future price performance.

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