

Consumers Bancorp, Inc. (OTCQX: CBKM; Minerva, OH) and Peoples Bancorp of Mt. Pleasant, Inc. (Private: Mt. Pleasant, OH) to Merge

Deal Value: Approximately \$10.3 Million

Sandler O'Neill acted as sole financial advisor and rendered a fairness opinion to Consumers Bancorp, Inc. in this transaction. This transaction represents Sandler O'Neill's 224th bank or thrift transaction nationwide since January 1, 2015, representing approximately \$67.0 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 47 deals involving banks and thrifts based in the Midwest, representing over \$20.0 billion in aggregate transaction value, more than any other investment bank during that time period.¹ Additionally, since January 1, 2015, Sandler O'Neill has advised on 61 deals between \$10 million - \$50 million in transaction size, representing over \$1.7 billion in aggregate transaction value, more than any other investment bank during that time period.¹

Minerva, OH and Mt. Pleasant, OH – June 14, 2019 Consumers Bancorp, Inc. (“Consumers”) (OTCQX: CBKM) and Peoples Bancorp of Mt. Pleasant, Inc. (“Peoples”) today announced the signing of a definitive agreement pursuant to which Consumers will acquire Peoples and its wholly-owned subsidiary, The Peoples National Bank of Mount Pleasant (“Peoples Bank”), which operates three banking offices located in the communities of Mt. Pleasant, Dillonvale and Adena, Ohio. As of March 31, 2019, Peoples Bank had approximately \$79 million in assets, \$53 million in loans and \$70 million in deposits.

Ralph J. Lober, President and CEO of Consumers, said, “This combination is a great opportunity to expand and complement our market presence in the tri-county area of Jefferson, Harrison, and Belmont. Over the past 116 years Peoples National Bank has built a reputation for providing outstanding customer service to these communities. We acknowledge that history as we look forward to continuing that tradition and to providing its customers with an expanded array of consumer and commercial loan, deposit, and wealth management products and services.”

“We are excited about the opportunity to combine resources with Consumers,” said Robert C. Hargrave, Peoples’ Chairman and CEO. “It makes sense in the evolution of our company to partner with a financial organization that is like-minded in its philosophy of offering highly personalized customer-oriented banking services with financial capabilities to support further expansion throughout our market area.”

Under the terms of the merger agreement, Peoples shareholders will have the right to receive for each share of Peoples common stock, at the election of each shareholder, and subject to proration, (i) \$1,200.00 in cash, or (ii) 63.16 shares of Consumers common stock, or (iii) mixed consideration of cash and Consumers common stock. The proration procedures are designed to result in 50% of Peoples shares being exchanged for cash and 50% for Consumers stock. Based on Consumers’ 20 day average closing price of \$19.07 on June 13, 2019, the aggregate implied transaction value is approximately \$10.3 million. The transaction is expected to close in the fourth quarter of 2019, subject to customary closing conditions, required regulatory approvals and approval by holders of a majority of Peoples shares outstanding. All of Peoples’ directors have entered into voting agreements (representing approximately 20.0% of the total shares outstanding) to vote their shares in favor of the merger.

Consumers currently expects the merger to be approximately 8-9% accretive to earnings per share in fiscal year 2021, including fully realizing cost savings, and approximately 6.5% dilutive to tangible book value per share at closing with an earn back period of approximately four years (using the cross-over method). The earnings per share accretion estimates are based on estimated cost savings of approximately 35% of Peoples’ non-interest expense, and one-time transaction related expenses of \$1.6 million pre-tax.

Financial Highlights

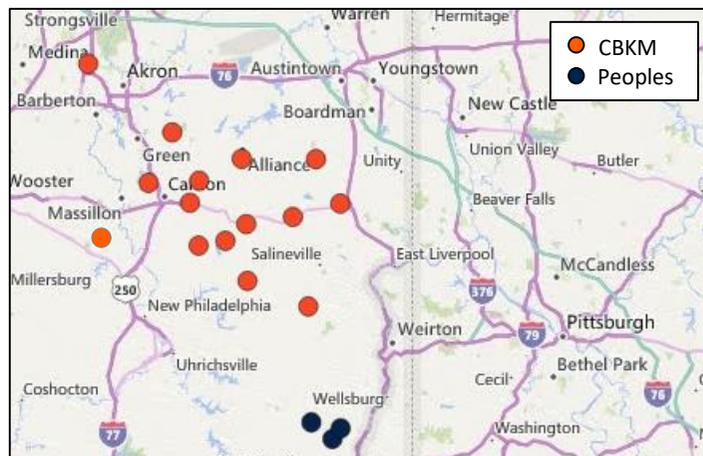
(Dollars in millions)

	CBKM	Peoples
Total Assets	\$528	\$79
Gross Loans (Ex. HFS)	\$344	\$53
Total Deposits	\$459	\$70
Tangible Common Equity	\$49	\$8

Financial data as of March 31, 2019

¹) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles
Source: S&P Global Market Intelligence, Company documents, Press Release

Pro Forma Map



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