

**HopFed Bancorp, Inc. (NASDAQ: HFBC; Hopkinsville, KY) has agreed to merge with First Financial Corporation (NASDAQ: THFF; Terre Haute, IN)**

**Aggregate Deal Value: Approximately \$128.3 million**

Sandler O'Neill acted as financial advisor to HopFed Bancorp, Inc. in this transaction.

This transaction represents Sandler O'Neill's 211<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$65.2 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 transaction value than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 44 bank or thrift transactions in the Midwest, representing approximately \$20.2 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

**TERRE HAUTE, IN and HOPKINSVILLE, KY (January 7, 2019)** - First Financial Corporation (NASDAQ: THFF) ("First Financial") and HopFed Bancorp, Inc. (NASDAQ: HFBC) ("HFBC") jointly announced today the execution of a definitive merger agreement under which HFBC will merge into First Financial in a cash and stock transaction. Upon completion of the merger, Heritage Bank USA, Inc. ("Heritage"), a wholly owned subsidiary of HFBC, will merge into First Financial Bank, N.A. ("First Financial Bank"), a wholly owned subsidiary of First Financial.

Under the terms of the merger agreement, which was unanimously approved by the boards of both companies, stockholders of HFBC may elect to receive either (or a combination of) 0.444 shares of First Financial common stock or \$21.00 in cash for each share of HFBC common stock owned, subject to proration provisions specified in the merger agreement that provide for a targeted aggregate split of 50% of HFBC shares being exchanged for First Financial common stock and 50% for cash. Based upon First Financial's closing price of \$43.01 on January 4, 2019, and assuming that a shareholder received 50% stock and 50% cash, the purchase price would be worth \$20.05 per share, with an aggregate transaction value of approximately \$128.3 million.

HFBC, headquartered in Hopkinsville, Kentucky, has approximately \$905 million in consolidated assets and through Heritage operates 18 bank branches and 3 loan production offices in Kentucky and Tennessee. Heritage has 11 branch offices in Kentucky in the communities of Benton, Cadiz, Calvert City, Elkton, Fulton, Hopkinsville and Murray, and seven branch offices in Tennessee in the communities of Ashland City, Clarksville, Erin, Kingston Springs and Pleasant View.

First Financial, headquartered in Terre Haute, Indiana, has assets of approximately \$3.0 billion and operates 65 banking centers in east-central Illinois and west-central Indiana through First Financial Bank. If the proposed merger is completed as expected, it is anticipated that First Financial will have total combined consolidated assets of approximately \$3.9 billion.

"This acquisition is exciting for our company. Heritage provides us with an opportunity to leverage our capabilities and expand into new markets. We look forward to continuing Heritage's commitment to its customers and the communities it serves," commented Norman L. Lowery, President and CEO of First Financial.

John Peck, President and CEO of HFBC, added, "We are pleased for our stakeholders. The agreement with First Financial provides us with stability and growth opportunities that will allow our customers to continue to enjoy a great relationship with a strong community-focused financial organization."

The transaction is expected to close in the second quarter of 2019 and is subject to customary closing conditions, including, but not limited to, receipt of regulatory and HFBC stockholder approvals. First Financial will be the surviving company and will continue its existence under the laws of the State of Indiana.

### Financial Highlights

(Dollars in thousands)

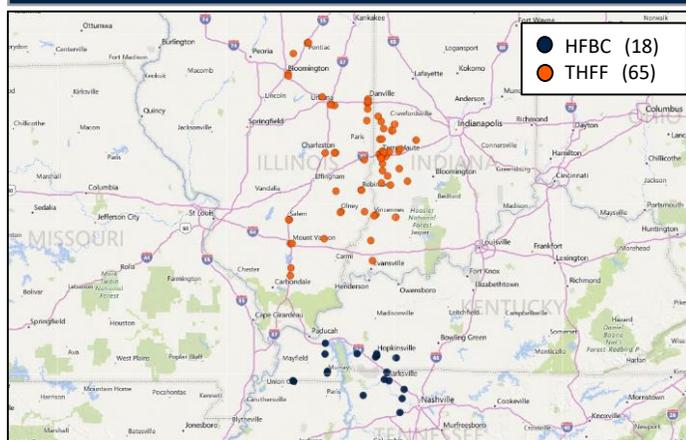
	THFF	HFBC
Total Assets	\$2,980,935	\$904,875
Total Net Loans	\$1,921,479	\$665,694
Total Deposits	\$2,407,061	\$726,914
Total Equity	\$427,774	\$87,439
TCE / TA	13.31%	9.66%

1) Includes majority and minority transactions; Excludes terminated transactions and self-advisory roles

Note: Financial data as of September 30, 2018

Source: S&P Global Market Intelligence, company documents

### Pro Forma Branch Map



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