



PRESS RELEASE

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Superior National Bank and Trust to Acquire Main Street Bank of Bingham Farms, Michigan

Transaction expands banking services and opens business growth opportunities throughout Michigan

HANCOCK, Mich. September 18, 2019 – Keweenaw Financial Corp., the parent company of Superior National Bank and Trust with assets over \$575 million, announced today a definitive agreement to purchase North Star Financial Holdings, Inc. and its subsidiary Main Street Bank with assets over \$280 million. The transaction is expected to close in the first quarter of 2020, subject to satisfaction of customary closing conditions, including receipt of regulatory approvals. North Star Financial Holdings, Inc. shareholders will receive \$42 million in cash for consideration. The board of directors for both organizations have approved the acquisition.

Main Street was founded in 2005 with headquarters in Bingham Farms, Michigan and operates six locations, including two retail branches, three mortgage loan offices, and one commercial loan office serving southeast Michigan. The combined organization boasts assets over \$800 million, 11 bank branches and four loan origination offices in Michigan's Upper Peninsula and southeast Michigan.

Located in geographically different regions of Michigan, Superior National Bank and Main Street Bank share the same culture, midwestern values and commitment to serving customers and communities. The combined organization will provide new products and opportunities for customers to enhance their banking relationship:

- Superior National Bank adds Main Street's excellent residential mortgage division, which gives customers in the Upper Peninsula greater mortgage options.
- The banks will have a larger lending capacity because of the overall size of the combined organization.
- Main Street customers will benefit from access to Superior National's Trust and Financial services offerings.

“This acquisition brings two strong banking teams together and gives us greater capacity to invest in better products and services for our customers,” says Dave Vlahos, President and Chief Executive Officer of Superior National Bank. “We’re expanding our geography and service area as well as enhancing our team with a larger suite of banking products and tools to better serve customers. The long-term impact is smart, measured growth for Superior National, with continued high levels of customer satisfaction at the center.”

The combined organization expects no immediate changes to locations or service lines as a result of the acquisition. The company intends to focus on growing the combined organization as a result of its expanded service area, broader banking products and increased lending limits.

“This combination is a great fit for Main Street Bank and our customers. We look forward to working together in expanding our combined reach throughout Michigan,” said Main Street Bank President and Chief Executive Officer Jeff Kopelman. “Our shared history as Michigan-based, locally focused community banks was a critical piece of our board’s decision to approve the acquisition. We are excited about the opportunities Superior National brings to our customers, our staff and the local communities we serve.”

“Superior National Bank and Trust’s 130-year history of financial stability, excellent customer service and locally based decision making will continue and be strengthened by this acquisition. We are proud of the careful due diligence performed, the strategic advantages we found, and the win-win outcome we expect, which will allow us to deliver an even better customer experience at every location in every market,” Vlahos added. “Superior National and Main Street together, offers a more robust banking model that combines management and employee continuity, market knowledge and superior customer relationships with expanded financial products and services.”

The combined organization’s headquarters will remain in Hancock, Michigan. Superior National’s local board of directors will guide and govern the joint entity.

Superior National Bank and Trust was advised by Charter Capital Partners, Olejniczak Advisors, John Hecht Consulting and the law firm of Warner Norcross and Judd LLP. ProBank Austin issued a fairness opinion as part of the transaction. Main Street Bank was advised by McQueen Financial Advisors and the law firms of Kus Ryan & Associates PLLC and Seyburn Kahn, PC.

About Superior National Bank

Keweenaw Financial Corp. and its subsidiary Superior National Bank and Trust was established in 1890 and are providers of personal and commercial banking services. The company operates as a banking institution, offering both personal and business checking and savings accounts, market accounts, certificates of deposit, trust & financial services, safe deposit boxes, residential, consumer and commercial loans, conventional and government lending and debt financing services. Superior National is headquartered in Hancock, Michigan with nine retail branches across the Western Upper Peninsula.

About Main Street Bank

North Star Financial and its subsidiary Main Street Bank are providers of personal and commercial banking services. The company operates as a banking institution, offering both personal and business checking and savings accounts, market accounts, certificates of deposit, safe deposit boxes, business commercial loans, residential mortgages, conventional and government lending, and debt financing services. Main Street was founded in 2005 with headquarters in Bingham Farms and operates six locations, including two retail branches, three mortgage loan offices, and one commercial loan office serving southeast Michigan.

Forward-Looking Statements

This press release contains forward-looking statements regarding Superior National Bank's outlook or expectations with respect to the planned acquisition of Main Street Bank. Words such as "anticipated," "estimated," "expected," "projected," "assumed," "approximately," "continued," "should," "will" and variations of such words and similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions ("risk factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may differ materially from what is expressed in forward-looking statements.