

CB Bancorp, Inc. (Higginsport, OH)

has announced its intention to be acquired by

Merchants Bancorp, Inc. (Hillsboro, OH)

**Austin Associates served as financial advisor to CB Bancorp, Inc.
with Richard F. Maroney, Jr. and Paul L. Simoff serving as lead advisors**

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Transaction Summary

- Merchants Bancorp, Inc. has expanded its footprint in Southwest Ohio with the announced signing of a definitive agreement to acquire CB Bancorp, Inc.
- Merchants Bancorp, Inc. is the holding company for Merchants National Bank (\$418 million) and CB Bancorp, Inc. is the parent company of Citizens Bank of Higginsport, Ohio (\$111 million).
- Citizens Bank operates two offices in Brown County and one office in Clermont County.
- Merchants will increase its market share in Brown County to be ranked No. 3 with a 15.7% share of the \$443.7 million in total county deposits and will enter Clermont County ranked No. 13 with 2.1% of \$2.04 billion in total county deposits.

Deal Terms

Announcement Date	March 25, 2009
Deal Consideration	Cash
Aggregate Deal Value (\$Mils.)	\$10.8
Deal Value-to-Book	100%
Deal Value-to-Tangible Book	100%
Deal Value-to-Net Income	22.6
Premium-to-Core Deposits	0.03%

Merchants Bancorp, Inc. will pay \$10.8 million in cash to acquire CB Bancorp, Inc. subject to certain adjustments at closing. Pricing ratios are based on 12/31/08 small parent equity of \$10.8 million and 2008 consolidated net income \$477,000.

Bank Financial Profiles (As of 12/31/08)

	Citizens Bank	Merchants Bank
Total Assets (\$000)	\$110,988	\$418,271
Total Loans (\$000)	\$74,637	\$346,260
Total Deposits (\$000)	\$99,981	\$330,400
Total Equity (\$000)	\$10,767	\$34,156
Tangible Equity (\$000)	\$10,767	\$34,156
Tg Equity/ Tg Assets	9.70%	8.17%
LTM Net Income (\$000)	\$481	\$4,997
LTM ROAA	0.43%	1.23%
LTM ROAE	4.59%	14.39%
NPAs / Assets (1)	3.58%	0.98%
LTM NCOs/ Avg Loans	0.14%	0.11%
LLR/ Loans	1.03%	0.94%
Branches at Announcement	3	9

(1) Includes 90+ days past due, nonaccrual loans and OREO.
Tg = Tangible; LTM = Last Twelve Months; YTD = Year-to-Date

Pro Forma Branch Map



Pro Forma Deposit Market Share (As of June 30, 2008)

2-County Market Area ⁽¹⁾			Jun-08 Deposits	Jun-08 Market Share
Rank	Company	Offices	(\$000)	Share
1	Fifth Third Bancorp	12	\$394,749	15.9%
2	PNC Fnc'l Serv Group	11	\$303,427	12.2%
3	NB&T Fnc'l Group Inc.	8	\$207,149	8.3%
4	JPMorgan Chase & Co.	10	\$200,902	8.1%
5	Sharefax Credit Union Inc.	2	\$195,896	7.9%
6	Park National Corp.	8	\$154,753	6.2%
7	U.S. Bancorp	9	\$150,779	6.1%
8	KeyCorp	5	\$126,631	5.1%
9	Merchants Bancorp Inc.	4	\$111,559	4.5%
10	New Richmond Bancorp.	7	\$87,286	3.5%
	All Other Institutions in Mkt.	33	\$552,406	22.2%
	Total	109	\$2,485,537	100.0%

(1) Includes Brown and Clermont counties in Ohio.