

Press Release

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Pioneer Bank acquires Farmers State Bank of Madelia

One of southern Minnesota's leading community banks has reached an agreement to acquire the Farmers State Bank of Madelia and their Madelia, Lewisville and Lake Crystal branches. Pioneer Bank, with offices in Mankato, North Mankato, Mapleton, St. James and Elmore will begin operating the newly acquired branches as Pioneer Bank branches on December 9, 2013. The transaction has already been approved by the Federal Reserve Bank of Minneapolis and the Minnesota Department of Commerce.

"We are excited about joining forces with this quality organization," said Pioneer Bank CEO, David P. Krause. "We are looking forward to providing the same high level of service to the customers of Farmers State Bank and to new customers in Madelia, Lewisville, Lake Crystal and surrounding communities. We will make the same commitment to those communities that we have made to the communities of Mankato, North Mankato, Mapleton, St. James and Elmore."

Wayne Finnern, President and CEO of Farmers State Bank will retire after the acquisition is complete. Finnern has led the bank since 1983. "I'm pleased that our shareholders were able to reach this agreement with Pioneer Bank", Finnern said. "It was important to us that we teamed with an organization that shares the same values that Farmers State Bank has. We deeply appreciate the bond that has developed with our communities and sincerely thank our customers and friends for the relationships we've enjoyed over the years."

Krause said that the existing staff of Farmers State Bank will stay with the bank after the acquisition. "The commitment to customer service that Dennis Swenson, Steve Cooling and all of the staff provide fits nicely with our philosophy. That team has served their communities well and we don't want that to change." Krause added that the acquisition will bring some exciting changes. In 2010, Pioneer Bank was the first community bank to offer the Kasasa line of free checking accounts. "We're confident that our new customers will enjoy the benefits of Kasasa as well as mobile banking and enhanced agricultural, business, personal and mortgage banking products."

Pioneer Bank's charter is over 110 years old. They currently have assets of over \$300 million. The Farmers State Bank acquisition will result in a bank with over \$360 million in assets. The bank's website is www.bankwithpioneer.com.