

FOR IMMEDIATE RELEASE  
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FOR MORE INFORMATION  
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**BARABOO NATIONAL BANK TO SELL BRANCH OFFICES  
IN RHINELANDER, GREEN LAKE AND VIROQUA**

**Ownership to be assumed by three different Wisconsin community banks**

BARABOO, Wis. – The Baraboo National Bank (BNB) today announced that it has entered into agreements to sell its Rhinelander, Green Lake and Viroqua branch offices.

Under the agreements entered into Wednesday, which include the sale of the fixed assets of the three branches and selected loans and deposits:

- BNB will sell its Rhinelander branch and a part of its Elcho loan portfolio to Peoples State Bank, headquartered in Wausau, Wisconsin
- BNB will sell its Green Lake branch to Horicon Bank, headquartered in Horicon, Wisconsin
- BNB will sell its Viroqua branch to Peoples State Bank, headquartered in Prairie du Chien, Wisconsin

Despite the similar names, Peoples State Bank (Wausau) and Peoples State Bank (Prairie du Chien) are unaffiliated banks. BNB Chairman and CEO Merlin Zitzner said that all three transitions should be seamless for customers. He added that pending regulatory review, it is expected that the sales will close sometime in early Spring of this year.

“The three agreements constitute a major step forward in strengthening The Baraboo National Bank and enhancing our ability to improve our efficiency and increase our capital ratios,” Zitzner said. “These transactions will help The Baraboo National Bank concentrate its geographic footprint and improve its system-wide operations as the bank continues to adapt to the ongoing changes in the financial services industry, especially with the continued growth of Internet banking.”

Zitzner said that BNB officials were grateful to the three communities for their past support. He added that he was particularly pleased that the three banks acquiring the branches are excellent organizations with strong traditions of outstanding customer service and close links to the communities they serve. He noted that the banks also have home offices much closer to the branch locations than the Baraboo home office.

“The Baraboo National Bank has a tradition of excellent service and a commitment to our loyal and valued customers, and we thank the customers in these three communities for the chance to serve them” Zitzner added. “We are pleased that we were able to reach these agreements with three, quality banking companies.”

The Baraboo National Bank is headquartered in Baraboo and provides a range of banking and financial services from offices located in Columbia, Fond du Lac, Green Lake, Juneau, Langlade, Oneida, Sauk and Vernon counties. The transactions will have no effect on BNB’s other 11 offices.

Peter Knitt, President and CEO of Peoples State Bank (Wausau), said the acquisition of the Rhinelander branch will increase his bank’s deposit market share in the community to the top position in the Rhinelander market.

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“Peoples State Bank is proud to expand the locations available to our existing and new customers with our current locations in Rhinelander, Minocqua and Eagle River. Our goal is to serve as a strong, local financial partner, and this acquisition helps us do that,” Knitt said.

Frederick F. Schwertfeger, president of Horicon Bank, said the acquisition will increase his bank’s assets to about \$600 million and expand its locations to 11 communities.

“Green Lake is the best lake town in the Midwest, and we are grateful to be able to expand into this scenic community. We say that Horicon Bank is The Natural Choice, and Green Lake fits with that theme,” Schwertfeger said.

Mark W. Forsythe, president of Peoples State Bank (Prairie du Chien), said that the Viroqua acquisition is consistent with his bank’s plan for growth.

“We really appreciate the opportunity to work with The Baraboo National Bank on this acquisition and are extremely excited about increasing our bank’s presence in the Viroqua market. Our bank’s history of service in Southwest Wisconsin and Northeast Iowa is a great story and we are anxious to begin meeting and working with the farmers, businesses and residents of Viroqua and Vernon County to write another chapter,” Forsythe said.

In aggregate, the three branch transactions involve the sale of approximately \$60 million in loans and the assumption of approximately \$160 million in deposits.

Edelman & Co., Ltd. served as financial advisor and Godfrey & Kahn served as legal counsel for The Baraboo National Bank on the transactions.

#### **PEOPLES STATE BANK (WAUSAU)**

*Peoples State Bank is a community bank with \$700 million in total assets headquartered in Wausau, Wisconsin, operating eight full service retail and commercial locations serving northern and central Wisconsin in Marathon, Oneida, and Vilas counties. PSB Holdings, Inc. is the parent company of Peoples State Bank, whose stock is traded on the OTC Markets Exchange under the symbol PSBQ. More information concerning PSB Holdings, Inc. may be found on its investor relations website, [www.psbholdingsinc.com](http://www.psbholdingsinc.com). For more information on Peoples State Bank or PSB Holdings, Inc., please contact Ms. Jennifer Mulder, 715-847-4069.*

#### **HORICON BANK**

*Horicon Bank is a community bank operating in Dodge County since 1896. Today, the bank has fourteen offices in five counties and \$525 million in assets. For more information on Horicon Bank, please contact Grace Venhuizen, 920-485-7326.*

#### **PEOPLES STATE BANK (PRAIRIE DU CHIEN)**

*Peoples State Bank has been serving the financial needs of Southwest Wisconsin and Northeast Iowa for 100 years. The bank currently operates thirteen full service retail offices located in Crawford and Grant Counties in Wisconsin and Clayton County in Iowa with \$549 million in assets. The bank is locally owned and locally managed and is committed to providing its customers with personal service. For more information on Peoples State Bank, please visit our website at [www.peoplesfinancial.com](http://www.peoplesfinancial.com) or contact Sharon Lind at 608-326-3517.*