



FOR IMMEDIATE RELEASE
December 7, 2017

Park State Bank and Pioneer National Bank to Merge

Two century-old Duluth banks to combine forces

MINNEAPOLIS, Minn. and DULUTH, Minn. — Minneapolis-based Park Financial Group, Inc. and Pioneer Bank Shares, Inc. jointly announced today the execution of a definitive purchase agreement under which Park State Bank and Pioneer National Bank will merge. When completed, this transaction will position the merged organization with four locations throughout Duluth, one location in Minneapolis and a full array of mobile and online banking services.

Terms of the purchase by Park Financial Group have not been disclosed, and the transaction remains subject to regulatory and shareholder approval. The deal is expected to close late in the first quarter of 2018. Current management and employees are expected to play key roles in the continued success of the merged organization.

“This is an exciting development for Pioneer National Bank, our customers and the Duluth community,” Pioneer National Bank’s President Bud Baker said. “Joining forces with Park State Bank will allow us to be more competitive in the marketplace, expand our lending limit and offer additional tech services. It also ensures that our customers will continue to receive the high-touch customer service they are accustomed to while working with familiar Pioneer National Bank employees.”

“This merger further expands the Bank’s presence in Duluth, strengthens our ability to compete in the Twin Cities, and is a natural extension of our franchise,” said Park Financial Group’s Chairman David Saber. “Not only does it better position us in two strong, vibrant top-five Minnesota markets with growth potential, it also represents a cultural fit and an opportunity to continue the extraordinary and strong client service that has distinguished and propelled Park State Bank’s recent growth. We are thankful the Peyton family chose our organization to carry on the legacy of Pioneer National Bank.”

About Park State Bank

Park State Bank is wholly-owned subsidiary of Park Financial Group, Inc. with significant financial strength and the ability to provide a breadth of customized banking solutions and services. The Bank’s industry leading client-centric approach to delivering financial solutions defines how it does business. Over the last 18 months, Park State Bank has been a well capitalized Minnesota bank and experienced significant profitable growth.

About The Pioneer National Bank of Duluth

Pioneer National Bank is locally owned, independent and committed to investing in its community. The Peyton family has been an instrumental Duluth family and active in Duluth and Superior banking for over a century. The Bank’s founder, the late John N. Peyton, was Chairman of the Minneapolis Federal Reserve Board for 19 years. Pioneer National Bank is led by Bud Baker and has three offices in Duluth: 331 North Central Avenue, Miller Hill Mall and Mount Royal Shopping Circle.

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