

FOR IMMEDIATE RELEASE

First State Bank and Peoples State Bank to merge with Minnwest Bank

MINNWEST BANK and FIRST STATE BANK AND PEOPLES STATE BANK, of South Dakota announced today the signing of an agreement to merge. Completion of the transaction, which is currently expected to occur in the fourth quarter of 2018, is contingent upon regulatory approval. First State Bank and Peoples State Bank are both owned by Northeast Bancorp, Inc. As of March 31st, 2018 the banks have combined assets of \$121.2 million, and \$103.7 million in deposits.

Douglas Karsky, President of Minnwest Bank, stated, "Minnwest Bank is dedicated to the growth and prosperity of agricultural communities and with this merger, we are confident that we can provide a strong financial network for the bank's customers and their communities. Through this process, our ultimate goal is to make this transition as smooth and as transparent as possible to customers."

Minnwest Bank is a family owned bank with 24 branches in 19 communities throughout Minnesota and South Dakota, with \$1.6 billion in assets. Minnwest Bank is a preferred SBA lender and participates in State and Federal loan programs such as SBA, FSA, Farmer Mac, Rural Finance Authority and South Dakota Dept. of Agriculture. Minnwest Bank is one of Minnesota's largest agricultural lenders.

"The current owners of Northeast Bancorp, Inc. have built a similar community banking model as Minnwest Bank and both banks are family owned. When this opportunity arose, it made sense for all parties involved to make this merger happen. We are excited about the opportunity to serve these new communities, and continue to build on the foundation established by Northeast Bancorp's current owners," said Karsky.

"As the owners of Northeast Bancorp, Duane Steege and I are excited about the prospects of First State Bank and Peoples State Bank merging with and into Minnwest Bank. We have full faith and confidence that Minnwest Bank will continue to provide the high quality financial services our customers have come to enjoy," said Les Timm, Chief Financial Officer.

Visit Minnwest Bank at: <http://www.minnwestbank.com>

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