



FOR IMMEDIATE RELEASE

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**BancStar Inc.
to acquire Hillsboro Bancshares Inc.**

Combined banks strengthen community banking in eastern – Missouri.

Pacific / Hillsboro, MO. – BancStar Inc. Sunset Hills, MO and Hillsboro Bancshares Inc., Hillsboro, MO together announce the signing of a definitive agreement and plan of merger. Under the terms of the agreement, The Bank of Hillsboro, Hillsboro Bancshares wholly owned subsidiary, will merge with Bank Star, the wholly owned subsidiary of BancStar Inc.

The merger, expected to be completed in the third quarter of 2018, is subject to customary conditions, including regulatory approval. Shareholders of Hillsboro Bancshares will receive cash in exchange for their shares. Pricing and other terms of the transaction were not disclosed.

The combined banks will operate under the name Bank Star. Founded in 1975, Bank Star's headquarters is in Pacific, MO on the border of Franklin, Jefferson and St. Louis counties. This merger will add an additional location in the county seat of Jefferson county.

“Both banks are very similar, namely in our devotion to superior customer service and our conviction that community banking is good for Missouri.” says Joe Stewart III, Chairman & CEO of Bank Star. “We are excited to welcome the Bank of Hillsboro team and together create an even stronger bank in the markets we serve. This merger gives community banking a stronger foundation in the counties surrounding St. Louis.”

“We are excited to join the Bank Star family. This combination significantly enhances our capabilities including, technology and automated services, larger lending limits, and an expanded loan and deposit product mix.” says Arthur Kniffen, President & CEO of the Bank of Hillsboro. “Both banks have a shared community and customer-centric focus.”

Once the transaction is complete, BancStar Inc. intends to merge the Bank of Hillsboro with and into Bank Star. Once completed the banks will operate under the Bank Star name. The combined banks will have assets approaching \$150 million, deposits of more than \$135 million and loans of over \$105 million.

Bank Star was advised by ProBank Austin with legal counsel from Stout & Hapke LLC. Hillsboro BancShares Inc. was represented by legal counsel from Armstrong Teasdale LLP.