



May 11, 2023

BY ELECTRONIC DELIVERY

Board of Directors
Mercer Savings Bank
1100 Irsmscher Blvd
Celina, Ohio 45822

RE: Notice of Intent to Convert and Stock Center Request

Dear Members of the Board:

The Federal Deposit Insurance Corporation (FDIC) reviewed the Notice of Intent to Convert (Notice), filed on behalf of Mercer Savings Bank, Celina, Ohio (Bank), pursuant to the FDIC's regulations at 12 C.F.R. sections 303.160 – 303.163 and 333.4, and other pertinent regulations. The Notice was filed in connection with the Bank's Plan of Conversion (Plan), whereby the Bank proposes to convert from an Ohio-chartered mutual savings bank to an Ohio-chartered stock savings bank (Conversion). In connection with the Conversion, the Bank has formed Mercer Bancorp, Inc. (Bancorp), a Maryland corporation, which upon completion of the Conversion will own 100 percent of the Bank's common stock.

Concurrently with the Conversion, the Bancorp intends to issue and offer for sale common stock on a priority basis to (i) eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least \$50 on February 28, 2022); (ii) the Bank's tax-qualified employee benefit plans (including the employee stock ownership plan); (iii) supplemental eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least \$50 on the supplemental eligibility date as defined in the Plan); (iv) other members as of the voting record date (April 30, 2023); (v) the community through a direct community offering; and (vi) the general public through a syndicated community offering. The Bancorp also intends to establish Mercer Savings Charitable Foundation, Inc., and contribute \$100,000 in cash and 50,000 shares of Bancorp common stock sold in the offering.

The FDIC has relied on information provided in the Bank's Notice, the accompanying materials, and subsequent responses to information requests in reaching its decision. Based on the information provided and representations made, the FDIC poses no objection to the Notice, subject to the following conditions (certain of which must be met on an ongoing basis):

1. The Bank shall provide written evidence to the FDIC Chicago Regional Director that all necessary final approvals regarding the proposed transactions have been obtained from the appropriate Federal and state authorities prior to consummating the proposed transaction.
2. The Bank shall submit copies of all final disclosure materials to the FDIC's Chicago Regional Office mailroom at CHIMailRoom@fdic.gov.

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3. The Bank shall provide written evidence to the FDIC Chicago Regional Director that the proposed conversion was approved by a vote of at least a majority of the bank's depositors and other stakeholders of the Bank who are entitled to vote on the conversion, unless the applicable state law requires a higher percentage, in which case the higher percentage shall be used.
4. Any change in the Bank's proposed senior executive officers or board of directors prior to the consummation of the proposed transactions will render this approval null and void, unless the Bank submits prior written notice to, and receives written non-objection from, the FDIC Chicago Regional Director prior to consummation of the proposed transaction.
5. The Bank shall submit to the Chicago Regional Director copies of any employment, change in control, or similar compensation arrangements entered into pursuant to the proposed transactions within 60 days of execution.
6. During the three-year period after the close of the proposed transaction, the Bank shall operate within the parameters set forth in the Business Plan submitted with the Notice (Business Plan) and must provide at least 60 days' prior written notice to, and receive written non-objection from, the FDIC Chicago Regional Director prior to implementing any proposed material deviation or material change from the Business Plan (including, but not limited to, any merger, acquisition, or business combination) involving the Bank.
7. The Bank will provide 60 days' prior written notice to, and obtain written non-objection from, the FDIC Chicago Regional Director prior to implementing any policy or executing any agreement pursuant to the proposed transactions relating to the allocation and sharing of costs with any affiliate as defined by Federal Reserve Board Regulation W (12 C.F.R. Part 223).
8. The Bank shall advise the FDIC Chicago Regional Director of the results of the conversion offering (and the community offering and syndicated offering, as applicable), and deliver an updated appraisal that takes the results of the conversion offering into account, discusses any material events or changes during the subscription period, and explains any securities purchase orders that have been rejected (including the reason(s) for rejection).
9. During the one-year period after the close of the conversion offering, the Bank shall provide at least 60 days' prior written notice to the FDIC Chicago Regional Director of any repurchase of shares and include copies of all documents filed with other regulators.
10. During the one-year period after the close of the conversion offering, shares issued to directors and executive officers (insiders) in the conversion offering are restricted from resale without the prior written approval of the FDIC Chicago Regional Director, except for the following, which shall not require such prior approval: (1) in the event of the death of an insider, the successor in interest may sell the shares; (2) if the insider is no longer employed by or is no longer a trustee or director of either the Bank or Mercer Bancorp. Inc., he or she may sell the shares; and (3) the insider may transfer the shares to a spouse or lineal

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descendant(s), or into a trust or retirement vehicle for the benefit of the insider or such spouse or descendants.

11. During the one-year period after the close of the conversion offering, the Bank shall provide at least 60 days' prior written notice to, and receive written non-objection from, the FDIC Chicago Regional Director prior to implementation of a stock-based benefit plan, except for the tax qualified employee stock ownership plan.
12. Mercer Savings Charitable Foundation's (Foundation) Board of Directors shall commit to the following:
 - a. Mercer Bancorp, Inc. common stock held by the Foundation shall be voted in the same ratio as the shares voted on each proposal considered by the shareholders;
 - b. The Foundation shall be subject to examination by the FDIC and shall comply with all supervisory directives imposed by the FDIC;
 - c. The Foundation shall operate in accordance with written policies adopted by its Board of Directors, including the adoption of a conflict of interest policy acceptable to the FDIC;
 - d. The Foundation shall not engage in self-dealing, and must comply with all laws necessary to maintain its tax-exempt status under the Internal Revenue Code;
 - e. The Foundation shall provide to the FDIC Chicago Regional Director a proposed operating plan prior to completion of the conversion offering, and within six months immediately following the date of the conversion offering, a three-year operating plan for the Foundation that contains pro forma financial statements, including a balance sheet and income statement; and
 - f. Following completion of the conversion offering, the Foundation shall provide to the FDIC Chicago Regional Office annual reports describing grants made and grant recipients.
13. The proposed transactions may not be consummated later than six months after the date of this Order unless such period is extended in writing by the FDIC Chicago Regional Director.
14. The Bank shall notify the FDIC Chicago Regional Director as soon as it becomes aware of any material change in the facts and circumstances prior to the consummation of the proposed transactions.
15. Until the proposed transactions are consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

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Request to Establish a Stock Center

The Bank submitted a request for the FDIC's non-objection to the establishment of a "stock center" in connection with the public offering for the Conversion. The Bank's letter describes a "stock center" as an area for orders to be accepted and interested customers to ask questions in a non-teller area of the Bank's main office. Please be advised that the FDIC has reviewed and does not object to the Bank establishing a stock center, provided the following requirements are satisfied:

- No commissions, bonuses, or comparable payments are made to any employee of the Bank other than to registered broker dealers;
- No sales or offers are made by tellers or at the teller counter, or by comparable employees at comparable locations;
- Sales activity must be conducted in a segregated or separately identifiable area of the Bank apart from the area accessible to the general public for the purpose of making or withdrawing deposits;
- Investment advice and assistance in completing stock order forms will only be provided by full-time employees of Performance Trust, a registered broker-dealer;
- Customers sign a "one page, unambiguous" certification, in the prescribed form, that the customer recognizes that the security is not a deposit, not FDIC insured or guaranteed, and that the customer has received an offering circular;
- The prescribed legend appears on the security and offering materials that it is not insured or guaranteed and is not a deposit or account with the Bank;
- The Bank will be in current compliance with its capital requirements after the conclusion of the offering; and
- Sales literature must comply with 12 C.F.R. § 390.419 of the FDIC's regulations regarding unsafe and unsound practices.

Please provide documentation to support satisfaction of the conditions to the FDIC's Chicago Regional Office, as well as notify the Regional Office in writing when the proposed transaction has been consummated. Should you have any questions, contact Case Manager Leanean Merritte at (312) 382-7536 or lmerritte@fdic.gov or Case Manager John Bartelt at (312) 382-6987 or jbartelt@fdic.gov.

Sincerely,

**PATRICIA
COLOHAN**

Digitally signed by
PATRICIA COLOHAN
Date: 2023.05.11
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Patricia A. Colohan
Associate Director

Mercer Savings Bank
Celina, Ohio

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