



Blackhawk Bancorp, Inc. Completes Acquisition of First McHenry Corporation

Beloit, WI, March 1, 2019 – Blackhawk Bancorp, Inc. (**OTCQX: BHWB**) (“Blackhawk” or “the Company”), holding company for Blackhawk Bank, today announced it has completed its acquisition of First McHenry Corporation, the Illinois holding company for First National Bank of McHenry. Blackhawk originally announced this transaction on October 18, 2018.

“We are very excited to welcome the First National Bank of McHenry team and customers to the Blackhawk family,” said Todd James, Chairman and CEO of Blackhawk. “This acquisition allows us to expand and complement our existing footprint in north central Illinois by adding three full-service locations in McHenry and Lake Counties to our already established offices in Winnebago and Boone counties alongside our newest Elgin office in Kane County. We look forward to continuing with the exceptional customer service their customers have come to expect, while also bringing their client base an expanded array of products, value-added consultative services and the technology of Blackhawk Bank into their communities. ”

William Busse, President and CEO of First National Bank of McHenry, stated, “We are excited to begin our partnership with a successful company that shares our community bank values and culture. We share a philosophy of offering highly personalized, customer-focused, and responsive banking services.” Mr. Busse added, “By joining forces with Blackhawk, our customers will continue to receive the responsive high-quality service they’re accustomed to while gaining access to the expanded range of products and value-added services offered by Blackhawk. We are pleased to join the Blackhawk family.”

Headquartered in McHenry, Illinois, with additional full-service locations in Richmond and Island Lake, First National Bank of McHenry (“FNB McHenry”) will continue to operate as a separate wholly-owned subsidiary of Blackhawk Bancorp, Inc. until the third quarter of 2019 when FNB McHenry will merge with and into the Company’s wholly-owned bank subsidiary, Blackhawk Bank. As of December 31, 2018, FNB McHenry had approximately \$173 million in assets, \$157 million in deposits, and \$43 million in loans.

About Blackhawk Bancorp

Blackhawk Bancorp, Inc. is headquartered in Beloit, Wisconsin and is the parent company of both Blackhawk Bank and First National Bank of McHenry. Blackhawk Bank operates eight full-service banking centers and a dedicated commercial office, which are located in south central Wisconsin and north central Illinois along the I-90 corridor from Elgin, Illinois, to Janesville, Wisconsin. First National Bank of McHenry operates three full-service banking centers in McHenry, Richmond, and Island Lake Illinois. The company offers a variety of value-added consultative services to its business customers and their employees related to the financial products it provides.

Forward-Looking Statements

This press release may contain certain “forward-looking statements” within the meaning of the federal securities laws relating to Blackhawk’s acquisition of First McHenry Corporation and First National Bank of McHenry, including the combination and integration of these businesses. In some cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “expect,” “anticipate,” “believe” or “look forward,” and words of similar import. Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and events may differ, possibly materially, from the anticipated results or events indicated in these forward-looking statements. Forward-looking statements are not guarantees of future performance, and Blackhawk cautions you not to place undue reliance on these statements. Forward-looking statements are made only as of the date of this press release, and Blackhawk undertakes no obligation to update any forward-looking statements contained in this press release to reflect new information or events or conditions after the date hereof.

Further information is available on the company’s website at www.blackhawkbank.com.

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