



Chemical Financial Corporation to Partner with Monarch Community Bancorp, Inc.

Monarch Community Bancorp, Inc.

Monarch Community Bancorp, Inc. (OTCQB:MCBF) (“Monarch”), the parent company of Monarch Community Bank, is headquartered in Coldwater, Michigan and operates five full service banking offices in Coldwater, Marshall, Hillsdale, and Union City, and six loan production offices in Battle Creek, Brighton, East Lansing, Grand Haven, Jackson, Michigan and Angola, Indiana. As of September 30, 2014, Monarch had total assets of approximately \$177 million, net loans of \$136 million, deposits of \$144 million, and common equity of \$20.0 million.

Chemical Financial Corporation

Chemical Financial Corporation (NASDAQ:CHFC) (“Chemical”), headquartered in Midland, Michigan, is the bank holding company for Chemical Bank. Chemical is the second largest banking company in Michigan. Following its recently completed acquisition of Northwestern Bancorp, Inc., Chemical had, on a pro forma basis as of September 30, 2014, \$7.4 billion in assets and 182 banking offices spread over 46 counties in southwestern, central and northern Michigan.

The Transaction

On November 3, 2014, Chemical and Monarch announced the execution of a definitive agreement, whereby Monarch will merge with and into Chemical in an all-stock transaction valued at approximately \$26 million, based on Chemical’s closing stock price on October 31, 2014. Monarch shareholders will receive 0.0982 shares of Chemical common stock for each share of Monarch common stock. Additionally, Monarch President and CEO, Richard DeVries, will be joining the Chemical team upon closing of the transaction.

The merger is expected to close in the first quarter of 2015 and is subject to approval by Monarch shareholders, regulatory approvals and other customary closing conditions provided in the merger agreement.

Donnelly Penman & Partners initiated the transaction, acted as exclusive financial advisor to Monarch and assisted in the negotiations in connection with the transaction. Monarch was advised by the legal firm of Howard and Howard Attorneys PLLC. Please contact [John Donnelly](#) at (313) 393-3054 or [Andrew Christians](#), CFA at (313) 393-3074 for further information.

Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a FINRA licensed broker dealer and member SIPC.

Donnelly Penman & Partners is owned by the employees of the firm, who have successfully completed more than 275 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.

Announced November 3, 2014

Monarch Community Bancorp, Inc.

parent of



(Coldwater, MI)

has agreed to be acquired by



(Midland, MI)

Sell Side Advisory