

### Transaction Profile

*Advised Seller*



Has agreed to be acquired by



The undersigned served as exclusive financial advisor to MNB Corporation, parent of Merchants Bank of Bangor



December 9, 2019

Olsen Palmer is pleased to announce that Bangor, Pennsylvania-based MNB Corporation (OTCPink: MNBC, “MNB”), parent company of Merchants Bank of Bangor (“Merchants Bank”), has executed a definitive agreement to be acquired by Dunmore, Pennsylvania-based Fidelity D&D Bancorp, Inc. (NASDAQ: FDBC, “Fidelity”), parent company of Fidelity Deposit and Discount Bank (“Fidelity Bank”).

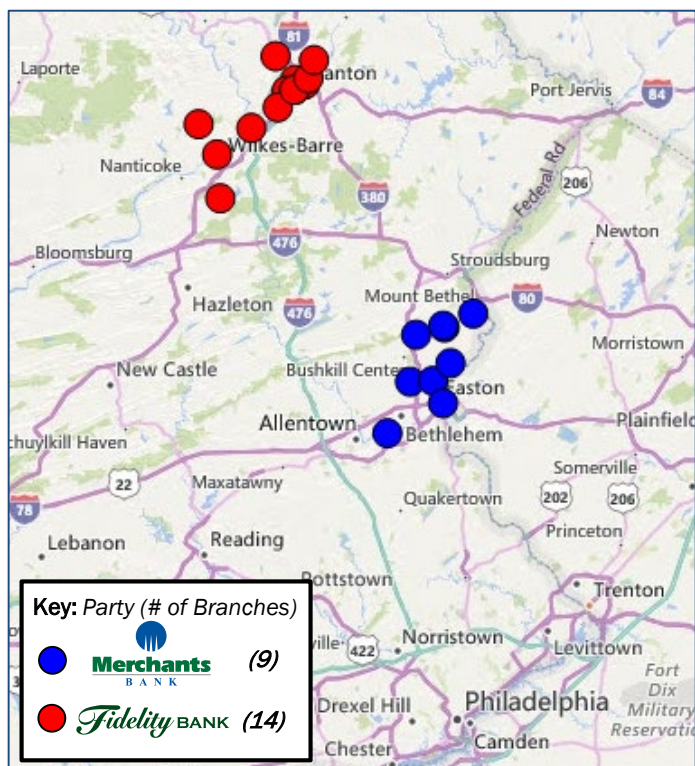
**Olsen Palmer LLC served as exclusive financial advisor and issued a fairness opinion to MNB Corporation, parent of Merchants Bank.**

Under the terms of the agreement, MNB shareholders will receive as consideration 1.039 shares of Fidelity common stock for each share of MNB stock owned as of the closing date. Based on Fidelity’s closing price on December 8, 2019, the transaction consideration represents a total value of \$78.7 million, equivalent to 2.0x MNB’s tangible book value.

The transaction, which has been unanimously approved by the boards of directors of both companies but is subject to shareholder approval, regulatory approvals and other customary closing conditions, is currently expected to close in the second quarter of 2020. At closing, two representatives from MNB will join the boards of Fidelity and Fidelity Bank, respectively.

**Olsen Palmer LLC is now ranked as a Top 4 bank M&A advisor across the entire U.S. according to S&P Global, based on the number of whole-bank sell-side M&A transactions advised upon in 2019.**

### Branch Footprint



### Transaction Summary and Valuation Multiples

Transaction Date	December 9, 2019
Anticipated Closing Date	2Q 2020
Transaction Value – Total	\$78.7 million
Transaction Value – Per Share	\$69.45
Form of Consideration	100% Stock
Price / Tangible Common Equity	2.0x
Price / Net Income (LTM)	20.9x
Price as % of Seller Assets	19.0%
Premium / Core Deposits	11.5%

*Note: Reflects balance sheet data as of 9/30/19 and transaction value as of 12/9/19.*

### Financial and Operating Summary

	Merchants BANK	Fidelity BANK
Location	Bangor, PA	Dunmore, PA
Year Established	1890	1903
CEO	Rocco A. Del Vecchio	Daniel J. Santaniello
Total Assets	\$412.8 MM	\$1.0 B
Branches	9	14
ROAA (LTM)	0.94%	1.20%
NPAs / Assets	0.53%	0.54%
Ticker	OTC: MNBC	NASDAQ: FDBC
Market Capitalization	\$39.8 MM	\$256.8 MM

*Financial information as of 9/30/19, stock information as of 12/9/19. Source: S&P Global.*

# M&A Advisory Expertise

Olsen Palmer is a Leading M&A Advisor to Community Banks

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## Recent M&A Advisory Assignments

<p><b>Advised Seller</b></p>  <p>Has agreed to be acquired by</p>  <p>December 9, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>November 9, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>November 7, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>November 1, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has agreed to be acquired by</p>  <p>October 29, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has agreed to sell 2 branches to</p>  <p>October 28, 2019</p>
<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>October 11, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has agreed to be acquired by</p>  <p>September 16, 2019</p>	<p><b>Advised Merger-of-Equals</b></p> <p>NORTHSIDE BANK</p> <p>Has merged with</p>  <p>August 30, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has agreed to be acquired by</p>  <p>August 22, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>May 1, 2019</p>	<p><b>Advised Acquirer</b></p>  <p>Has acquired</p>  <p>April 1, 2019</p>
<p><b>Advised Seller</b></p> <p>CAMP GROVE STATE BANK</p> <p>Has agreed to be acquired by</p>  <p>March 4, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>March 1, 2019</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>October 24, 2018</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>May 1, 2018</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>April 2, 2018</p>	<p><b>Advised Seller</b></p>  <p>Has merged with</p>  <p>January 1, 2018</p>
<p><b>Advised Seller</b></p>  <p>Have been acquired by</p>  <p>July 31, 2017</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>May 15, 2017</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>December 2, 2016</p>	<p><b>Advised Acquirer</b></p>  <p>Has acquired 3 branches from</p>  <p>May 13, 2016</p>	<p><b>Advised Acquirer</b></p>  <p>Has acquired 4 branches from</p>  <p>April 1, 2016</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p> <p>F&amp;M Bancorp, Inc.</p> <p>November 6, 2015</p>
<p><b>Advised Acquirer</b></p>  <p>Has acquired</p>  <p>September 25, 2015</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>September 11, 2015</p>	<p><b>Advised Acquirer</b></p> <p>BANKFIRST</p> <p>Has acquired</p>  <p>August 31, 2015</p>	<p><b>Advised Acquirer</b></p>  <p>Has acquired</p>  <p>April 30, 2015</p>	<p><b>Advised Seller</b></p>  <p>Has been acquired by</p>  <p>March 6, 2015</p>	<p><b>Advised Acquirer</b></p>  <p>Has acquired</p>  <p>October 1, 2014</p>

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Olsen Palmer LLC is a nationally-recognized independent investment banking firm that exclusively advises financial institutions across the spectrum of Mergers & Acquisitions.

By design, we combine the extensive M&A expertise of a traditional investment banking firm with the agility, creativity, responsiveness, and independence of a boutique firm.

Specializing in sell-side M&A advisory, buy-side M&A advisory, valuations, fairness opinions, branch acquisitions and divestitures, and Board-level assessments of strategic options.

For more information, please visit our website: [www.OlsenPalmer.com](http://www.OlsenPalmer.com)