

M&A Transaction Announcement

First State Bank and Merchants & Farmers Bank Have Merged

Transaction Profile

Advised Merger-of-Equals



Has merged with



The undersigned served as financial advisor to both First State Capital Corporation and M&F Bancorp, Inc.



September 1, 2021

First State Capital Corporation (“FSCC”), parent of First State Bank (“FSB”), and M&F Bancorp, Inc. (“MFB”), parent of Merchants & Farmers Bank (“M&F”), consummated their merger transaction in which FSCC has merged with MFB and M&F through an all-stock merger-of-equals with FSCC and M&F as the surviving entities.

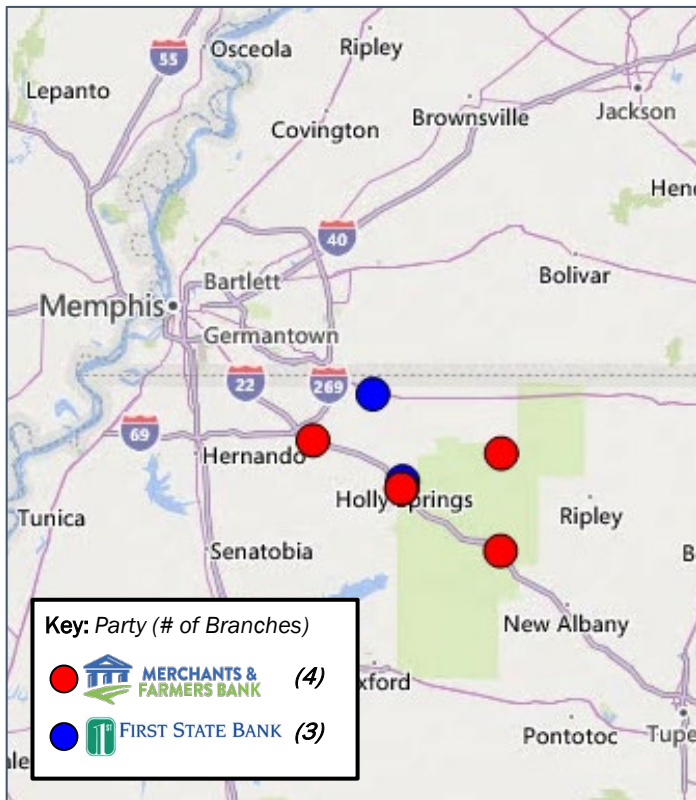
Olsen Palmer LLC served as financial advisor to both First State Capital Corporation and M&F Bancorp, Inc.

With the merger, the combined franchise now has assets of approximately \$270 million, deposits of \$230 million, and loans of approximately \$110 million.

Jones Walker LLP served as legal advisor to First State Capital Corporation while Adams & Reese LLP served as legal counsel to M&F Bancorp, Inc.

Olsen Palmer LLC is one of the top 3 banks M&A advisory firms nationwide according to S&P Global, based on the number of whole-bank sell-side M&A transactions advised upon over the last twelve months.

Branch Footprint



Transaction Summary and Valuation Multiples

Agreement Date	January 26, 2021
Closing Date	September 1, 2021
Aggregate Consideration Value	Not disclosed
Form of Consideration	All Stock
Price / Tangible Common Equity	Not disclosed
Price / Net Income (LTM)	Not disclosed

Note: Transaction pricing and other details were not disclosed.

Financial and Operating Summary

	MERCHANTS & FARMERS BANK	FIRST STATE BANK
Location	Holly Springs, MS	Holly Springs, MS
County	Marshall	Marshall
Year Established	1899	1916
CEO	H. Gregory Taylor	Sam P. McClatchy Jr.
Assets (MM)	\$128.4	\$137.0
Branches	4	3
ROAA (LTM)	0.05%	0.45%
NPAs / Assets (MRQ)	0.50%	1.48%

Note: Information as of Q2 2021. Source: S&P Global.

M&A Advisory Expertise

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



Recent M&A Advisory Assignments

Advised MOE Has merged with September 1, 2021	Advised Seller Has been acquired by September 1, 2021	Advised Seller Has agreed to be acquired by August 25, 2021	Advised Seller Has agreed to be acquired by August 4, 2021	Advised Seller Durand State Bank Has been acquired by July 30, 2021	Advised Seller Has been acquired by July 26, 2021	Advised Seller Has agreed to be acquired by June 4, 2021	Advised Seller Has agreed to be acquired by June 3, 2021	Advised Seller Has been acquired by May 28, 2021
Advised Seller Has been acquired by May 14, 2021	Advised Acquirer Has acquired April 30, 2021	Advised Seller Has agreed to be acquired by April 21, 2021	Advised Acquirer Has acquired April 15, 2021	Advised Seller CAMP GROVE STATE BANK Has been acquired by April 9, 2021	Advised Seller Has been acquired by April 1, 2021	Advised Seller Has been acquired by November 30, 2020	Advised Seller Has been acquired by November 30, 2020	Advised Seller Has been acquired by November 30, 2020
Advised Acquirer Has acquired 1 branch from November 13, 2020	Advised Seller Has acquired October 1, 2020	Advised Seller Reynolds State Bank Has agreed to be acquired by September 25, 2020	Advised Acquirer Has acquired July 1, 2020	Advised Seller Has been acquired by May 1, 2020	Advised Issuer Has received an equity investment March 5, 2020	Advised Seller Has been acquired by March 1, 2020	Advised Seller Has been acquired by January 1, 2020	Advised Seller Has been acquired by December 27, 2019
Advised Seller Has been acquired by November 8, 2019	Advised Seller Has been acquired by November 7, 2019	Advised Seller Has been acquired by November 1, 2019	Advised Seller Has been acquired by October 11, 2019	Advised Seller NORTHSIDE BANK Has merged with August 30, 2019	Advised Seller Has been acquired by May 1, 2019	Advised Acquirer Has acquired April 1, 2019	Advised Seller Has been acquired by March 1, 2019	Advised Seller Has been acquired by October 24, 2018
Advised Seller Has been acquired by May 1, 2018	Advised Seller Has been acquired by April 2, 2018	Advised Seller Has merged with January 1, 2018	Advised Seller Have been acquired by July 31, 2017	Advised Seller Has been acquired by May 15, 2017	Advised Seller Has been acquired by December 2, 2016	Advised Acquirer Has acquired 3 branches from May 13, 2016	Advised Acquirer Has acquired 4 branches from April 1, 2016	Advised Seller Has been acquired by F&M Bancorp, Inc. November 6, 2015
Advised Acquirer Has acquired September 25, 2015	Advised Seller Has been acquired by September 11, 2015	Advised Acquirer Has acquired August 31, 2015	Advised Acquirer Has acquired April 30, 2015	Advised Seller Has been acquired by March 6, 2015	Advised Acquirer Has acquired October 1, 2014	 Library of Recent Bank M&A Transactions		



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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 deep 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