

### Transaction Profile

#### Advised Acquirer



Has agreed to acquire



The undersigned served as exclusive financial advisor to Farmers and Merchants Bancshares, Inc., parent of Farmers and Merchants Bank



March 6, 2020

Olsen Palmer is pleased to announce that Farmers and Merchants Bancshares, Inc. (OTC PINK: FMFG, "Farmers and Merchants") parent company of Farmers and Merchants Bank, has entered into an Agreement and Plan of Merger whereby it will acquire Carroll Bancorp Inc. (OTC PINK: CROL, "Carroll"), parent company of Carroll Community Bank, in an all-cash transaction valued at \$25 million, or approximately \$21.63 per share of Carroll common stock, subject to adjustment under certain circumstances provided for in the agreement.

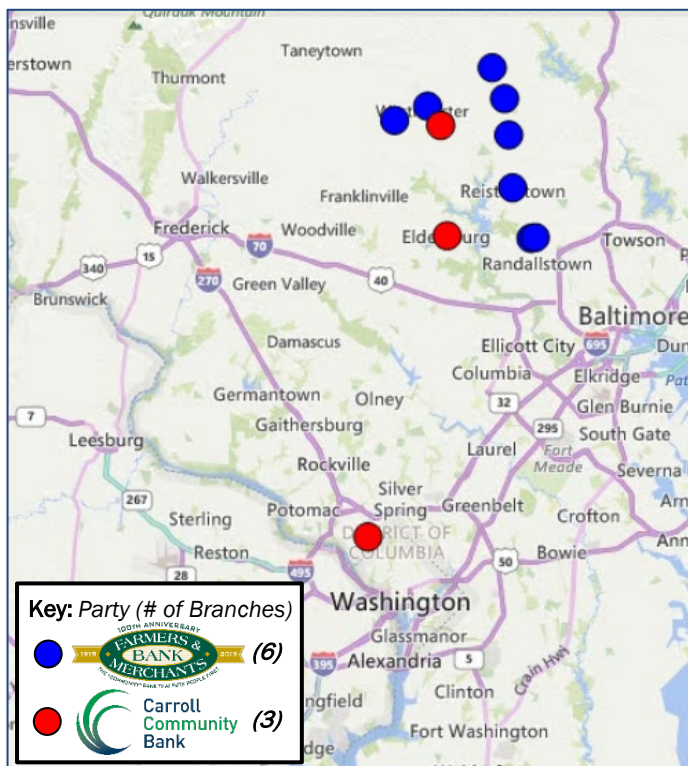
**Olsen Palmer LLC served as exclusive financial advisor and issued a fairness opinion to Farmers and Merchants Bancshares, Inc.**

Farmers and Merchants anticipates that the proposed transaction will be immediately accretive to its earnings per share, before the impact of one-time transaction expenses.

The proposed transaction will enhance Farmers and Merchants' presence in Carroll County and is expected to result in Farmers and Merchants becoming the 14th largest Maryland-based bank by total deposits, with total consolidated assets in excess of \$620 million.

The proposed transaction, which has been approved by the Boards of Directors of both companies but remains subject to customary closing conditions as well as approval by Carroll's stockholders and by applicable bank regulatory authorities, is expected to be completed in the second half of 2020.

### Branch Footprint



### Transaction Summary and Valuation Multiples

Transaction Date	March 6, 2020
Closing Date (anticipated)	2H 2020
Aggregate Consideration Value	\$25 million
Form of Consideration	100% Cash
Price / Tangible Common Equity	1.37x
Price / Net Income (LTM)	NM
Price as % of Seller Assets	13.6%
Premium / Core Deposits	5.83%

### Financial and Operating Summary

	Farmers & Merchants Bank	Carroll Community Bank
Location	Hampstead, MD	Sykesville, MD
Year Established	1919	1870
CEO	James R. Bosley Jr.	Russell J. Grimes Jr.
Assets	\$442.2 MM	\$184.0 MM
Branches	6	3
ROAA (LTM)	1.06%	0.18%
Ticker	OTC PINK: FMFG	OTC PINK: CROL
Market Capitalization	\$51.3 MM	\$17.1 MM

Note: Reflects consideration value, financial information, and market data available at time of announcement. NM refers to not meaningful. Source: S&P Global.

# M&A Advisory Expertise

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



## Recent M&A Advisory Assignments

<p><b>Advised Acquirer</b></p> <p>Has agreed to acquire</p> <p>March 6, 2020</p>	<p><b>Advised Seller</b></p> <p>Has been acquired by</p> <p>March 1, 2020</p>	<p><b>Advised Acquirer</b></p> <p>Has agreed to acquire</p> <p>Traders &amp; Farmers Bank</p> <p>February 5, 2020</p>	<p><b>Advised Seller</b></p> <p>Has been acquired by</p> <p>January 1, 2020</p>	<p><b>Advised Seller</b></p> <p>Has been acquired by</p> <p>December 27, 2019</p>	<p><b>Advised Seller</b></p> <p>Has agreed to be acquired by</p> <p>December 26, 2019</p>	<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 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 Merger-of-Equals</b></p> <p>Has merged with</p> <p>August 30, 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>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>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>	<p><b>Library of Recent Bank M&amp;A Transactions</b></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 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](http://www.OlsenPalmer.com)