

Merchants Bank Acquired by Fidelity Bank

Transaction Profile

Advised Seller



Has been acquired by



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



May 1, 2020

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 been acquired by Dunmore, Pennsylvania-based Fidelity D&D Bancorp, Inc. (NASDAQ: FDBC, “Fidelity”), parent company of Fidelity Deposit and Discount Bank (“Fidelity Bank”) pursuant to the terms of Reorganization Agreement (“Agreement”) entered into between MNB and Fidelity.

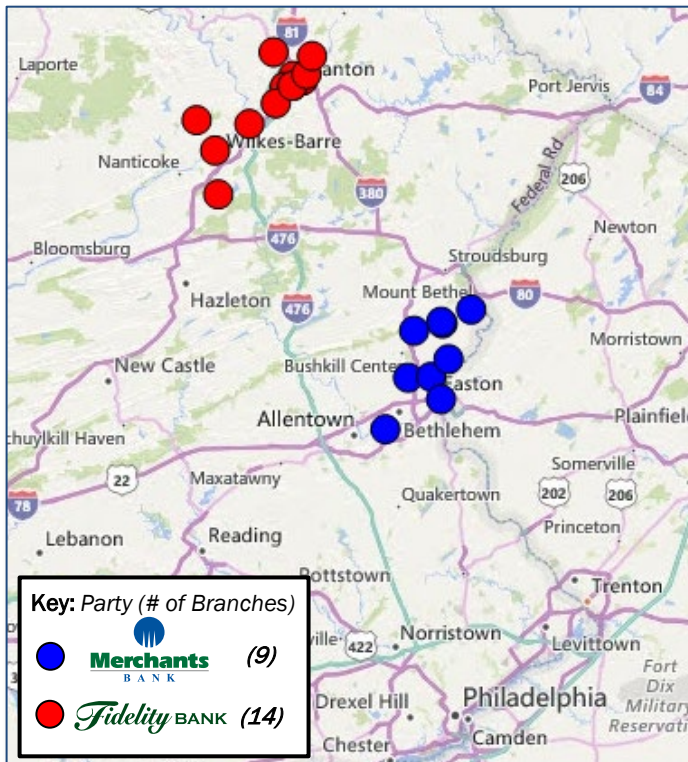
Olsen Palmer LLC served as exclusive financial advisor and issued a fairness opinion to MNB Corporation, parent of Merchants Bank.

Under the terms of the Agreement, MNB stockholders received as consideration 1.039 shares of Fidelity common stock for each share of MNB stock they owned as of the effective date. As a result, Fidelity issued approximately 1,177,055 shares of its common stock.

In addition, pursuant to the agreement, 2 directors from MNB were appointed as Class A and C Directors, respectively, to Fidelity’s Board of Directors and as Directors to Fidelity Bank’s Board of Directors.

With the combination of the two organizations, Fidelity, on a consolidated basis, has approximately \$1.6 billion in assets, \$1.4 billion in deposits, and \$1.1 billion in loans.

Branch Footprint



Transaction Summary and Valuation Multiples

Transaction Date	December 9, 2019
Closing Date	May 1, 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: Consideration value and deal multiples reflect information at time of announcement.

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	\$408.9 MM	\$1.1 B
Branches	9	14
ROAA (LTM)	0.91%	1.14%
NPAs / Assets	0.62%	0.45%
Ticker	OTC: MNBC	NASDAQ: FDBC
Market Capitalization	\$45.3 MM	\$152.8 MM

Note: Reflects most recent available financial and market data. 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>Advised Seller</p> <p>Has been acquired by</p> <p>May 1, 2020</p>	<p>Advised Seller</p> <p>Has agreed to be acquired</p> <p>March 27, 2020</p>	<p>Advised Acquirer</p> <p>Has agreed to acquire</p> <p>March 6, 2020</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>March 1, 2020</p>	<p>Advised Acquirer</p> <p>Has agreed to acquire</p> <p>Traders & Farmers Bank</p> <p>February 5, 2020</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>January 1, 2020</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>December 27, 2019</p>
<p>Advised Seller</p> <p>Has agreed to be acquired by</p> <p>December 26, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>November 8, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>November 7, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>November 1, 2019</p>	<p>Advised Seller</p> <p>Has agreed to sell 2 branches to</p> <p>October 28, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>October 11, 2019</p>	<p>Advised Seller</p> <p>Has merged with</p> <p>August 30, 2019</p>
<p>Advised Seller</p> <p>Has been acquired by</p> <p>May 1, 2019</p>	<p>Advised Acquirer</p> <p>Has acquired</p> <p>April 1, 2019</p>	<p>Advised Seller</p> <p>Has agreed to be acquired by</p> <p>March 4, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>March 1, 2019</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>October 24, 2018</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>May 1, 2018</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>April 2, 2018</p>
<p>Advised Seller</p> <p>Has merged with</p> <p>January 1, 2018</p>	<p>Advised Seller</p> <p>Have been acquired by</p> <p>July 31, 2017</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>May 15, 2017</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>December 2, 2016</p>	<p>Advised Acquirer</p> <p>Has acquired 3 branches from</p> <p>May 13, 2016</p>	<p>Advised Acquirer</p> <p>Has acquired 4 branches from</p> <p>April 1, 2016</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>F&M Bancorp, Inc.</p> <p>November 6, 2015</p>
<p>Advised Acquirer</p> <p>Has acquired</p> <p>September 25, 2015</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>September 11, 2015</p>	<p>Advised Acquirer</p> <p>Has acquired</p> <p>August 31, 2015</p>	<p>Advised Acquirer</p> <p>Has acquired</p> <p>April 30, 2015</p>	<p>Advised Seller</p> <p>Has been acquired by</p> <p>March 6, 2015</p>	<p>Advised Acquirer</p> <p>Has acquired</p> <p>October 1, 2014</p>	<p>Advised Seller</p> <p>OLSEN PALMER</p> <p>Library of Recent Bank M&A Transactions</p>



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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.

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