## M&A Transaction Announcement

First State Bank and Merchants & Farmers Bank Have Merged

## **Transaction Profile**

Advised Merger-of-Equals



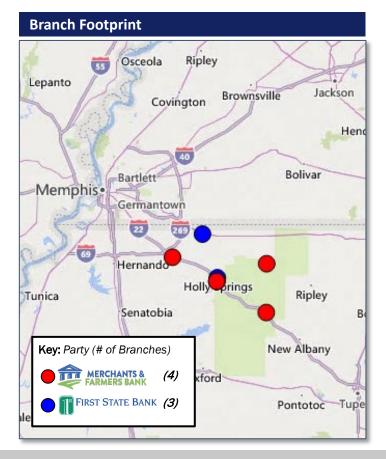
Has merged with



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

OLSEN PALMER

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.

## **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	f 02 2021 Courses CRD Clobal		

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



**Washington DC** • **Chicago** • **Denver** • **Birmingham** 202.808.3306 • olsenpalmer.com • MEMBER FINRA/SIPC

## M&A Advisory Expertise

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

Recent M&A Advisory Assignments									
Advised MOE	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	
MERCHANTS & FARMER'S BANK	CITIZENS B A N K	First Capital	SECURITY HEDERAL BANK	Durand State Bank			TRI-STATE BANK	HURST BENK OF LENDEN	
Has merged with	Has been	Has agreed to	Has agreed to	Has been	Has been	Has agreed to	Has agreed to	Has been	
	acquired by	be acquired by	be acquired by	acquired by	acquired by	be acquired by	be acquired by	acquired by	
FIRST STATE BANK	First National Bank	ᠫ Planters Bank		BANK	United Bank 🌗	<b>5</b> Simmons Bank.	i Liberty Bank	Alabama <b>ONE</b>	
September 1, 2021	September 1, 2021	August 25, 2021	August 4, 2021	July 30, 2021	July 26, 2021	June 4, 2021	June 3, 2021	May 28, 2021	
Advised Seller	Advised Acquirer	Advised Seller	Advised Acquirer	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	
ARKANSAS	Eureka Savings	First Security Bank	First Bank	Camp Grove State Bank		Bank & Trust	ESCAMBIA FCOUNTY BANK	CE Citizens Bank	
Has been acquired by	Has acquired	Has agreed to be acquired by	Has acquired	Has been acquired by	Has been acquired by	Has been acquired by	Has been acquired by	Has been acquired by	
Southern Bancorp	Wenona State Bank		SouthFirst	KATZ CAPITAL	Bank of Pontiac	CITIZENS BANK	AMERIFIRST	Bank of Holly Springs	
May 14, 2021	April 30, 2021	April 21, 2021	April 15, 2021	April 9, 2021	April 1, 2021	November 30, 2020	November 30, 2020	November 30, 2020	
Advised Acquirer	Advised Seller	Advised Seller	Advised Acquirer	Advised Seller	Advised Issuer	Advised Seller	Advised Seller	Advised Seller	
22 STATE BANK	PRIMERS C BANK MERCIIANTS	Reynolds State Bank	BANKFIRST	Merchants	€GRANDBANK	PROGRESSIVE		State Bank	
Has acquired 1 branch from	Has acquired	Has agreed to be acquired by	Has acquired	Has been acquired by	Has received an equity	Has been acquired by	Has been acquired by	Has been acquired by	
<b>◇</b> Bank <b>OZK</b>	Carroll Community Bank	Peoples National Bank	TF TRADERS & FARMERS BANK	<i>Fidelity</i> bank	investment		() Reliant Bank	FORRESTON	
November 13, 2020	October 1, 2020	September 25, 2020	<b>-1</b> July 1, 2020	May 1, 2020	March 5, 2020	SmartBank. March 1, 2020	January 1, 2020	December 27, 2019	
Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Seller	Advised Acquirer	Advised Seller	Advised Seller	
<b>First Alliance Bank</b>	Union Bank	First National Bank	FARMENS & MERCHANTS BARK OF OFFORCHULE	NorthSide <b>()</b> Bank	FIRST MADISON HANK & TRUST	SENB Bank	<b>1</b> st First National Bank		
Has been acquired by	Has been	Has been	Has been		Has been		Has been	Hachoon	
	acquired by	acquired by	acquired by	Has merged with	acquired by	Has acquired	acquired by	Has been acquired by	
GUARANTYBANK	acquired by FIRST GUARANTY BANK			Has merged with		Has acquired			
GUARANTYBANK	FIRST	acquired by	acquired by	First	acquired by United		acquired by	acquired by	
A TRUST COMPANY	FIRST GUARANTY BANK		acquired by Bank of Brodhead	First National Community Bank	acquired by United Community Bank.		acquired by Blackhawk	acquired by	
November 8, 2019	FIRST GUARANTY BANK November 7, 2019	November 1, 2019 Advised Seller	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb &	First National Community Bank August 30, 2019	acquired by United Community Bank. May 1, 2019 Advised Seller American Trust	April 1, 2019	acquired by Blackhavk Bank March 1, 2019	acquired by ENB BANK October 24, 2018 Advised Seller	
Advised Seller	RIRST BAANK November 7, 2019 Advised Seller Risseen Has been	November 1, 2019	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanCity Have been	August 30, 2019 Advised Seller FIRST FIRST Has been	acquired by United Community Bank. May 1, 2019 Advised Seller American Trust Bank or Last TEDALSSE Has been	April 1, 2019 Advised Acquirer FIRST FREEDOM Bank Has acquired	acquired by Blackhawk Bark March 1, 2019 Advised Acquirer Athens Federal Has acquired	acquired by ENB BANK October 24, 2018 Advised Seller EANK Has been	
Advised Seller	RIST BANK November 7, 2019 Advised Seller Has been acquired by CENTENNIAL	Rovember 1, 2019 Advised Seller DOCOLON EXCEPTION SAME LEAR Has merged with	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanChy Have been acquired by	August 30, 2019 Advised Seller FIRST OUTH Has been acquired by	acquired by United Community Bank. May 1, 2019 Advised Seller Advised Seller American Trust Bank or Last TEDALSSE Has been acquired by Community Bank	April 1, 2019	acquired by Blackhawk Bark March 1, 2019 Advised Acquirer Athens Federal	acquired by ENB BANK October 24, 2018 Advised Seller EANK	
Advised Seller	RIRST BANK November 7, 2019 Advised Seller Mas been acquired by CENTENNIAL BANK	Rovember 1, 2019 Advised Seller Occurry Survey BANK (FAR) Has merged with First Mutual Holding Ca	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanCity Have been acquired by FirstBank	August 30, 2019 Advised Seller FIRST BANK Has been acquired by Simmons Bank	acquired by United Community Bank. May 1, 2019 Advised Seller Advised Seller American Trust Easts or Last Transas Has been acquired by Citizens BANK	Advised Acquirer Advised Acquirer ERSEDED Bank Has acquired 3 branches from Atlantic Capital	acquired by Blackheise March 1, 2019 Advised Acquirer Athens Federal Has acquired 4 branches from Atlantic Capital	acquired by ENB BANK October 24, 2018 Advised Seller Has been acquired by F&M Bancorp, Inc.	
Advised Seller	RISST BANK November 7, 2019 Advised Seller Riss been acquired by CENTENNIAL BANK April 2, 2018	November 1, 2019 Advised Seller Documentation Excurry Subman RANK (FAR) Has merged with First Mutual Holding Ca. January 1, 2018	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanCity Have been acquired by FirstBank July 31, 2017	August 30, 2019 Advised Seller FIRST SOANK Has been acquired by Simmons Simmons May 15, 2017	acquired by Community Bank. May 1, 2019 Advised Seller Advised Seller Advised Seller Advised Seller Citizens BANK December 2, 2016	April 1, 2019 Advised Acquirer EREST FOR Bank Has acquired 3 branches from	acquired by Blackheight March 1, 2019 Advised Acquirer Athens Federal Has acquired 4 branches from	acquired by Cotober 24, 2018 Advised Seller Has been acquired by F&M Bancorp,	
Advised Seller	RIRST BANK November 7, 2019 Advised Seller Mas been acquired by CENTENNIAL BANK	Rovember 1, 2019 Advised Seller Occurry Survey BANK (FAR) Has merged with First Mutual Holding Ca	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanCity Have been acquired by FirstBank	August 30, 2019 Advised Seller FIRST BANK Has been acquired by Simmons Bank	acquired by United Community Bank. May 1, 2019 Advised Seller Advised Seller American Trust Easts or Last Transas Has been acquired by Citizens BANK	Advised Acquired Advised Acquired Exercised Acquired Bank Has acquired 3 branches from Atlantic Capital May 13, 2016	acquired by Blackheise March 1, 2019 Advised Acquirer Advised Acquirer Advised Acquired Has acquired 4 branches from Atlantic Capital April 1, 2016	acquired by Cotober 24, 2018 Advised Seller Mas been acquired by F&M Bancorp, Inc. November 6, 2015	
Advised Seller	RESTANTY BANK November 7, 2019 Advised Seller Has been acquired by CENTENNIAL BANK April 2, 2018 Advised Seller	November 1, 2019 Advised Seller Decemprocessor Has merged with Mist Mutual Heiding Co. January 1, 2018 Advised Acquirer	acquired by Bank of Brodhead October 11, 2019 Advised Seller Clayton bank cb & AmericanCity Have been acquired by FirstBank July 31, 2017 Advised Acquirer	August 30, 2019 Advised Seller FRST BARK Has been acquired by Simmons Simmons May 15, 2017 Advised Seller Traders Bark	acquired by United Community Bank. May 1, 2019 Advised Seller Advised Seller Advised Seller Advised Seller Advised Seller Citizens BANK December 2, 2016	Advised Acquired Advised Acquired Exercised Acquired Bank Has acquired 3 branches from Atlantic Capital May 13, 2016	acquired by Blackheise March 1, 2019 Advised Acquirer Athens Federal Has acquired 4 branches from Atlantic Capital	acquired by Cotober 24, 2018 Advised Seller Mas been acquired by F&M Bancorp, Inc. November 6, 2015	
Advised Acquirer  Advised Acquirer  May 1, 2018  Advised Acquirer	RESTANTY November 7, 2019 Advised Seller Has been acquired by CENTENNIAL BAN K April 2, 2018 Advised Seller CENTENNIAL BAN K April 2, 2018	November 1, 2019 Advised Seller Documentation (1920) Advised Seller Documentation (1920) Has merged with Mist Mutual Holding Co. January 1, 2018 Advised Acquirer BAANKFIRST	acquired by Bank of Brodhead October 11, 2019 Advised Seller Claytonbank cb & AmericanCity Have been acquired by FirstBank July 31, 2017 Advised Acquirer First Commercial Bank	August 30, 2019 August 30, 2019 Advised Seller FIRST BANK Has been acquired by Simmons Bank May 15, 2017 Advised Seller Traders Bank Has been	acquired by Community Bank. May 1, 2019 Advised Seller Advised Seller Advised Seller Advised Seller Advised Seller Citizens BANK December 2, 2016 Advised Acquirer FIRST CITIZENS NATIONAL BANK	April 1, 2019 Advised Acquirer ERSTÉCES Has acquired 3 branches from Atlantic Capital May 13, 2016	acquired by Blackheise March 1, 2019 Advised Acquirer Advised Acquirer Advised Acquired Has acquired 4 branches from Atlantic Capital April 1, 2016	acquired by Cotober 24, 2018 Advised Seller Has been acquired by F&M Bancorp, Inc. November 6, 2015	

OLSEN PALMER

202.808.3306 info@olsenpalmer.com olsenpalmer.com Olsen Palmer LLC is a nationally-recognized independent investment banking firm that exclusively advises financial institutions across the spectrum of Mergers & Acquisitions.

OLSEN PALMER

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