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FOR IMMEDIATE RELEASE

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Magnolia State Bank designated as a Certified Development Financial Institution (CDFI)

Bay Springs, MS - Magnolia State Bank recently received designation as a Certified Development Financial Institution (CDFI) and has been awarded \$7.9 million in funds at a 2% rate for 8 years. A certified CDFI is a financial institution that works in markets that are underserved by traditional financial institutions.

CDFIs are certified by the Department of the Treasury's CDFI Fund, which was created for the purpose of promoting economic revitalization and community development in low-income communities. CDFIs offer a wide range of traditional and innovative financial products and services designed to help their customers access the financial system, build wealth and improve their lives and the communities in which they live. To be certified as a CDFI, an organization must demonstrate a commitment to target at least 60 percent of its lending and other economic development activities in areas underserved by traditional financial institutions, have a primary mission of promoting community development, provide development services in conjunction with its financing activities; and maintain accountability to its defined target market, among other requirements.

As a CDFI, Magnolia State Bank was eligible to receive 5% of its risk-weighted assets. Herbert Allison, Treasury Assistant Secretary for Financial Stability stated, "In communities across our country, CDFI funding is helping to strengthen local financial institutions and deliver credit to small businesses and families."

Chairman of the Board, Thomas Brown stated, "In the last five years Magnolia State Bank has expanded to Laurel, constructed a new 14,000 square foot office in Petal, purchased a mortgage company with 3 offices serving mortgage needs from the Mississippi Delta through South Mississippi and opened a branch bank in Hattiesburg. During this recessionary period we have increased our staff from 45 to 78 employees, our loans have grown from \$68 million to \$168 million, total assets have increased from \$138 million to \$231 million and capital has increased from \$14 million to \$19 million. In the immediate future we plan a major expansion of the Laurel office and the construction of a new facility in Hattiesburg to house the bank and new mortgage company located there. The CDFI Funding will allow this growth to continue while meeting the needs of the communities, both small and large, that we serve."

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