

Sub Debt Issuance – Emmetsburg Bank Shares, Inc.

May 2020

Emmetsburg Bank Shares, Inc.
holding company for:



Subordinated Debt Offering

\$16.0 Million

\$8.0mm 10-yr 4.75% Fixed-to-Float
\$8.0mm 15-yr 5.25% Fixed-to-Float

Sole Placement Agent

Performance Trust Capital Partners

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Transaction Overview

On May 27, 2020, Emmetsburg, Iowa-based Emmetsburg Bank Shares, Inc., the holding company for Iowa Trust & Savings Bank, completed the issuance of \$8.0 million in 10-year fixed-to-floating rate subordinated notes and \$8.0 million in 15-year fixed to floating rate subordinated notes. Both term structures allow the issuer the option to redeem the notes on May 27, 2025 at par value. The subordinated debt is structured such that it qualifies as Tier 2 capital at the holding company. The 10-year notes will initially bear interest at 4.75% per annum through May 27, 2025, and thereafter pay a quarterly floating rate equal to 90-day Average SOFR plus 438 basis points. The 15-year notes will initially bear interest at 5.25% per annum through May 27, 2025 and thereafter pay a quarterly floating rate equal to 90-day Average SOFR plus 488 basis points. In addition to general corporate purposes, the Company intends to use the net proceeds for potential future strategic opportunities.

Performance Trust Capital Partners served as sole placement agent for Emmetsburg Bank Shares, Inc. in connection with this issuance of subordinated debt.

Financial Highlights (March 31, 2020)

	Iowa Trust & Savings Bank
(\$000s)	
Assets:	\$ 329,872
Loans HFI:	251,701
Deposits:	261,582
Tang. Equity:	34,607
TCE / TA:	10.64%
NPAs (ex. TDR's):	0.00%
LTM Net Income:	\$ 5,726
LTM ROAA ⁽¹⁾ :	1.71%
LTM ROAE ⁽¹⁾ :	14.91%

Note: Regulatory call report financial data

(1) ROAA and ROAE shown on an S-Corp adjusted and annualized basis

Branch Map

