

Southern Michigan Bancorp, Inc. Completes Capital Offering

April 2021

Southern Michigan Bancorp, Inc.
holding company for:

**SOUTHERN MICHIGAN
BANK & TRUST**

**Subordinated Debt Offering
\$30.0 Million**

3.75% Fixed-to-Floating

Sole Placement Agent

Performance Trust Capital Partners

Transaction Overview

On April 16th, 2021, Coldwater, Michigan-based Southern Michigan Bancorp, Inc., holding company for Southern Michigan Bank & Trust, completed the issuance of \$30 million in 10-year fixed-to-floating rate subordinated notes. 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 3.75% per annum through April 16th, 2026 and thereafter pay a quarterly floating rate equal to 90-day Average SOFR plus 302 basis points.

The Company intends to use the net proceeds for general corporate purposes, including the retirement of senior term debt and other potential future strategic opportunities.

Performance Trust Capital Partners served as sole placement agent for Southern Michigan Bancorp, Inc. in connection with this issuance of subordinated debt.

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Financial Highlights (December 31, 2020)

	Southern Michigan Bancorp, Inc.
(\$000s)	
Assets:	\$ 997,574
Net Loans	629,772
Deposits:	838,298
Tangible Equity:	79,300
TCE / TA:	8.06%
NPAs (excl. TDRs) / Assets ⁽¹⁾ :	0.49%
LTM Net Income:	\$ 7,386
LTM ROAA:	0.82%
LTM ROATCE:	10.03%

Note: U.S. GAAP Level- Data

(1) Bank-level financial metric

Branch Map

