

Highland Bancshares, Inc. Completes Capital Offering

October 2020

Highland Bancshares, Inc.
holding company for:



Subordinated Debt Offering
\$10.0 Million

4.50% Fixed-to-Floating

Sole Placement Agent

Performance Trust Capital Partners

Transaction Overview

On October 14, 2020, Saint Michael, Minnesota-based Highland Bancshares, Inc., holding company for Highland Bank, completed the issuance of \$10 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 4.50% per annum through October 14, 2025 and thereafter pay a quarterly floating rate equal to 90-day Average SOFR plus 433 basis points.

The Company intends to use the funds for general corporate purposes, including contribution of capital to the Bank to support organic growth and maintenance of bank level capital ratios; possible repayment of existing holding company debt.

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

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Balance Sheet Strategy

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Financial Highlights (June 30, 2020)

	Highland Bank
(\$000s)	
Assets:	\$ 607,375
Loans HFI:	442,131
Deposits:	463,080
Total Equity:	58,094
TCE / TA:	9.54%
NPAs / Assets:	0.33%
LTM Net Income:	\$ 4,102
LTM ROAA ⁽¹⁾ :	1.05%
LTM ROAE ⁽¹⁾ :	9.85%

Note: Regulatory financial data

(1) S-Corp. adjusted ROAA and ROAE

Branch Map

