



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL & BANK FINANCE Manuals and will be included in the bound November 2024 Monthly News Reports and is published on our Website.

SOUTHERN MICHIGAN BANCORP INC

Company Website: www.smb-t.com

History: Incorporated in Michigan on Mar. 23, 1982. In Nov. 1982, Co. acquired all of the capital stock of Southern Michigan Bank & Trust.

On Oct. 4, 1988, Co. acquired 80.0% of the common stock of Lease Pack, Inc., for \$150,000.

In 1991, Co. sold its 80.0% interest in the common stock of Lease Pack, Inc.

In Mar. 2004, Co. formed a special purpose trust, Southern Michigan Bancorp Capital Trust I for the sole purpose of issuing trust preferred securities.

On Dec. 1, 2007, Co. acquired FNB Financial Corporation for \$26,000,000 in cash and stock exchanged.

On Apr. 24, 2009, Co.'s subsidiary, FNB Financial, was consolidated with and into Co.'s other wholly-owned subsidiary, Southern Michigan Bank & Trust.

On Nov. 20, 2009, the operations of Co.'s subsidiary, SMB Mortgage Company, were consolidated with and into Co.'s other wholly-owned subsidiary, Southern Michigan Bank & Trust., and SMB Mortgage Company was subsequently dissolved and liquidated.

On Nov. 18, 2015, 27 Marshall Street, LLC was formed as a wholly-owned subsidiary of Co.

On May 31, 2016, SMB Risk Management, Inc., a captive insurance company incorporated in Nevada, was formed as a wholly-owned subsidiary of Co.

On Oct. 3, 2023, Co. announced the appointment of John R. Waldron to serve as president and Chief Executive Officer effective Oct. 3, 2024.

On Apr. 24, 2024, Co. announced the appointment of Robert (Bobby) Wrozek as Vice President Commercial Loan Officer.

On May 29, 2024, Co. announced the appointment of Elizabeth (Beth) Rowley, as Assistant Vice President, Treasury Management Sales Officer.

On June 25, 2024, Co. announced the appointment of Chad Perrine as Vice President, Wealth Management Officer.

On Sept. 18, 2024, Co. announced the appointment of Karla Mullaly as Vice President, Mortgage Loan Officer for the Hillsdale market.

Business: Southern Michigan Bancorp is a financial holding company. Through its subsidiary, Southern Michigan Bank & Trust (the Bank), Co. provides a range of banking services including commercial and consumer loans to its customers. Co. provides a range of deposit, payment, credit, and other financial services including time, savings, and demand deposits; safe deposit box services; and automated teller machine services. Commercial lending covers such categories as business, industrial, agricultural, construction, inventory, and real estate. Consumer lending covers direct and indirect loans to purchasers of residential real property and consumer goods. Co. also provides trust and investment services.

Properties: Co. maintains its principal executive offices in Coldwater, MI.

As of Dec. 31, 2023, Co. operates 15 banking offices located in Battle Creek, Centreville, Coldwater, Constantine, Hillsdale, Jackson, Marshall, Mendon, Portage, Sturgis, Tekonsha, Three Rivers, and Union City, MI, and a loan production office in Jackson, MI.

Subsidiaries

Southern Michigan Bank & Trust
SMB Financial Services, Inc.
Southern Michigan Bancorp Capital Trust I
SMB Risk Management, Inc.
27 Marshall Street LLC

Officers

John R. Waldron, President; Chief Executive Officer
Nicholas M. Grabowski, Executive Vice President; Chief Lending Officer
Eric M. Anglin, Executive Vice President; Chief Operating Officer; Chief Strategy Officer
Aaron L. Lewis, Executive Vice President; Chief Credit Officer
Kevin A. Twardy, Senior Vice President; Chief Financial Officer
Danice L. Chartrand, Senior Vice President; Secretary; Director - Accounting; Subsidiary Officer
Douglas W. Kiessling, Subsidiary Officer
Tom Swoish, Subsidiary Officer
Sarah Headley, Subsidiary Officer
Gabriel Alvez, Subsidiary Officer
Deborah Davis, Subsidiary Officer
Corey Donner, Subsidiary Officer
Rachel Doty, Subsidiary Officer
Adam Losinski, Subsidiary Officer
Greg Miller, Subsidiary Officer
Jim Sobeske, Subsidiary Officer
Samantha Gripman, Subsidiary Officer
Bill Jors, Subsidiary Officer
Mike Jors, Subsidiary Officer
Matthew Miller, Subsidiary Officer
David Kreger, Subsidiary Officer
Justin Horn, Subsidiary Officer
Brandy Titus, Subsidiary Officer
DeAnne Hawley, Subsidiary Officer
Connie Caudill, Subsidiary Officer
Stacey Donner, Subsidiary Officer
Jodie Johnson, Subsidiary Officer
Shari Kline, Subsidiary Officer
Diane Krimmel, Subsidiary Officer
LeAndra Otis, Subsidiary Officer
Tina Mack, Subsidiary Officer
Phyllis Ellen Wingate, Subsidiary Officer
Derek Naylor, Subsidiary Officer
Lori Neill, Subsidiary Officer
Lisa Ridgeway, Subsidiary Officer
Jenny Haydon, Subsidiary Officer
Felicia Landis, Subsidiary Officer
Veronica Featherstone, Subsidiary Officer
Jennifer Crist, Subsidiary Officer
Sara Walz, Subsidiary Officer
Kara Mead, Subsidiary Officer
Doreen Tobin, Subsidiary Officer
Shannon Valdez, Subsidiary Officer
Scott Reed, Subsidiary Officer
Kelsey McClish, Subsidiary Officer
Elizabeth DiDonato, Subsidiary Officer
Deanna Manville, Subsidiary Officer
Melissa Easter, Subsidiary Officer
Karen Fleisher, Subsidiary Officer
Aimee Kornowicz, Subsidiary Officer

Kim Hudelson, Subsidiary Officer
Greg Sopeak, Subsidiary Officer
Joseph Duke, Subsidiary Officer
Cody Smoker, Subsidiary Officer
Quinn White, Subsidiary Officer
Angie Smith, Subsidiary Officer
Maggie Usher, Subsidiary Officer
Becky Omo, Subsidiary Officer
Lani Smith, Subsidiary Officer
Vikki Kline, Subsidiary Officer
Scott McQueen, Subsidiary Officer
Jennifer Pope, Subsidiary Officer
Stacy Pelikan, Subsidiary Officer
Matt Moses, Subsidiary Officer
Melissa Natzke-Barlow, Subsidiary Officer
Sherrie Cochran, Subsidiary Officer
Buzz Leach, Subsidiary Officer
Shaun Fedder, Subsidiary Officer

Directors

John H. Castle, Chairman; Director
Kurt G. Miller, Vice-Chairman; Director
Melissa J. Bauer, Director
Charles James Scott Clark, Director
Patrick H. Flannery, Director
Stacey Hamlin, Director
Travis L. Hampton, Director
Nolan E. (Rick) Hooker, Director
Brian P. McConnell, Director
Andrew R. Mercer, Director
John R. Waldron, Director
Dean Calhoun, Director Emeritus
John S. Carton, Director Emeritus
H. Kenneth Cole, Director Emeritus
James T. Grohalski, Director Emeritus
Gregory J. Hull, Director Emeritus
Thomas E. Kolassa, Director Emeritus
Thomas D. Meyer, Director Emeritus

Auditors: CliftonLarsonAllen LLP
Transfer Agent: Equiniti Trust Company
Annual Meeting: In May

Shareholder Relations: Mr. John H. Castle, Investor Relations
Tel: 517-279-5504

No. of Stockholders: Mar. 11, 2024, 284

No. of Employees: Dec. 31, 2021, 212

Address: 51 West Pearl Street, Coldwater, MI 49036

Tel: 517 279-5500

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Email: dchartrand@smb-t.com

Consolidated Income Statement, Years Ended Dec. 31 (000):

	2023	2022	2021 (revised)							
Interest income on loans, including fees	54,887	36,583	32,593	provision (credit) - current	2,356	2,646	2,717	Time deposits	315,772	163,437
Interest income on securities - taxable	6,291	4,948	3,330	Income tax provision (credit) - deferred	87	(64)	(354)	Total deposits	1,157,971	1,091,051
Interest income on securities - tax-exempt	1,265	1,354	1,069	Income tax provision (credit) - deferred	2,443	2,582	2,363	Securities sold under agreements to repurchase & overnight borrowings	1,738	11,179
Interest income - other	3,125	1,249	148	Net income	10,905	13,491	11,757	Accrued expenses & other liabilities	15,703	13,545
Total interest income	65,568	44,134	37,140	Weighted average shares outstanding	4,538	4,529	4,545	Other borrowings	106,900	40,000
Interest expense on demand deposits	...	2,861	1,159	Weighted average shares outstanding - diluted	4,541	4,545	4,558	Subordinated debentures	34,653	34,584
Interest expense on savings deposits	...	46	38	Year end shares outstanding	4,534	4,519	4,516	Total liabilities	1,316,965	1,190,359
Interest expense on time deposits	...	1,211	1,070	Net income (loss) per share - basic	\$2.40	\$2.98	\$2.59	Common stock	11,330	11,294
Interest expense on deposits	20,593	4,118	2,268	Net income (loss) per share - diluted	\$2.40	\$2.97	\$2.58	Additional paid-in capital	13,126	14,066
Interest expense - other	4,995	1,914	1,553	Cash dividends declared	\$0.56	\$0.52	\$0.48	Retained earnings	89,808	82,705
Total interest expense	25,588	6,032	3,821	Total number of employees	...	...	212	Unrealized gain on available-for-sale securities, net	(11,525)	(16,318)
Net interest income	39,980	38,102	33,319	Number of common stockholders	284	298	287	Unrealized gain (loss) on held-to-maturity securities, net	(4,909)	(5,583)
Provision for loan losses	950	275	1,500	Consolidated Balance Sheet, Years Ended Dec. 31 (\$000):				Accumulated other comprehensive income (loss), net	(16,434)	(21,901)
Net interest income after provision for loan losses	39,030	37,827	31,819					Total shareholders' equity	97,830	86,164
Service charges on deposit accounts	1,670	1,516	1,286					Long-Term Debt: Dec. 31, 2023, \$141,553,000 (excluding current portion) comprised of:		
Trust fees	2,419	2,264	2,267					(1) \$106,900,000 secured advances from the Federal Home Loan Bank of Indianapolis, bearing interest at rates ranging from 1.96% to 4.75% (weighted average rate was 3.70% at Dec. 31, 2023).		
Net securities gains (losses)	...	(666)	5					(2) \$34,653,000 subordinated debentures, due Apr. 6, 2034.		
Net gains on loan sales	305	606	2,293					Line of Credit: At Dec. 31, 2023, Co.'s subsidiary, Southern Michigan Bank & Trust, had \$83,000,000 in line of credit arrangements available to purchase federal funds, with no outstanding borrowings.		
Earnings on life insurance assets	617	472	464					Capital Stock: 1. Southern Michigan Bancorp Inc common; par \$ 2.5.		
Gain on life insurance proceeds	...	747	231					AUTHORIZED—10,000,000 shs.		
Automated Teller Machine (ATM) & debit card fee income	1,786	1,749	1,823					OUTSTANDING—Dec. 31, 2023, 4,533,637 shs; par \$ 2.5.		
Other non-interest income	941	692	640					STOCK SPLITS—\$10 par shares 2-for-1 split Apr. 15, 1988.		
Salaries & employee benefits	20,586	18,134	16,492					\$5.00 par shares 2-for-1 split in 1995.		
Occupancy, net	1,813	1,675	1,565					\$2.50 par shares 2-for-1 split in Sept. 1997.		
Equipment	1,449	1,294	1,174					VOTING RIGHTS—Entitled to one vote per share.		
Printing, postage & supplies	437	413	390					DIVIDENDS— After 2-for-1 split:		
Telecommunication	376	303	356					1996.....0.72 1997.....0.84		
Professional & outside services	2,243	1,742	1,814					After 2-for-1 split:		
Software maintenance	2,247	1,911	1,677					1997.....0.13 1998.....0.66 1999.....0.77		
Amortization of other intangibles	36	36	36					2000.....0.19		
ATM expenses	803	755	670					After 10% split:		
Advertising & marketing	670	583	397					2000.....0.72 2001.....0.62 2002-2003...0.64		
FDIC Insurance	746	...	...					2004.....0.66 2005.....0.70 2006.....0.18		
Other non-interest expense	2,014	2,288	2,137					After 5% split:		
Total non-interest expense	33,420	29,134	26,708					2006.....0.58 2007-2008...0.80 2009.....0.35		
Income before income taxes	13,348	16,073	14,120					2010-2011...0.20 2012.....0.32 2013.....0.49		
Income tax	...	...	...					2014.....0.56 2015.....0.62 2016.....0.72		
								2017.....0.82 2018.....0.86 2019.....0.90		
								2020.....0.92 2021.....0.47		
								After 100% split:		
								2021.....0.24 2022.....0.51 2023.....0.55		
								2024.....0.59		
								OPTIONS—Dec. 31, 2017, outstanding, 34,405; authorized for issuance, 400,000; available for grant, 272,092.		
								PRIMARY EXCHANGE—National Bulletin Board (NBB): SOMC.		
								PRICE RANGE—		
								2003 2002 2001 2000 1999		
								High..... 21.80 16.50 17.63 27 37		
								Low..... 15.27 15.05 13 13 1/16 28		
								PAR CHANGE—To \$2.50 in 1995. (From \$5 per share.)		
								To \$5.00 on Apr. 15, 1988. (From \$10 per share.)		

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