

SOUTHERN MICHIGAN BANCORP, INC.

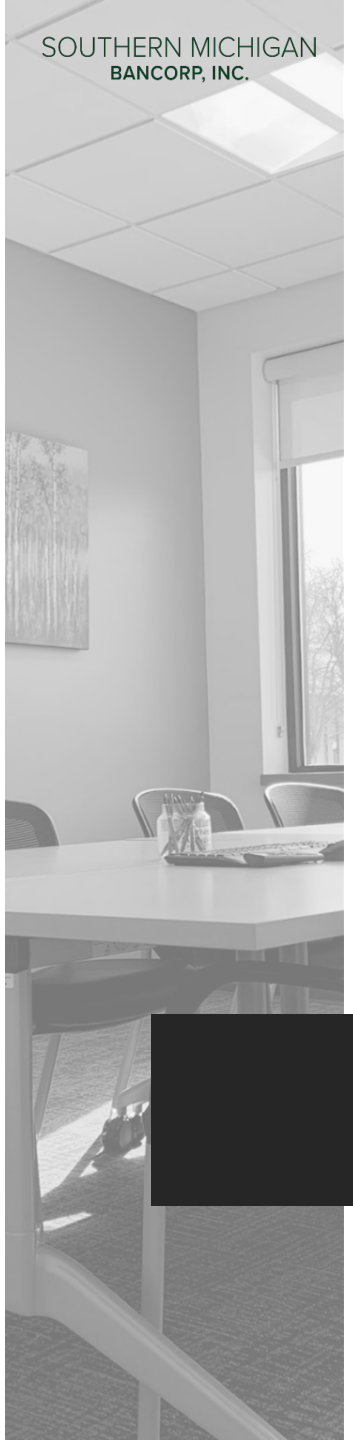
Annual Meeting

May 8, 2025

Forward Looking Statements

This presentation contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and Southern Michigan Bancorp, Inc. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("risk factors") that are difficult to predict occur, timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Management's determination of the provision and allowance for credit losses and other accounting estimates involve judgments that are inherently forward-looking. We undertake no obligation to update or revise any forward-looking statements to reflect developments that occur, or information obtained after May 8, 2025.

SOUTHERN MICHIGAN
BANCORP, INC.



I. *Balance Sheet Metrics*

Independent Community Banks Headquartered in Michigan

2024 Rank	Institution	City	Total Assets 12/31/24 ($000)
1	MERCANTILE BANK	Grand Rapids	$ 5,994,362
2	INDEPENDENT BANK	Grand Rapids	5,328,488
3	*MACATAWA BANK	Holland	3,283,285
4	BANK OF ANN ARBOR	Ann Arbor	3,185,649
5	CHOICEONE BANK	Sparta	2,720,381
6	ISABELLA BANK	Mt. Pleasant	2,037,860
7	*THE STATE BANK	Fenton	1,806,828
8	**SOUTHERN MICHIGAN BANK & TRUST**	**Coldwater**	1,495,551
9	THE DART BANK	Mason	1,316,430
10	COUNTY NATIONAL BANK	Hillsdale	1,280,259
11	FIRST STATE BANK	Eastpointe	1,246,263
12	WEST MICHIGAN COMMUNITY BANK	Hudsonville	1,048,484
13	NORTHSTAR BANK	Bad Axe	1,023,550
14	SUPERIOR NATIONAL BANK	Hancock	995,846
15	UNITED BANK OF MICHIGAN	Grand Rapids	$ 994,673

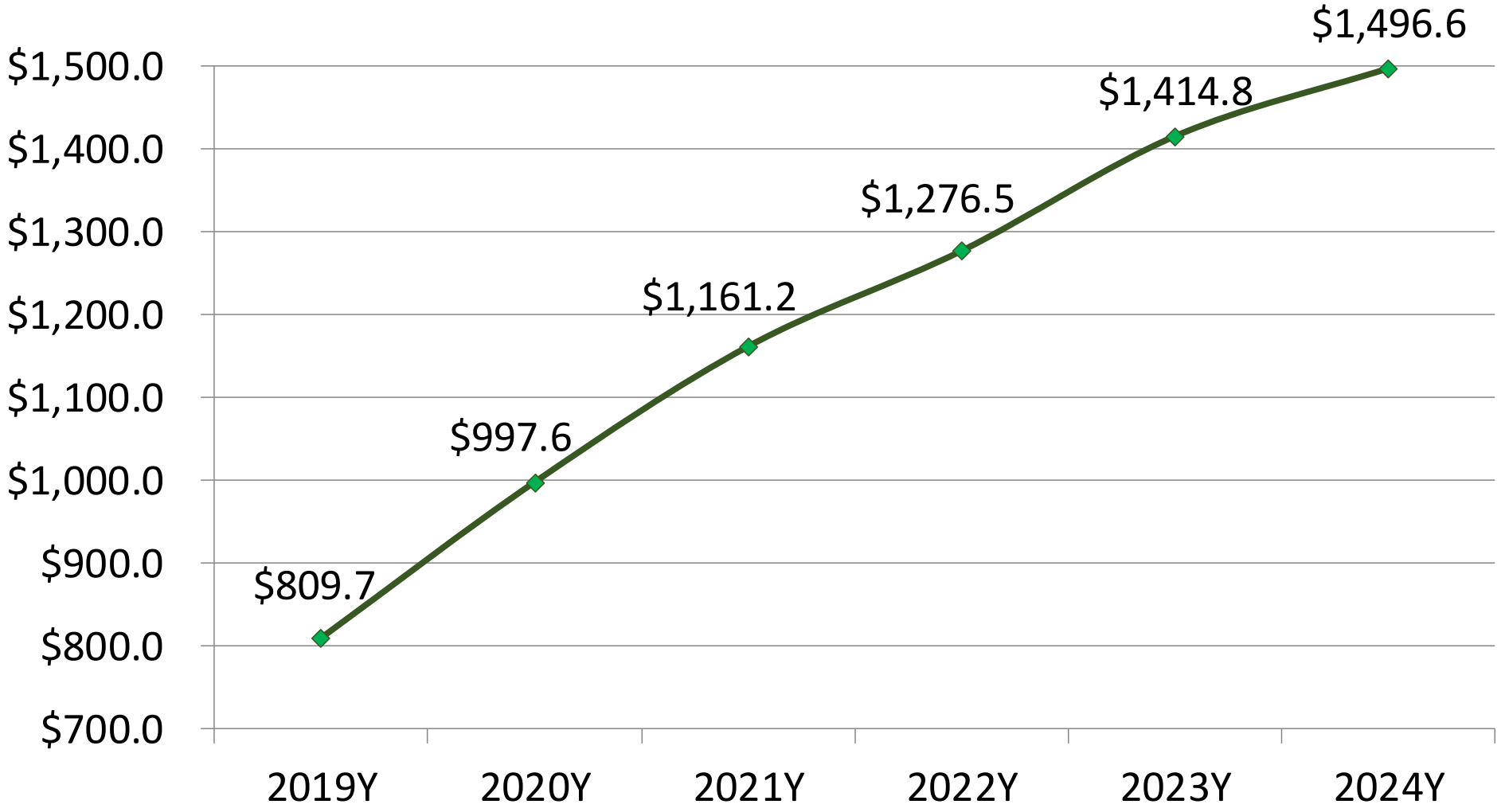
SOUTHERN MICHIGAN BANCORP, INC.

Ranked by Total Assets

source: ibanknet.com

Total Assets

Record High

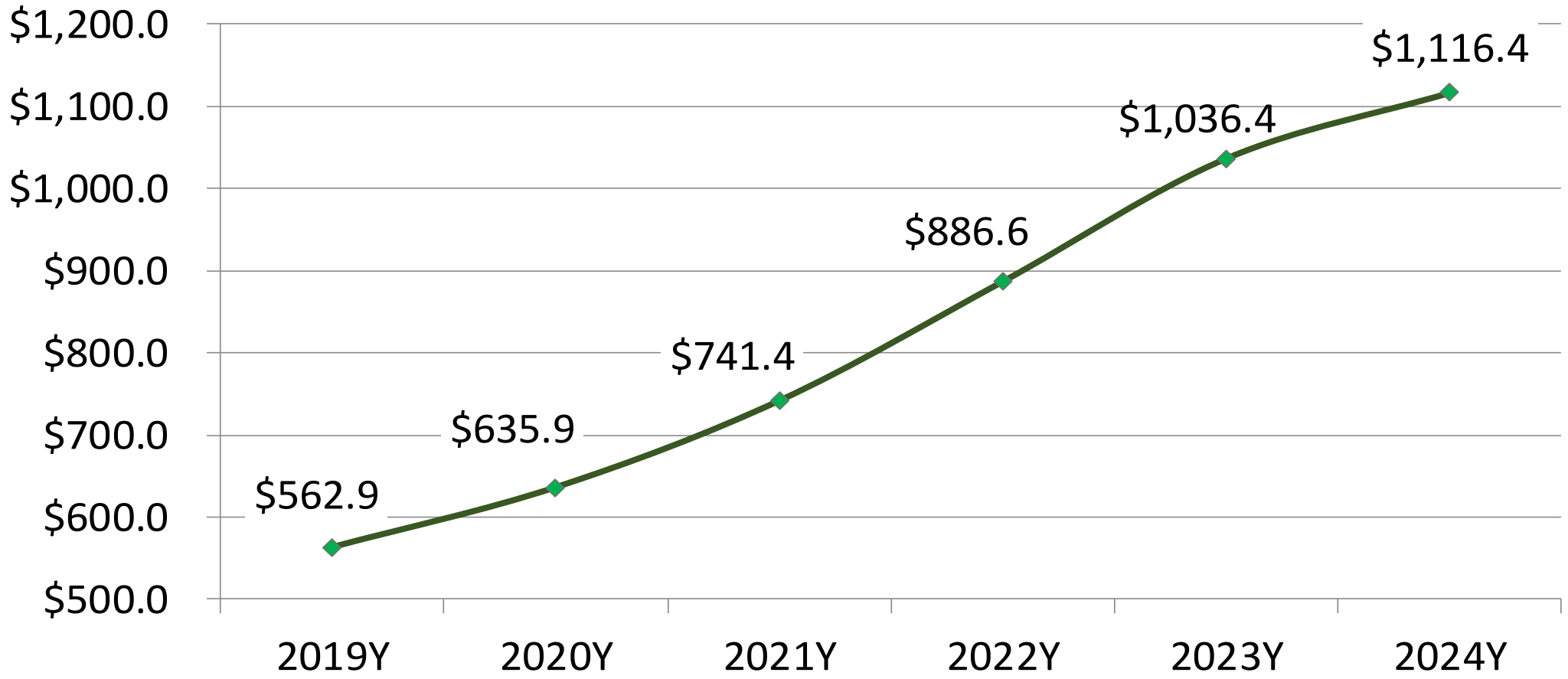


SOUTHERN MICHIGAN BANCORP, INC.

Note: Data in $ millions.

Total Loans

Record High

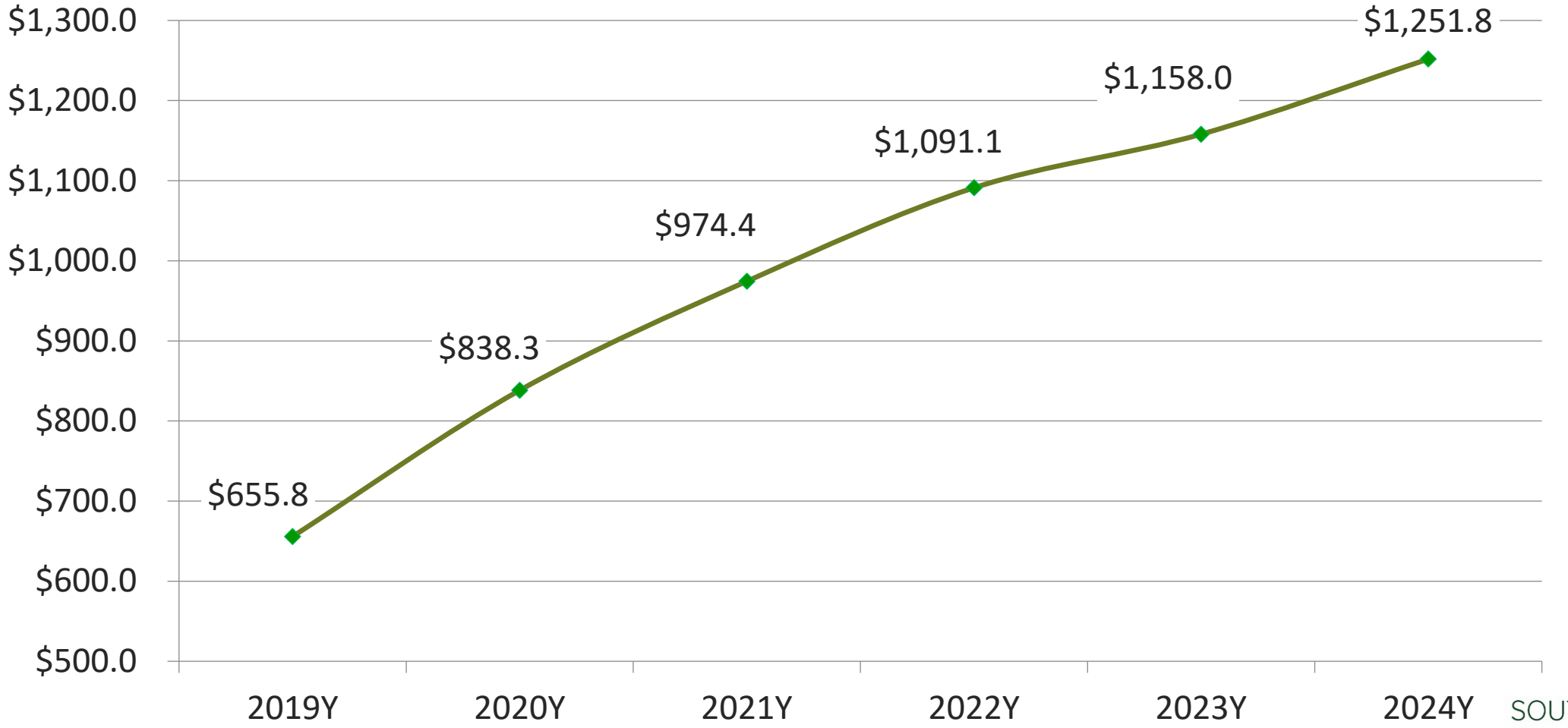


SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data in $ millions. (Excludes loans held for sale)

Total Deposits

Record High



SOUTHERN MICHIGAN BANCORP, INC.

Note: Data in $ millions.

Deposit Market Share *6-County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	Fifth Third Bank NA	11	1,789,139	21.65
2	**Southern Michigan Bank & Trust**	**21**	**1,209,935**	**14.64**
3	Huntington National Bank	17	1,204,369	14.57
4	PNC Bank NA	9	1,048,139	12.68
5	Flagstar Bank NA	15	1,046,975	12.67
6	Comerica Bank	13	937,727	11.35
7	County National Bank	14	907,986	10.99
8	First National Bank of Michigan	3	569,786	6.89
9	Sturgis Bank & Trust Co.	12	497,724	6.02
10	Old National Bank	5	460,781	5.58
11	Century Bank and Trust	11	409,458	4.95
12	JPMorgan Chase Bank NA	2	317,603	3.84
13	Mercantile Bank	3	309,152	3.74
14	Horizon Bank	2	130,149	1.57
15	G.W. Jones Exchange Bank	4	91,523	1.11
16	Kalamazoo County State Bank	2	87,997	1.06
17	1st Source Bank	3	83,751	1.01
18	Highpoint Community Bank	2	79,841	0.97
19	Homestead Savings Bank	2	59,792	0.72
20	Independent Bank	1	55,030	0.67
21	Bank Michigan	1	46,617	0.56
22	ChoiceOne Bank	2	44,965	0.54
23	Farmers State Bank	1	29,365	0.36
		156	**$ 11,417,804**	**100.00%**

Note: Data as of 6/30/24.

SOUTHERN MICHIGAN
BANCORP, INC.

Deposit Market Share *Branch County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	***Southern Michigan Bank & Trust***	***6***	***$ 470,497***	***48.06***
2	Century Bank and Trust	5	274,358	28.02
3	PNC Bank NA	1	77,029	7.87
4	Flagstar Bank NA	1	66,224	6.43
5	Huntington National Bank	2	62,963	6.76
6	Sturgis Bank & Trust Co.	1	27,987	2.86
	Market Total	***16***	***$ 979,058***	***100%***

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Deposit Market Share *St. Joseph County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	Sturgis Bank & Trust Co.	6	$ 424,436	41.09
2	***Southern Michigan Bank & Trust***	***6***	***214,456***	***20.76***
3	Century Bank and Trust	4	107,568	10.41
4	Fifth Third Bank NA	1	75,714	7.33
5	Huntington National Bank	1	71,817	6.95
6	Flagstar Bank NA	2	60,034	5.81
7	Horizon Bank	1	49,657	4.81
8	Farmers State Bank	1	29,365	2.84
	Market Total	***22***	***$ 1,033,047***	**100%**

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Deposit Market Share *Calhoun County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	Huntington National Bank	4	$ 320,159	23.01
2	Fifth Third Bank NA	1	234,385	16.85
3	Comerica Bank	2	218,883	15.73
4	***Southern Michigan Bank & Trust***	***3***	***214,127***	***15.39***
5	PNC Bank NA	1	102,736	7.38
6	Highpoint Community Bank	1	79,841	5.74
7	Old National Bank	1	69,994	5.03
8	County National Bank	1	55,835	4.01
9	Homestead Savings Bank	1	49,560	3.56
10	Flagstar Bank NA	1	37,137	2.67
11	Sturgis Bank & Trust Co.	2	8,558	0.62
	Market Total	***18***	***$ 1,391,215***	**100%**

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Deposit Market Share *Hillsdale County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	County National Bank	5	$ 426,296	54.92
2	***Southern Michigan Bank & Trust***	***1***	***161,795***	***20.85***
3	Fifth Third Bank NA	1	84,133	10.84
4	Flagstar Bank NA	1	76,422	9.85
5	Century Bank and Trust	2	27,532	3.55
	Market Total	***10***	***$ 776,178***	**100%**

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Deposit Market Share *Kalamazoo County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	Fifth Third Bank NA	6	$ 1,115,490	24.95
2	PNC Bank NA	6	823,244	18.41
3	First National Bank of Michigan	3	569,786	12.74
4	Old National Bank	3	342,178	7.65
5	JPMorgan Chase Bank NA	2	317,603	7.10
6	Mercantile Bank	3	309,152	6.91
7	Huntington National Bank	4	278,444	6.23
8	Comerica Bank	5	246,032	5.50
9	***Southern Michigan Bank & Trust***	***2***	***107,374***	***2.40***
10	Flagstar Bank NA	2	97,947	2.19
11	Kalamazoo County State Bank	2	87,997	1.97
12	Horizon Bank	1	80,492	1.80
13	1st Source Bank	2	58,263	1.30
14	Sturgis Bank & Trust Co.	3	36,743	0.82
	Market Total	***44***	***$ 3,355,255***	**100%**

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Deposit Market Share *Jackson County Market Service Area*

2024 Rank	Institution	Branches	Deposits in Market ($000)	Market Share (%)
1	Flagstar Bank NA	8	$ 709,211	30.01
2	Comerica Bank	6	472,812	20.01
3	County National Bank	7	425,855	18.02
4	Huntington National Bank	4	371,896	15.74
5	Fifth Third Bank NA	1	90,946	3.85
6	Independent Bank	1	55,030	2.33
7	Old National Bank	1	48,609	2.06
8	Bank Michigan	1	46,617	1.97
9	PNC Bank NA	1	45,130	1.91
10	Choiceone Bank	2	44,965	1.90
11	***Southern Michigan Bank & Trust***	***3***	***41,686***	***1.76***
12	Homestead Savings Bank	1	10,232	0.43
	Market Total	***36***	***$ 2,362,989***	**100%**

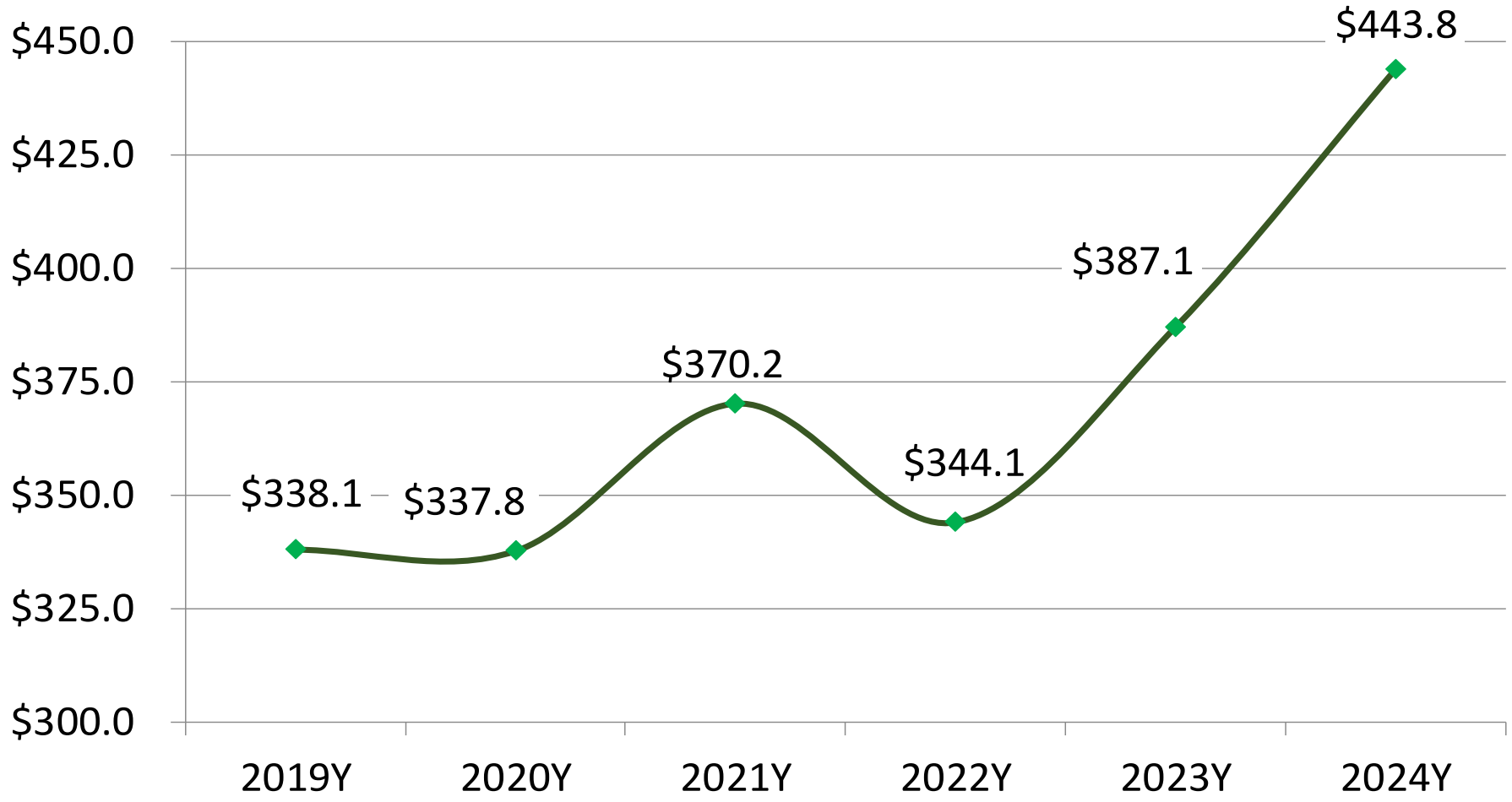
SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data as of 6/30/24.

Wealth Management

Assets Under Management

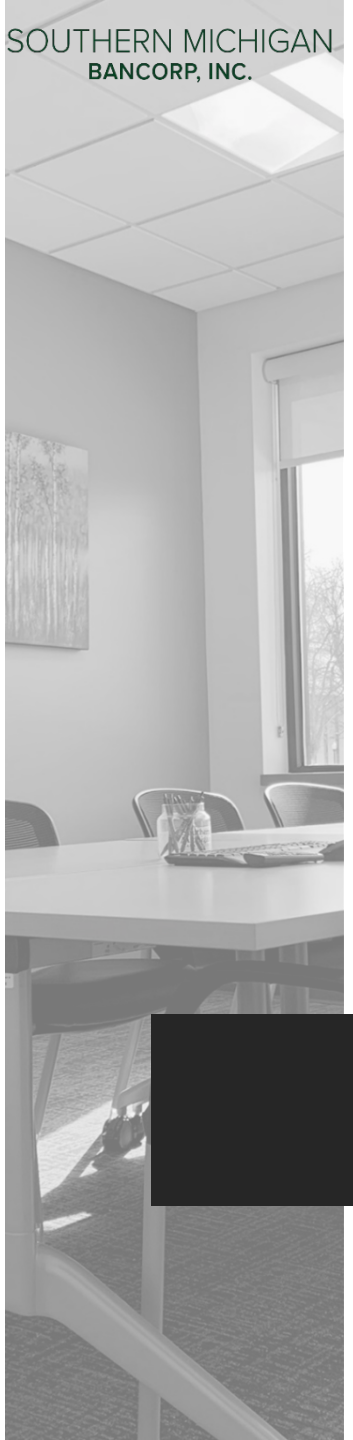
Record High



SOUTHERN MICHIGAN BANCORP, INC.

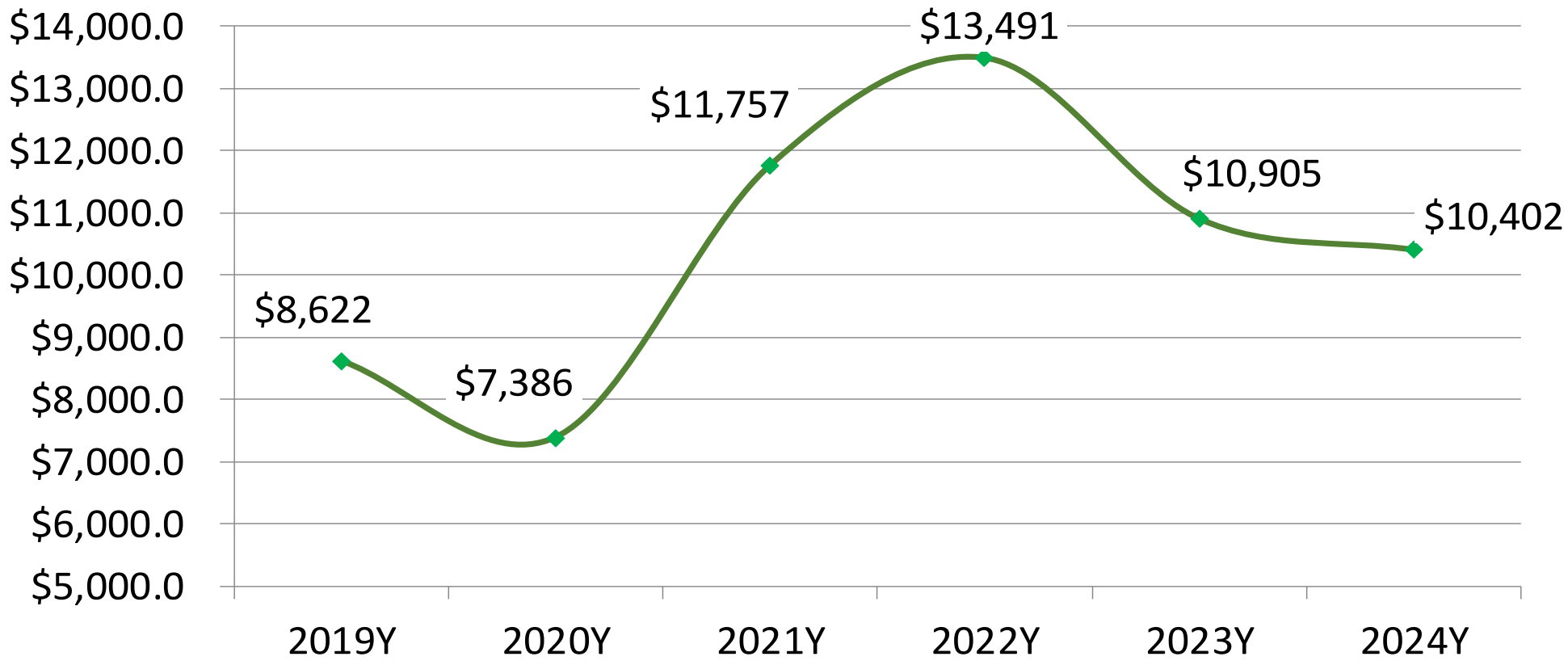
Note: Data in $ millions.

SOUTHERN MICHIGAN
BANCORP, INC.



II. *Profitability Trend*

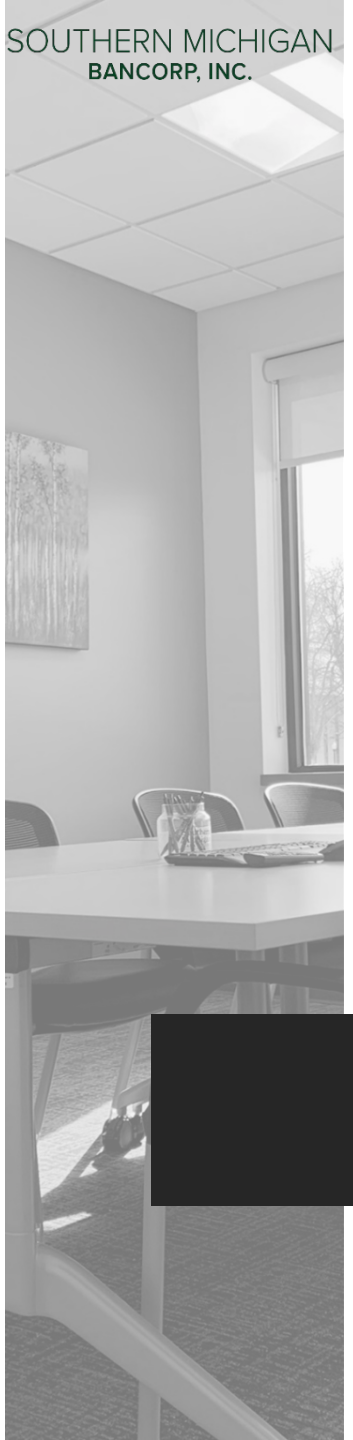
Net Income



SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data in $ thousands.

SOUTHERN MICHIGAN
BANCORP, INC.

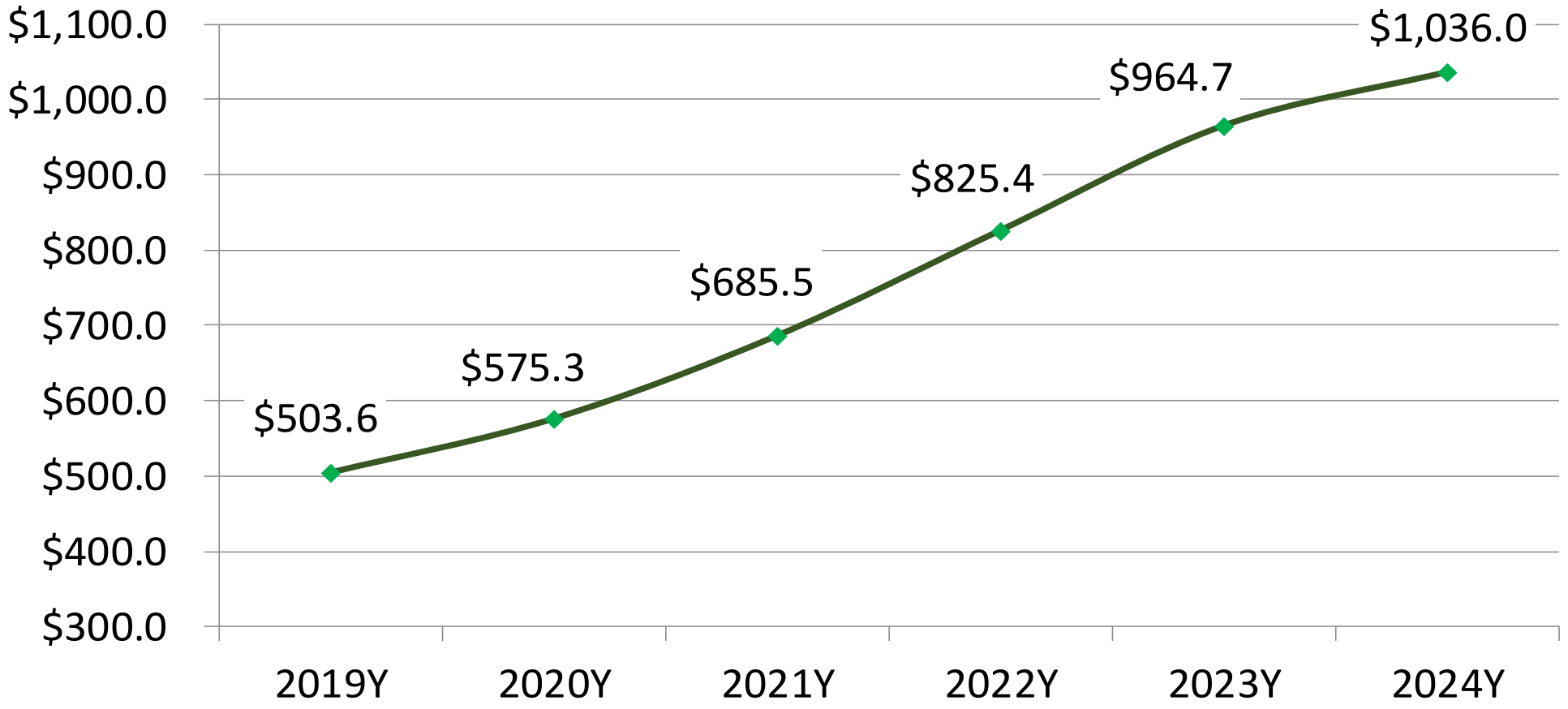


III. *Asset Quality Metrics*

Indicators of Financial Strength

Commercial Loans

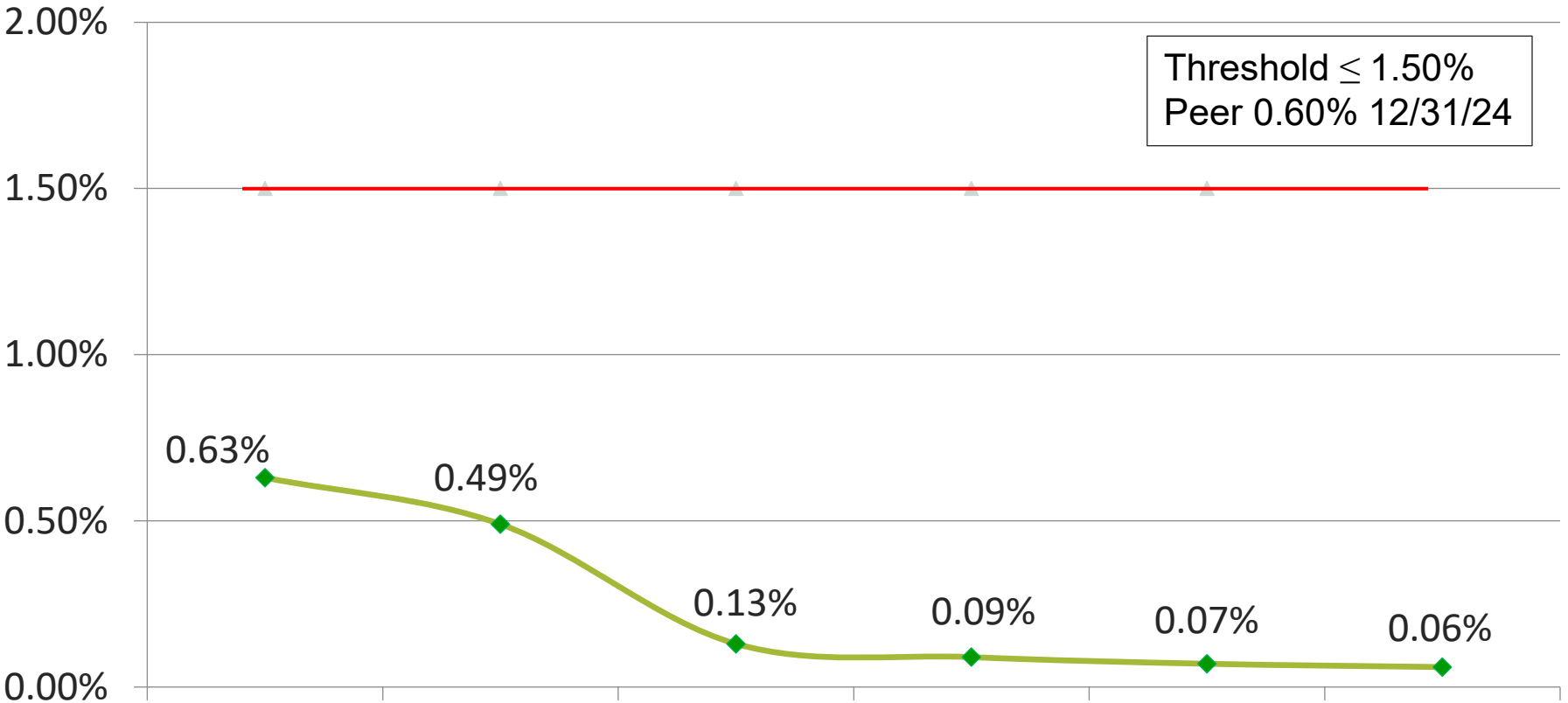
Record High



SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data in $ millions.

Total Non-Performing Assets



$000s	$5,095	$4,891	$1,521	$1,130	$945	$914

SOUTHERN MICHIGAN
BANCORP, INC.

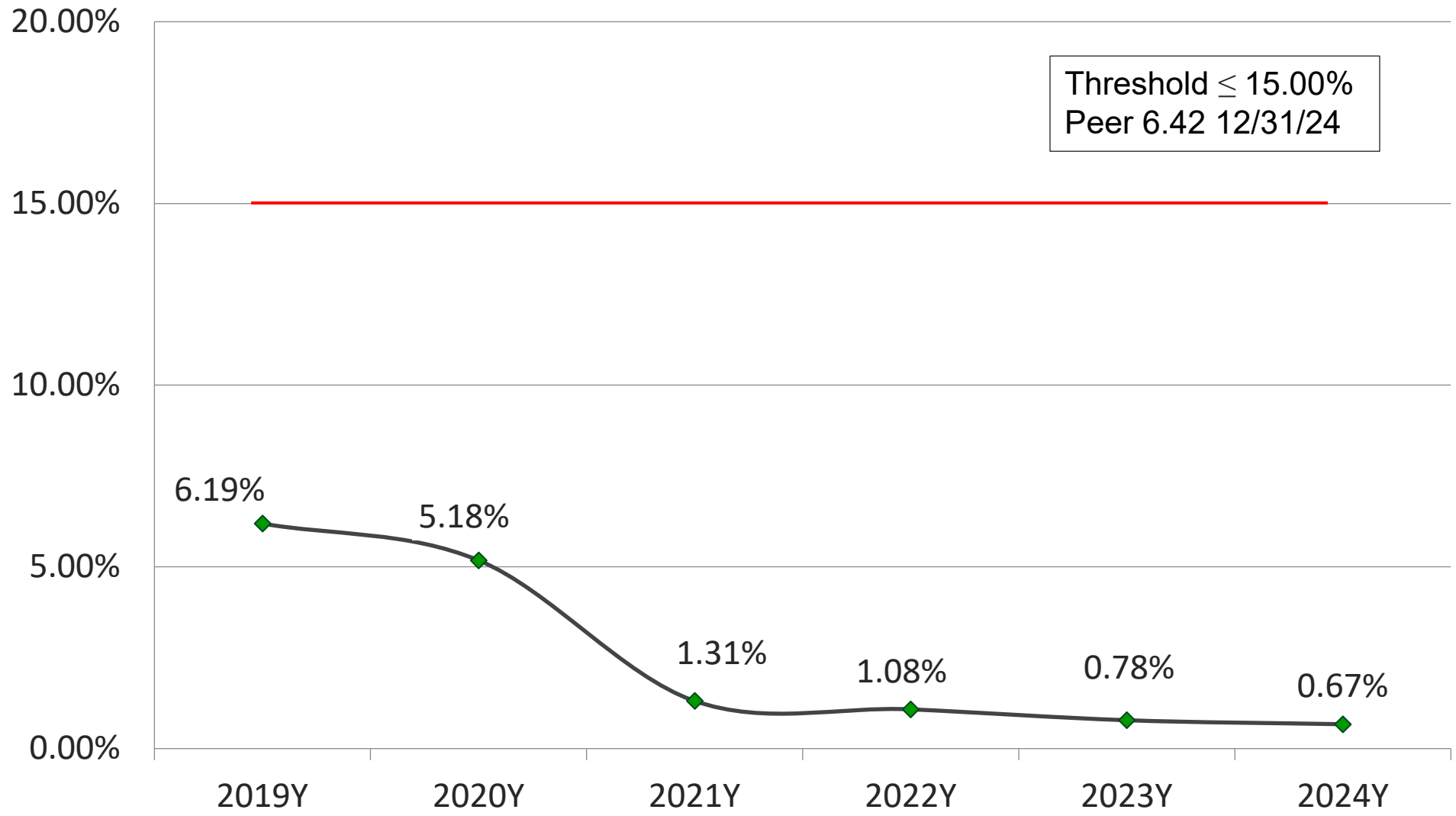
Non-Performing Assets = Nonaccrual Loans + Loans ≥ 90 Days Past Due + Other Real Estate Owned.

Non-Accrual Loans and OREO as of April 30, 2025

	Non-Accrual	OREO
Commercial	$0	$0
Mortgage	$0	$0
Consumer	$0	$0
Total	$0	$0

SOUTHERN MICHIGAN
BANCORP, INC.

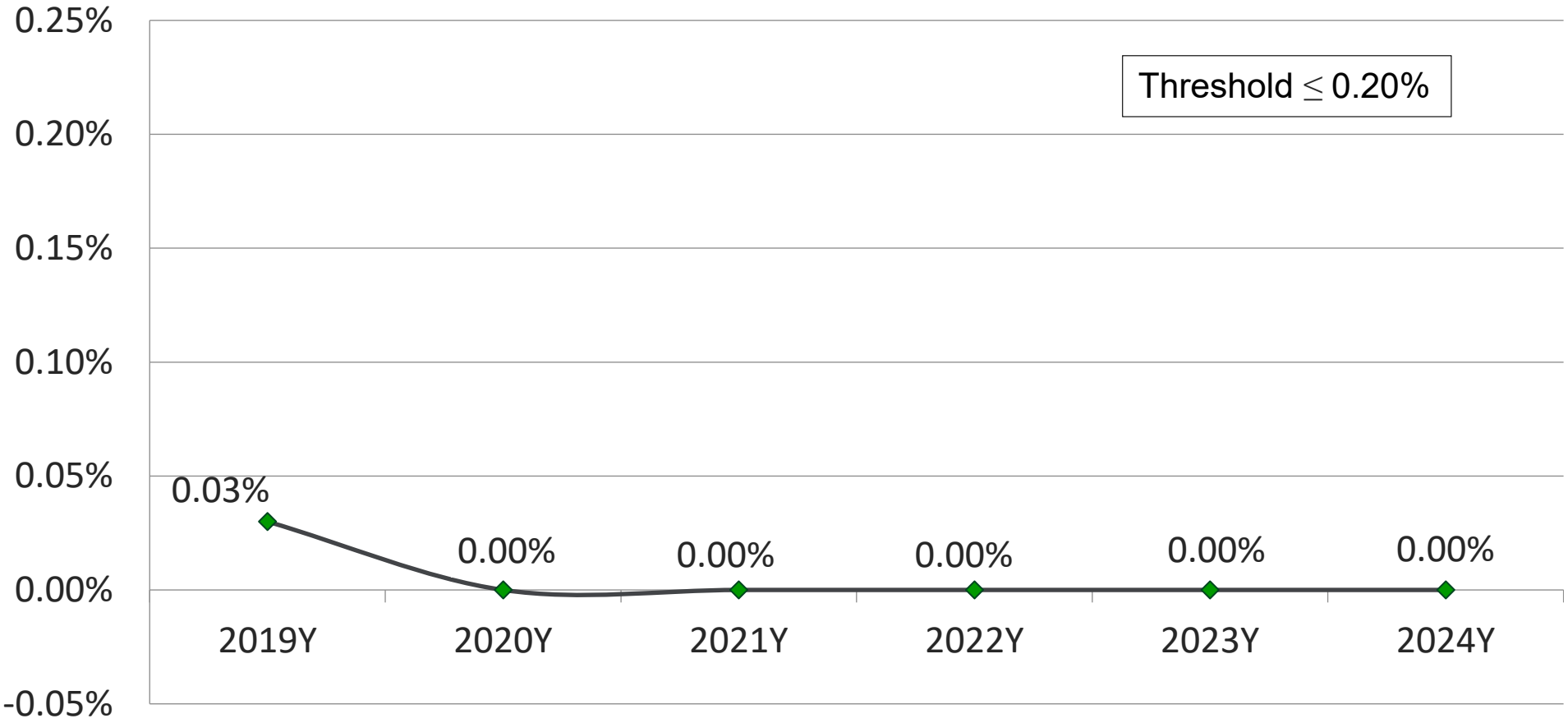
Texas Ratio



SOUTHERN MICHIGAN BANCORP, INC.

Texas Ratio = Non-Performing Assets /Tangible Equity + Loan Loss Reserves

Annual Net Charge-Offs (Recoveries)



% of Average Loans	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
$ Net Charge-Offs	$157	($5)	($31)	$7	$15	$28

SOUTHERN MICHIGAN BANCORP, INC.

Note: Data in $000s.

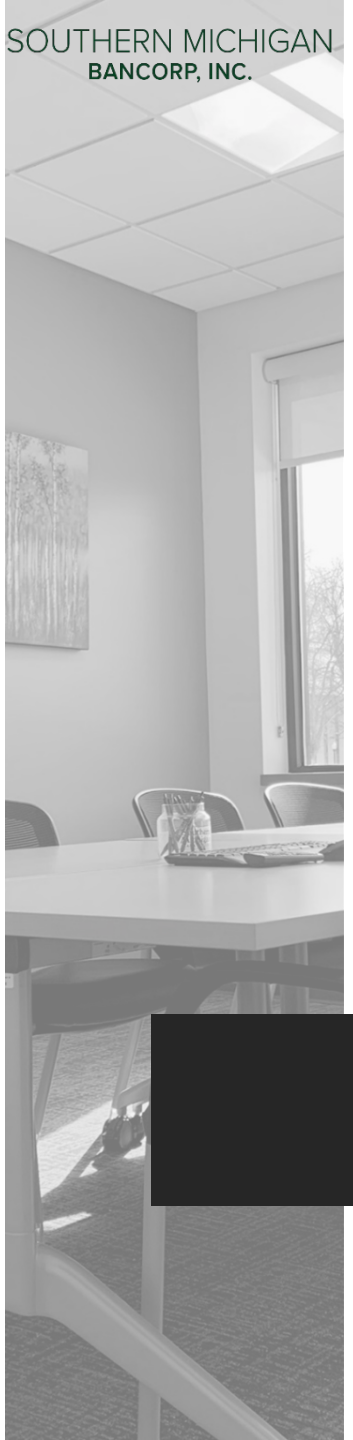
Loan Loss Reserve



SOUTHERN MICHIGAN BANCORP, INC.

As a Percentage of Gross Loans.

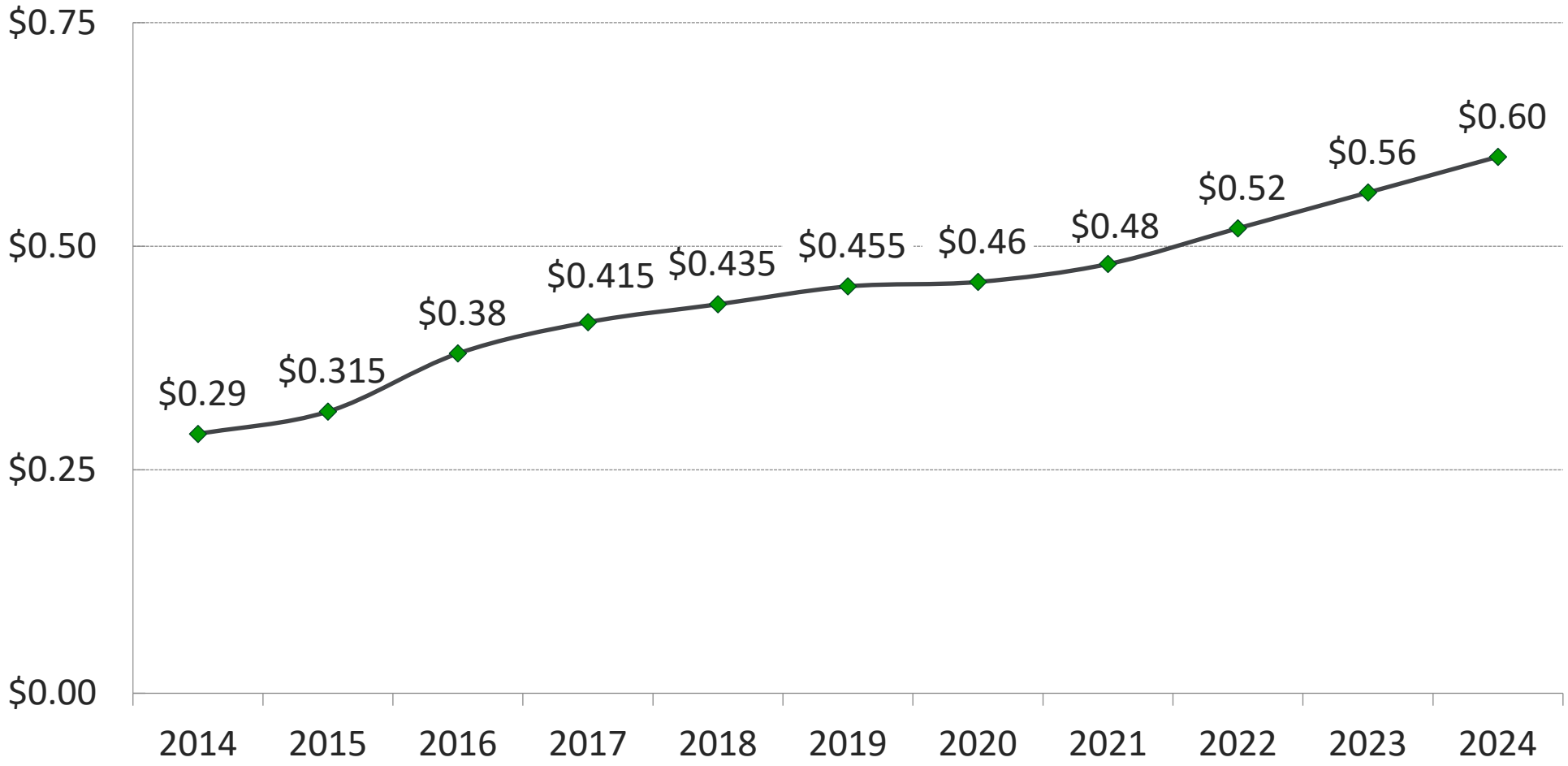
SOUTHERN MICHIGAN
BANCORP, INC.



IV. *SOMC Dividend*

Stock Performance

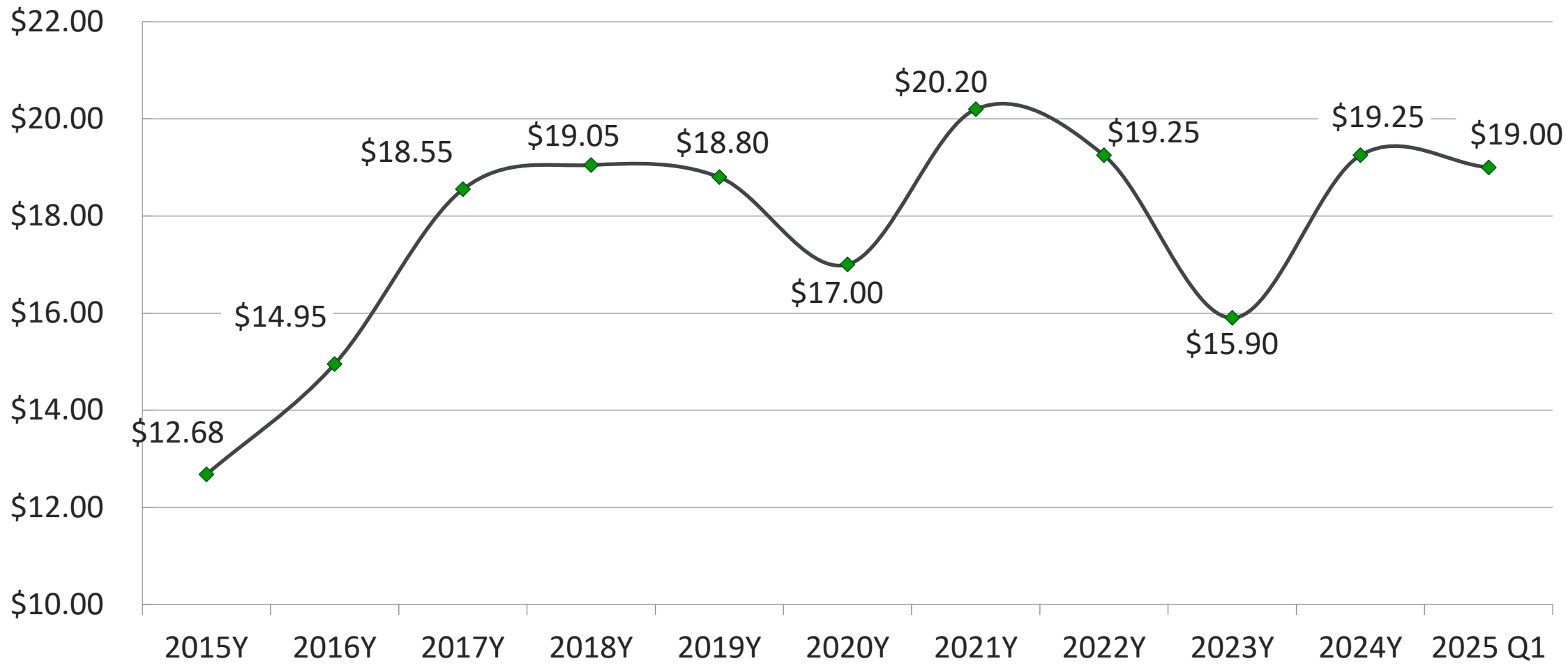
SOMC Cash Dividends Declared



SOUTHERN MICHIGAN
BANCORP, INC.

Dividend rate adjusted for 100% stock dividend declared April 2021.

SOMC Stock Price



SOUTHERN MICHIGAN
BANCORP, INC.

Price adjusted for 100% stock dividend declared April 2021.

SOMC Insider and Employee Holdings

as of December 31, 2024

	Shares	% of Total
Directors & Executive Officers	488,136	10.27%
Employee Stock Ownership Plan*	145,330	3.18%
Total Shares	633,466	13.45%

*Excludes shares held by executive officers.

SOUTHERN MICHIGAN
BANCORP, INC.

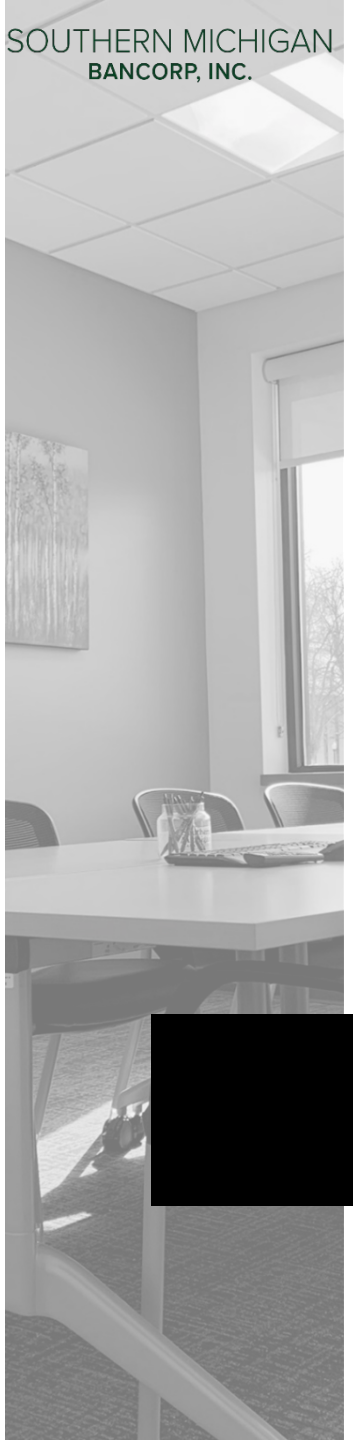
Southern's 2024 Highlights

Record Total Assets	$ 1,496,555,000
Record Total Deposits	$ 1,251,795,000
Record Loan Totals	$ 1,116,434,000
Record Wealth AUM	$ 443,793,000
Dividends Per Share/Yield*	$ 0.60 / 3.12%

SOUTHERN MICHIGAN
BANCORP, INC.

*Yield based on stock price of $19.25 as of December 31, 2024.

SOUTHERN MICHIGAN
BANCORP, INC.



V.

Southern's Quarterly Results

March 31, 2025

1st Quarter 2025 Results

	1Q 2025	1Q 2024	Change
Total Assets *RECORD HIGH*	$1,562,904	$1,478,856	5.68%
Total Loans *RECORD HIGH*	$1,137,739	$1,058,474	7.49%
Total Deposits *RECORD HIGH*	$1,315,342	$1,210,516	8.66%
Total Equity	$110,423	$99,902	10.53%
Net Income	$3,046	$2,678	13.74%
Earnings Per Share	$0.66	$0.59	11.86%

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data in $000s except per share data.

1st Quarter 2025 Asset Quality Results

	1Q 2025	1Q 2024
Total Delinquency	0.02%	0.11%
Texas Ratio	0.51%	0.72%
Non-Performing Assets	0.04%	0.06%
Net Charge-Offs (Recoveries)	$2	$10

SOUTHERN MICHIGAN
BANCORP, INC.

Note: Data in $000s.

Cash Dividend Increase - 1st Quarter 2025

The Board voted at the March 2025 Board Meeting to increase the quarterly dividend to $0.16 per share from the previous rate of $0.15 per share.

This new annualized rate of $0.64 per share results in a dividend yield of 3.37%.(1)

SOUTHERN MICHIGAN
BANCORP, INC.

(1) Based on the March 18, 2025 market price of $19.00 per share.

SOUTHERN MICHIGAN
BANCORP, INC.

2025 Annual Meeting