

# DONNELLY PENMAN & PARTNERS

INVESTMENT BANKING

## Southern Michigan Bancorp, Inc. has acquired FNB First National Bank of Three Rivers

### Southern Michigan Bancorp, Inc. ("Southern Michigan")

Southern Michigan is a bank holding company headquartered in Coldwater, Michigan, with assets of approximately \$350.9 million and total shareholders' equity of \$30.7 million as of September 30, 2007. As of September 30, 2007, Southern Michigan operated 11 branches within Branch, Calhoun and Hillsdale Counties in Michigan.

### FNB Financial Corporation ("FNB")

FNB is a bank holding company headquartered in Three Rivers, Michigan, with total assets of \$141.0 million, total deposits of \$122.7 million and total shareholders' equity of \$12.7 million, all as of September 30, 2007. As of September 30, 2007, FNB provided banking services through 7 offices located within St. Joseph and Cass Counties in Michigan.

December 2007



(Coldwater, MI)

has acquired



(Three Rivers, MI)

### The Transaction

Southern Michigan Bancorp, Inc. has acquired FNB First National Bank of Three Rivers a subsidiary of FNB Financial Corporation. First National Bank of Three Rivers has converted from a national charter to a Michigan State chartered bank and will be called FNB Financial. Both Southern Michigan and FNB Financial will continue to serve their respective clients as individually-chartered banks. Donnelly Penman assisted in the negotiations on the terms of the Definitive Agreement and related employment agreements, and acted as financial advisor to Southern Michigan in connection with the transaction. Please contact John Donnelly at (313) 393-3054 for further information.

### Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a [FINRA](#) licensed broker dealer and member [SIPC](#).

Donnelly Penman & Partners is owned by the employees of the firm, who have participated in more than 225 transactions since the firm's inception in September 2000 and collectively have more than 85 years of investment banking experience.