

Sturgis Bancorp, Inc. Completes Acquisition of West Michigan Savings Bank

Company Release - 04/07/2015 07:54

STURGIS, MI -- (Marketwired) -- 04/07/15 -- Sturgis Bancorp, Inc. (OTCQX: STBI), the parent company of Sturgis Bank & Trust Company, announced that after the close of business yesterday it completed its previously announced acquisition of West Michigan Savings Bank in an all-cash transaction valued at approximately \$3.3 million. Assuming no additional purchase price adjustments, the per share transaction price payable to shareholders for each share of West Michigan Savings Bank was \$330.04. The ultimate purchase price is still subject to adjustment in the event that the costs of funding and terminating West Michigan Savings Bank's pension plan exceed a specified amount.

Upon closing of the transaction, the operations of West Michigan Savings Bank were consolidated into and the combined bank will operate under the name of Sturgis Bank & Trust Company. Following the closing, on a pro forma basis as of March 31, the combined bank had approximately \$371 million in assets, \$250 million in gross loans and \$284 million in total deposits. Sturgis Bank & Trust Company will now operate 12 branches across southwest Michigan, including the former West Michigan Savings Bank office in Bangor, Michigan.

"Strategically, the addition of West Michigan Savings Bank is a synergistic extension of our presence in Van Buren County," stated Eric L. Eishen, President and Chief Executive Officer of Sturgis Bancorp, Inc. "We are delighted to welcome West Michigan Savings Bank's customers to the Sturgis Bank & Trust Company family, and we look forward to expanding the product offerings and level of service that its customers have received and expect. We also believe the transaction will be beneficial to our shareholders, as we expect it to generate double-digit annual earnings accretion, with a tangible book value dilution earn-back period of approximately three years." This transaction marks Sturgis' first whole bank acquisition after a string of successful branch purchases over the last 25 years.

Sturgis Bancorp, Inc. was advised by the investment banking firm of Boenning & Scattergood, Inc. and the law firms of Warner Norcross & Judd LLP and Dresser Dresser Haas & Caywood P.C. West Michigan Savings Bank was advised by the investment banking firm of Donnelly Penman and Partners and the law firm of Bodman PLC.

About Sturgis Bancorp, Inc.

Sturgis Bancorp, Inc. is the holding company for Sturgis Bank & Trust Company and its subsidiaries, Oakleaf Financial Services, Inc. and Oak Mortgage, LLC. Sturgis Bancorp, Inc. provides a full array of trust, commercial and consumer banking services from 12 banking centers in Sturgis, Bangor, Bronson, Centreville, Climax, Colon, South Haven, Three Rivers and White Pigeon, Michigan. Oakleaf Financial Services offers a complete range of investment and financial-advisory services. Oak Mortgage offers residential mortgages in all of the markets served by Sturgis Bank & Trust Company. More information about Sturgis Bank & Trust Company may be obtained at www.sturgisbank.com.

Forward-Looking Statements

This press release includes certain forward-looking statements about Sturgis Bancorp, Inc. and Sturgis Bank & Trust Company. In particular, statements regarding the parties' expectations about future financial performance, the realization of the expected benefits of the acquisition transaction, expected earnings accretion, and the expected tangible book value dilution earn-back period are forward-looking and are subject to a number of risks, uncertainties and assumptions, which are difficult to predict with regard to timing, extent, likelihood and degree of occurrence and are beyond the control of Sturgis Bancorp, Inc. and Sturgis Bank & Trust Company. Therefore actual results and outcomes could differ materially from what may be expressed or forecasted in such forward-looking statements. Sturgis Bancorp, Inc. undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

Such risks and uncertainties include, but are not limited to: the possibility that cost savings expected to be realized in the transaction may not be realized within expected time frames or at all; the possibility that integrating West Michigan Savings Bank's banking business into Sturgis Bank & Trust Company's banking business could cost more, take longer, or be less successful than expected or have unanticipated adverse results relating to the parties' existing businesses; Sturgis Bank & Trust Company may incur more credit losses from West Michigan Savings Bank's loan portfolio than expected and deposit attrition may be greater than expected; continued unfavorable economic conditions generally and, more particularly, in Michigan, including high unemployment, could result in loan losses that would adversely affect operating results; the monetary policies of the Board of Governors of the Federal Reserve System, which affect interest rates, as well as competitive pressures among depository institutions, could cause net interest margins to decline, thereby adversely affecting banking revenues; and legislative or regulatory requirements or changes, including regulations that are in the process of being adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act, could increase the costs of doing business.

If any of these risks or uncertainties materializes or any of the assumptions underlying the forward-looking statements proves to have been incorrect, the financial performance of Sturgis Bancorp, Inc. could differ materially from the financial performance expressed in, or implied or projected by, the forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements contained in this press release.

For Further Information:

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Source: Sturgis Bancorp Inc.
