

# Legacy Financial, Inc. – 5.00%, \$10 Million 5 Year Senior Notes

## Successful Cooperative Capital Distribution in CV-19 Environment



FIRST NATIONAL BANK

**5.00%, \$10 Million  
5 Year Senior Unsecured Notes**

**BREAN CAPITAL**

Sole Placement Agent

January 22, 2021

**Kansas**



### Brean Capital Team

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### Issuance Rationale

- Gain capital markets access during CV-19 crisis by focusing distribution on other community banks.
- Secure lowest cost, Tier I Capital by issuing appropriately-structured Holdco Senior Debt under the Small Bank Holding Company Act.
- Invest proceeds in liquid high-yielding instruments to eliminate negative carry, and provide flexibility to re-deploy proceeds when strategic opportunity arises.

### Transaction Highlights

- Established in 1906, First National Bank of Syracuse of Kansas is family owned with an exceptionally strong commitment to the communities they serve.
- Seasoned and successful management team.
- Attractive balance sheet growth leading to positive earning asset mix shift.
- Solid operating profitability metrics with ROA and ROE averaging 1.4%/12.6% over the last six years.
- A historically strong NIM (~4.5% on average) coupled with prudent expense management has resulted in an efficiency ratio consistently in the low 50's.
- A favorable credit history with manageable problem assets and loss rates.
- Well-Capitalized with healthy regulatory capital levels.

dollars in (000's)

Balance Sheet	2016Y	2017Y	2018Y	2019Y	2020Y
Total Assets	\$309,701	\$327,542	\$341,336	\$374,542	\$419,503
Annd. Asset Growth Rate (%)	20.2	5.8	4.2	9.7	12.0
Total Loans	\$243,223	\$260,282	\$267,702	\$298,118	\$307,593
Annd. Loan Growth Rate (%)	33.1	7.4	3.3	11.2	3.4
Total Deposits	\$272,560	\$290,298	\$300,931	\$323,574	\$373,952
Annd. Deposit Growth Rate (%)	20.6	6.5	3.7	7.5	15.6
Loans/Deposits (%)	90.4	91.1	90.8	93.9	84.0
Profitability	2016Y	2017Y	2018Y	2019Y	2020Y
Net Income	\$4,160	\$4,228	\$4,976	\$5,107	\$3,903
ROAA (%)	1.47	1.31	1.48	1.49	0.96
ROAE (%)	14.0	13.0	14.2	13.1	9.1
Net Interest Margin (%)	4.73	4.71	4.67	4.52	4.34
Yield/ Cost Spread (%)	4.58	4.54	4.45	4.24	4.06
Efficiency Ratio (FTE) (%)	49.7	50.5	53.1	56.5	53.7

Source: S&P Global Market Intelligence

\* Initial \$7.5M capital raise closed on April 30, 2020

**BREAN CAPITAL**

# Capital Markets Footprint

Brean has Raised \$500+ Million for its Community Bank Clients



**\$100 Million 5.50% 10NC5 F2F**

- BBB+ rating from KBRA
- Total Assets: \$7.3B



**\$20 Million 6.25% 10NC5 F2F**

- BBB+ rating HoldCo from EJR
- Total Assets: \$1.2B



**\$12 Million 7.00% 5 Year Bullet**

- BBB+ rating HoldCo from EJR
- Total Assets: \$980M



**\$10 Million 5.75% 5 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$1.1B



**\$50 Million 4.25% 5 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$4.9B



**\$175 Million 4.00% 10NC5 F2F**

- A- rating HoldCo from KBRA
- Total Assets: \$20.2B



**\$10 Million 6.5% 10 Year Bullet**

- A- rating HoldCo from EJR
- Total Assets: \$490M



**\$15 Million 6.375% 10 NC5 FFL**

- Nonrated
- Total Assets: \$1.3B



**\$25 Million 7.00% 5 Year Bullet**

- BBB rating HoldCo from EJR
- Total Assets: \$800M



**\$15 Million 5.50% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$1.2B



**\$5 Million 5.50% 10NC5 F2F**

- Nonrated
- Total Assets: \$740M



**\$20 Million 6.75% 5 Year Bullet**

- BBB- rating from EJR
- Total Assets: \$1.3B



**\$24 Million 5.25% 10NC5 F2F**

- BBB rating from EJR
- Total Assets: \$650M



**\$15 Million 4.25% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$525M



**FIRST NATIONAL BANK**

**\$10 Million 5.00% 5 Year Bullet**

- Nonrated
- Total Assets: \$420M



**\$20 Million 5.25% 10NC5 F2F**

- BBB+ rating from EJR
- Total Assets: \$480M

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