INDEPENDENT BANK CORP /MI/
Form S-4/A
February 06, 2018

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 6, 2018

File No. 333-222358

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO.2
TO
FORM S-4

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

INDEPENDENT BANK CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Michigan	**6022**	**38-2032782**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

4200 East Beltline
Grand Rapids, Michigan 49525
(616) 527-5820
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Robert N. Shuster
4200 East Beltline
Grand Rapids, Michigan 49525
(616) 527-5820
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Kimberly A. Baber **Varnum LLP** **333 Bridge Street, P.O. Box 352** **Grand Rapids, MI 49501-0352** **(616) 336-6851**	**Charlie Goode** **Warner Norcross & Judd LLP** **111 Lyon Street, N.W., Suite 900** **Grand Rapids, Michigan 49503-2487** **(616) 752-2176**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer	
Smaller reporting company o	Emerging Growth Company o	Non-accelerated filer o(do not check if smaller reporting company)

If an emerging growth company, indicated by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered[(1)]	Proposed Maximum Offering Price Per Share[(2)]	Proposed Maximum Aggregate Offering Price[(2)]	Amount of Registration Fee[(3)]
Common Stock	2,902,157	N/A	$ 36,777,280	$ 4,579

(1) Represents the maximum number of shares of Independent Bank Corporation common stock that may be issued upon the completion of the merger described in this registration statement.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act. The proposed maximum aggregate offering price was calculated by multiplying (i) 2,599,101, the estimated maximum number of shares of TCSB Bancorp, Inc. common stock to be received by the Registrant or cancelled upon completion of the merger, including 2,428,001 shares of common stock and 171,100 shares of common stock reserved for issuance upon the exercise of outstanding stock options, by (ii) $14.15, the book value per share of TCSB Bancorp, Inc. common stock as of November 30, 2017, the latest practicable date prior to the date of filing the registration statement

(3) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this

registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus and proxy statement is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS AND PROXY STATEMENT
DATED FEBRUARY 6, 2018, SUBJECT TO COMPLETION

MERGER PROPOSED – YOUR VOTE IS VERY IMPORTANT

The board of directors of TCSB Bancorp, Inc. (TCSB) is furnishing this prospectus and proxy statement and the accompanying form of proxy to the shareholders of TCSB to solicit proxies to vote at a special meeting of TCSB s shareholders to be held on March 14, 2018, at Traverse Area District Library, 610 Woodmere Avenue, Treaverse City, Michigan 49686 at 2:30 pm local time and at any adjournments of the special meeting. At the special meeting, the shareholders of TCSB will consider and vote upon a proposal to approve an agreement and plan of merger (merger agreement) with Independent Bank Corporation (IBCP), under which TCSB will be merged with and into IBCP (the merger). This prospectus and proxy statement, when delivered to shareholders of TCSB, is also a prospectus of IBCP relating to an offering of IBCP common stock. This offering is made only to holders of TCSB common stock.

Completion of the merger is subject to regulatory approval, approval of the merger agreement by TCSB shareholders, and other customary closing conditions. If the merger agreement is approved and the merger is completed, each outstanding share of TCSB common stock that you hold will be converted into the right to receive 1.1166 shares (the Exchange Ratio) of IBCP common stock plus cash in lieu of any fractional share (together, the Merger Consideration). IBCP s common stock is listed on The NASDAQ Global Select Market under the trading symbol IBCP. On December 4, 2017, the date of execution of the merger agreement, the closing price of a share of IBCP common stock was $22.55. On February 5, 2018, the closing price of a share of IBCP common stock was $22.80. TCSB s common stock is not traded on any exchange.

There are three circumstances under which the Exchange Ratio may change. First, if TCSB s consolidated shareholders equity, as calculated in accordance with the merger agreement, is less than $34.5 million as of the Final Statement Date (as such term is defined in the merger agreement), the Exchange Ratio will be reduced so that the aggregate value of the Merger Consideration is reduced by the amount of such shortfall in TCSB s consolidated shareholders equity. There is no cap on this potential decrease to the Exchange Ratio. As of December 31, 2017, TCSB s consolidated shareholders equity, as calculated in accordance with the merger agreement, was approximately $35.0 million. Although there can be no guarantee, as of the date of this prospectus and proxy statement, TCSB and IBCP do not anticipate there will be any adjustment to the Exchange Ratio as a result of this provision of the merger agreement.

The second circumstance under which the Exchange Ratio may change would result in a potential increase to the Exchange Ratio. This potential increase to the Exchange Ratio would occur if the average price of IBCP common stock during a period prior to closing, as calculated in accordance with the merger agreement, is less than $19.07 and certain other conditions are met. There is no cap on this potential increase to the Exchange Ratio. IBCP has the right to decline to adjust the Exchange Ratio pursuant to this provision of the merger agreement, which could lead to a termination of the merger agreement by TCSB. As of February 5, 2018, the closing price of a share of IBCP common stock was $22.80. Although there can be no guarantee, as of the date of this prospectus and proxy statement, TCSB and IBCP do not anticipate there will be any adjustment to the Exchange Ratio as a result of this provision of the merger agreement.

Finally, the Exchange Ratio will be proportionately adjusted if there is a recapitalization or similar event with respect to the outstanding shares of IBCP common stock or TCSB common stock prior to the merger, which is not currently expected. There is no cap on this potential adjustment to the Exchange Ratio. Please see The Merger Agreement - What TCSB Shareholders will Receive in the Merger starting on page 41 below for more details regarding each of these potential adjustments to the Exchange Ratio.

Assuming the Exchange Ratio does not get adjusted, and based on a total of 2,428,001 shares of TCSB common stock outstanding as of the record date, the aggregate Merger Consideration will consist of approximately 2.7 million shares of IBCP common stock. Based on the closing price of IBCP common stock on February 5, 2018 of $22.80, the value of such aggregate Merger Consideration is approximately $61.8 million.

TCSB s board of directors has unanimously determined that the merger is in substantial compliance with all applicable laws and is fair to and in the best interests of TCSB and TCSB s shareholders, adopted the merger agreement and authorized the merger and the other transactions contemplated by the merger agreement, and unanimously recommends that TCSB shareholders vote FOR approval of the merger agreement. In the opinion of D.A. Davidson & Co., the Exchange Ratio is fair, from a financial point of view, to TCSB.

Your vote is important. Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of TCSB common stock as of the record date for the special meeting. Please submit your proxy as soon as possible, regardless of whether or not you expect to attend the meeting in person.

Please read this prospectus and proxy statement carefully because it contains important information about the merger and the merger agreement. Read carefully the risk factors beginning on page 12. You can also obtain additional information about IBCP from documents that it has filed with the Securities and Exchange Commission (SEC) at www.sec.gov.

The shares of IBCP common stock to be issued in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. IBCP common stock is subject to investment risks, including possible loss of value.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus and proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus and proxy statement is dated February [•], 2018,
and it is first being mailed to TCSB shareholders on or about February [•], 2018.

AVAILABLE INFORMATION

As permitted by SEC rules, this document incorporates certain important business and financial information about IBCP from other documents that are not included in or delivered with this document. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following:

Independent Bank Corporation
4200 East Beltline
Grand Rapids, Michigan 49525
Attn.: Robert N. Shuster, Chief Financial Officer
(616) 527-5820

A shareholder making such a request must request the information at least five business days before the date they must make their investment decision to ensure timely delivery. Accordingly, the deadline for a TCSB shareholder to make a request is March 7, 2018.

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TCSB BANCORP, INC.

333 West Grandview Parkway
Traverse City, Michigan 49684

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of TCSB Bancorp, Inc.:

A special meeting of shareholders of TCSB Bancorp, Inc. will be held on March 14, 2018, at Traverse Area District Library, 610 Woodmere Avenue, Traverse City, Michigan 49686 at 2:30 p.m. local time, for the following purposes:

1. To consider and vote upon a proposal to approve the merger agreement by and between TCSB Bancorp, Inc. and Independent Bank Corporation;
2. To consider and vote upon a proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes present at the special meeting in person or by proxy to approve the merger agreement (the Adjournment Proposal); and
3. To transact such other business as may properly come before the special meeting.

The board of directors has established the close of business on February 5, 2018, as the record date for the determination of shareholders entitled to notice of and to vote at the special meeting and any adjournment of the special meeting.

TCSB s board of directors has unanimously determined that the merger is in substantial compliance with all applicable laws and is fair to and in the best interests of TCSB and TCSB s shareholders, adopted the merger agreement and authorized the merger and the other transactions contemplated by the merger agreement, and unanimously recommends that TCSB shareholders vote FOR approval of the merger agreement and FOR approval of the Adjournment Proposal.

February 6, 2018 By Order of the Board of Directors,

Raymond Weigel III
Chairman of the Board

YOUR VOTE IS IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE SUBMIT YOUR PROXY PROMPTLY.

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FORWARD-LOOKING STATEMENTS

This prospectus and proxy statement contain forward-looking statements that are based on management s beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and IBCP and TCSB. Words such as anticipates, believes, estimates, expects, forecasts, intends, is likely, jud opinion, plans, predicts, probable, projects, should, trend, will, strategy and variations of such words expressions are intended to identify such forward-looking statements. Such statements are based upon current beliefs and expectations and involve substantial risks and uncertainties which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These statements include, among others, statements related to future levels of loan charge-offs, future levels of provisions for loan losses, real estate valuation, future levels of nonperforming assets, the rate of asset dispositions, future capital levels, future changes in regulatory requirements, future dividends, future growth and funding sources, future liquidity levels, future profitability levels, future deposit insurance premiums, the effects on earnings of future changes in interest rates, the future level of other revenue sources, future economic trends and conditions, future initiatives to expand market share, expected performance and cash flows from acquired loans, future effects of new or changed accounting standards, future opportunities for acquisitions, opportunities to increase top line revenues, the ability to grow core franchise, future cost savings and the ability to maintain adequate liquidity and capital based on the requirements adopted by the Basel Committee on Banking Supervision and U.S. regulators. All statements referencing future time periods are forward-looking.

Management s determination of the provision and allowance for loan losses; the carrying value of acquired loans, goodwill and mortgage servicing rights; the fair value of investment securities (including whether any impairment on any investment security is temporary or other-than-temporary and the amount of any impairment); and management s assumptions concerning pension and other postretirement benefit plans involve judgments that are inherently forward-looking. There can be no assurance that future loan losses will be limited to the amounts estimated. All of the information concerning interest rate sensitivity is forward-looking. The future effect of changes in the financial and credit markets and the national and regional economies on the banking industry, generally, and on IBCP and TCSB, specifically, are also inherently uncertain. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions (risk factors) that are difficult to predict with regard to 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. IBCP and TCSB undertake no obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events, or otherwise.

Risk factors relating to IBCP s business in general include, without limitation:

- Economic, market, operational, liquidity, credit, and interest rate risks associated with IBCP’s business;
- Economic conditions generally and in the financial services industry, particularly economic conditions within Michigan and the regional and local real estate markets in which Independent Bank operates;
- The failure of assumptions underlying the establishment of, and provisions made to, IBCP’s allowance for loan losses;
- Increased competition in the financial services industry, either nationally or regionally;
- IBCP’s ability to achieve loan and deposit growth;
- Volatility and direction of market interest rates;
- The continued services of IBCP’s management team; and
- Implementation of new legislation, which may have significant effects on IBCP and the financial services industry.

Risk factors relating both to the merger and the integration of TCSB into IBCP after the effective time of the merger include, without limitation:

- Completion of the merger is dependent on, among other things, receipt of regulatory and TCSB shareholder approvals, the timing of which cannot be predicted with precision at this point and which may not be received at all.

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- The impact of the completion of the merger on IBCP's financial statements will be affected by the timing of the transaction.
- The merger may be more expensive to complete and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.
- The integration of TCSB's business and operations into IBCP, which will include conversion of TCSB's operating systems and procedures, may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to TCSB's or IBCP's existing businesses.
- IBCP's ability to achieve anticipated results from the merger is dependent on the state of the economic and financial markets going forward. Specifically, IBCP may incur more credit losses from TCSB's loan portfolio than expected and deposit attrition may be greater than expected.

Important factors that could cause actual results to differ materially from expectations include, but are not limited to, the risk factors described under Risk Factors beginning on page 12 of this prospectus and proxy statement. These and other factors are representative of the risk factors that may emerge and could cause a difference between an ultimate outcome and a preceding forward-looking statement.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What am I being asked to vote on?

A: You are being asked to vote to approve the merger agreement between IBCP and TCSB (attached as **Appendix A** to this prospectus and proxy statement and incorporated herein by reference), pursuant to which TCSB will merge with and into IBCP, with IBCP as the surviving entity.

Additionally, you are being asked to vote to approve the Adjournment Proposal.

Q: If I own TCSB common stock, what will I receive in the merger?

A: If the merger agreement is approved and the merger is subsequently completed, subject to possible adjustment in certain limited circumstances, each outstanding share of TCSB common stock that you hold will be converted into the right to receive 1.1166 shares of IBCP common stock plus cash in lieu of any fractional share.

Q: What should I do now?

A: After you have carefully read this prospectus and proxy statement, simply indicate on your proxy how you want to vote with respect to the proposal to approve the merger agreement and the Adjournment Proposal. You may submit a proxy by completing, signing, dating, and mailing the proxy in the enclosed postage-paid return envelope or visiting the internet site listed on the enclosed proxy and following the instructions provided on that site.

Q: Should I send in my stock certificates now? What if I hold my shares in book-entry form?

A: No. Please DO NOT send in your stock certificates with your proxy. As soon as reasonably practicable after the effective time of the merger, you will be sent transmittal materials from an exchange agent with instructions for exchanging your certificated shares of TCSB common stock for shares of IBCP common stock. You should carefully read and follow the instructions in the transmittal materials regarding how and when to surrender your TCSB common stock certificates.

If you hold shares in book-entry form, you do not need to take any action at this time to exchange your shares. After the effective time of the merger, you will receive instructions on how to exchange your shares.

Q: Who can vote and what vote is required to approve the merger agreement?

A: TCSB shareholders of record on the record date, February 5, 2018, are entitled to receive notice of and vote at the special meeting.

The presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast by the TCSB shareholders at the special meeting is necessary to constitute a quorum. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum.

The affirmative vote of the holders of a majority of the shares of TCSB common stock outstanding as of the record date for the special meeting is required to approve the merger agreement. Because the required vote of TCSB shareholders on the merger agreement is based upon the number of outstanding shares of TCSB common stock entitled to vote rather than upon the number of shares actually voted, a failure to vote and abstentions will have the same practical effect as a vote against approval of the merger agreement.

The affirmative vote of the holders of a majority of votes cast at the special meeting is necessary to approve the Adjournment Proposal. A failure to vote and abstentions will have no effect on this proposal.

If you properly complete and sign your proxy but do not indicate how your shares of TCSB common stock should be voted on a proposal, the shares of TCSB common stock represented by your proxy will be voted FOR approval of the merger agreement and FOR approval of the Adjournment Proposal.

No approval by IBCP shareholders is required.

Q: Can I change my vote after I have mailed my signed proxy card?

A: Yes. If you have not voted through your broker, there are three ways for you to revoke your proxy and change your vote. First, you may send a written notice to the President and Chief Financial Officer of TCSB,

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Ann Bollinger, stating that you would like to revoke your proxy. This notice must be received before the special meeting date. Second, you may complete and submit a new proxy, dated at a date later than your most recent proxy. Third, you may attend the special meeting and vote in person. Your attendance at the special meeting will not, however, by itself revoke your proxy. If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote. Your last vote will be the vote that is counted.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Without instructions from you, your broker cannot vote your shares on the proposal to approve the merger agreement or the Adjournment Proposal. If your shares are held in street name, you should instruct your broker as to how to vote your shares, following the instructions contained in the voting instructions that your broker or its agent provides to you. Without instructions, your shares will not be voted, which will have the same effect as if you voted against approval of the merger agreement.

Q: What risks should I consider before I vote on the merger agreement?

A: We encourage you to read carefully the detailed information contained in this prospectus and proxy statement, including the section entitled Risk Factors beginning on page 12.

Q: Am I entitled to dissenters' rights?

A: No. Holders of TCSB common stock will not have dissenters' rights in connection with the merger.

Q: Can either TCSB or IBCP terminate the merger agreement?

A: TCSB and IBCP can mutually agree to terminate the merger agreement.

Each party also has the right to terminate the merger agreement if a governmental entity prohibits the merger, if the merger does not occur on or before September 4, 2018, or if the TCSB shareholder meeting is finally adjourned without the TCSB shareholders having approved the merger, provided that, in each case, the failure of the party seeking to terminate the merger agreement to perform its obligations under the merger agreement has not been a substantial cause of, or a substantial factor that resulted in, any of such events having occurred.

In addition, each party has certain other rights to terminate the merger agreement in limited circumstances. Please see Termination of the Merger Agreement beginning on page 55 below for more information.

Q: Whom should I contact with questions about the special meeting or the merger?

A: TCSB Bancorp, Inc.
333 West Grandview Parkway
Traverse City, Michigan 49684
Attn.: Ann Bollinger
(231) 995-5500

Independent Bank Corporation
4200 East Beltline
Grand Rapids, Michigan 49525
Attn.: Robert N. Shuster
(616) 527-5820

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SUMMARY

This summary highlights selected information from this prospectus and proxy statement. It may not contain all of the information that is important to you. For a more complete understanding of the merger between IBCP and TCSB, we urge you to carefully read and consider this entire document, the merger agreement (attached as ***Appendix A*** *to this prospectus and proxy statement and incorporated herein by reference).*

The Companies

IBCP

Independent Bank Corporation
4200 East Beltline
Grand Rapids, Michigan 49525
(616) 527-5820

Independent Bank Corporation (NASDAQ: IBCP) is a Michigan-based bank holding company. Founded as First National Bank of Ionia in 1864, IBCP operates a branch network across Michigan s Lower Peninsula through one state-chartered bank subsidiary. This subsidiary (Independent Bank) provides a full range of financial services, including commercial banking, mortgage lending, investments and insurance. IBCP is committed to providing exceptional personal service and value to its customers, stockholders and the communities it serves.

As of September 30, 2017, IBCP had total assets of $2.8 billion, total loans (including loans held for sale) of $2.0 billion, total deposits of $2.3 billion, and total shareholders’ equity of $267.7 million. As discussed under Recent Developments on page 84 below, as a result of the Tax Cuts and Jobs Act enacted in December 2017, IBCP was required to revalue its net deferred tax assets. This revaluation resulted in an increase in income tax expense of $6.0 million, which was recorded in the fourth quarter of 2017.

TCSB

TCSB Bancorp, Inc.
333 West Grandview Parkway
Traverse City, Michigan 49684
(231) 995-5500

TCSB Bancorp, Inc. is a Michigan-based bank holding company. Founded in 2000, TCSB is the parent company of Traverse City State Bank and provides a full array of banking services through five full-service branches in the Traverse City area.

As of September 30, 2017, TCSB had total assets of $348.9 million, total loans of $280.3 million, total deposits of $291.6 million, and total shareholders equity of $33.4 million. As a result of the Tax Cuts and Jobs Act enacted in December 2017, TCSB recorded a tax benefit of approximately $426,000, which was recorded in the fourth quarter of 2017.

Summary of Certain Aspects of the Merger

Structure of the Merger; Bank Consolidation (page 41)

If the merger is completed, TCSB will be merged with and into IBCP, with IBCP as the surviving corporation. Following completion of the merger, IBCP intends to consolidate Traverse City State Bank with and into Independent Bank, with Independent Bank as the surviving bank.

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What TCSB Shareholders will Receive in the Merger (page 41)

If the merger is completed as planned, each share of TCSB common stock will be converted into the right to receive the Merger Consideration, consisting of 1.1166 shares (the Exchange Ratio) of IBCP common stock, plus cash in lieu of any fractional share of IBCP common stock. The Merger Consideration is subject to the following adjustments:

- If, as of the Final Statement Date (as defined below and in the merger agreement), the Company Consolidated Shareholders' Equity (as defined below and in the merger agreement) is less than $34,500,000, then the Stock Purchase Value (as defined below and in the merger agreement) will be reduced by an amount equal to (a) $34,500,000 minus (b) the Company Consolidated Shareholders' Equity as of the Final Statement Date.

Company Consolidated Shareholders Equity means TCSB s total consolidated shareholders equity as of the Final Statement Date computed in accordance with U.S. generally accepted accounting principles (GAAP), consistently applied and excluding the net accumulated other comprehensive income/(loss) related to unrealized investment securities gains/(losses), and subject to additional adjustments as set forth in Section 5.26.1 of the merger agreement.

Final Statement Date means the last day of the calendar month preceding the date on which both TCSB s shareholders have approved the merger and all regulatory approvals required by law to consummate the merger have been obtained (statutory waiting periods need not have expired), or such other date as agreed upon by IBCP and TCSB.

Stock Purchase Value is equal to the Exchange Ratio in effect at the time of the adjustment multiplied by the total number of shares of TCSB common stock outstanding as of the effective time of the merger multiplied by the Final Purchaser Price (as defined below and in the merger agreement).

- If the Final Purchaser Price of a share of IBCP common stock is less than $19.07 and the number determined by dividing the Final Purchaser Price by $22.44 is less than the number obtained by subtracting (i) 15% from (ii) the quotient obtained by dividing the Final Index Price (as defined below) by the Initial Index Price (as defined below), then TCSB will have the right to request an adjustment to the Exchange Ratio. If IBCP declines to adjust the Exchange Ratio as requested, then TCSB will have the right to terminate the merger agreement.

The Final Purchaser Price means the 15-day volume weighted average price of IBCP common stock ending on the sixth business day prior to the closing date for the merger in transactions reported on The Nasdaq Global Select Market.

The Initial Index Price means the closing price of the KBW Regional Banking Index (KRX), a sector index maintained by the Nasdaq Stock Market on December 1, 2017.

The Final Index Price means the closing price of the KBW Regional Banking Index (KRX) on the sixth business day prior to the closing date for the merger.

IBCP will not issue fractional shares of IBCP common stock in the merger. A TCSB shareholder who would otherwise be entitled to receive a fraction of a share of IBCP common stock in the merger will instead receive an amount of cash determined by multiplying that fraction by the Final Purchaser Price.

If, prior to the effective time of the merger, Traverse City State Bank receives a net recovery on a particular loan that is in default, TCSB is entitled to make a special cash dividend to its shareholders, in an amount specified by the merger agreement. See The Merger Agreement – Potential Special Dividend below for more information.

Recommendation of TCSB's Board of Directors (page 22)

TCSB s board of directors has unanimously determined that the merger is in substantial compliance with all applicable laws and is fair to and in the best interests of TCSB and TCSB s shareholders, adopted the merger agreement and authorized the merger and the other transactions contemplated by the merger agreement, and unanimously recommends that TCSB shareholders vote FOR approval of the merger agreement and FOR approval of the Adjournment Proposal.

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Vote Required for Approval; Voting Agreement (page 23)

The affirmative vote of the holders of a majority of the shares of TCSB common stock outstanding as of the record date for the special meeting is required to approve the merger agreement. The affirmative vote of the holders of a majority of votes cast at the special meeting is necessary to approve the Adjournment Proposal. No approval by IBCP shareholders is required.

As of the record date, TCSB s directors, executive officers and their affiliates beneficially owned 1,064,555 shares of TCSB common stock, or approximately 43.25% of the shares of TCSB common stock entitled to vote at the special meeting. Each of TCSB s directors has entered into a voting agreement pursuant to which he or she has agreed, subject to certain exceptions, to vote his or her shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director s spouse or over which the director has voting influence or control to be voted, in favor of approval of the merger agreement.

Fairness Opinion of TCSB's Financial Advisor (page 30)

In connection with the merger, the board of directors of TCSB received a written opinion, dated December 4, 2017, from TCSB s financial advisor, D.A. Davidson & Co. (DADCO), to the effect that, as of the date of the opinion and based on and subject to the various considerations described in the opinion, the Exchange Ratio is fair, from a financial point of view, to TCSB. The full text of DADCO s written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by DADCO in rendering its opinion, is attached to this document as **Appendix B**. We encourage you to read the entire opinion carefully. The opinion of DADCO is directed to the board of directors of TCSB and does not constitute a recommendation to any TCSB shareholder as to how to vote at the special meeting or any other matter relating to the merger agreement or the merger.

Conditions to Complete the Merger (page 52)

The completion of the merger depends on a number of conditions being satisfied or, where permissible, waived. These conditions include, among others, receipt of regulatory approval, approval of TCSB shareholders, and other customary closing conditions. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Regulatory Approvals for the Merger (page 57)

Completion of the merger is subject to the approval of the Federal Reserve Board and the Michigan Department of Insurance and Financial Services. The applications to obtain such approval have been filed with these regulatory agencies as of the date of this prospectus and proxy statement. Although IBCP does not know of any reason why it will not obtain these regulatory approvals in a timely manner, it cannot be certain when or if it will obtain them.

Termination of the Merger Agreement (page 55) and Termination Fee (page 56)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent of the boards of directors of IBCP and TCSB. Also, either party can terminate the merger agreement in various circumstances. In some circumstances, TCSB is required to pay IBCP a termination fee of $2,529,658.

No Dissenters' Rights in the Merger (page 39)

Dissenters rights are rights that, if available under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters rights are not available in all circumstances, and exceptions to these rights are provided in the Michigan Business Corporation Act (MBCA). Under the MBCA and TCSB s articles of incorporation, holders of TCSB common stock will not have dissenters rights in connection with the merger.

Material United States Federal Income Tax Consequences (page 39)

IBCP and TCSB expect the merger to qualify as a reorganization for U.S. federal income tax purposes. If the merger qualifies as a reorganization, then, in general, holders of TCSB common stock who exchange their TCSB stock for IBCP stock will not recognize any gain or loss for U.S. federal income tax purposes upon that exchange.

You are urged to consult your own tax advisor regarding the particular consequences to you of the merger.

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Market Value of Securities

IBCP common stock trades on The NASDAQ Global Select Market under the symbol IBCP. The following table presents quotation information for IBCP common stock on The NASDAQ Global Select Market for December 4, 2017, which was the last trading day prior to announcement of the signing of the merger agreement, and December 28, 2017, which was the last practicable trading day for which information was available prior to the date of this proxy statement and prospectus.

	IBCP Common Stock		
	High	**Low**	**Close**
December 4, 2017	$ 23.00	$ 22.45	$ 22.55
February 5, 2018	$ 23.45	$ 22.80	$ 22.80

TCSB common stock is not traded on an established public trading market.

Summary Selected Consolidated Financial Information of IBCP

The selected consolidated financial data presented below, as of and for the nine months ended September 30, 2017 and 2016, is unaudited. The selected consolidated financial data presented below, as of and for each of the years in the five-year period ended December 31, 2016, is derived from IBCP's audited historical financial statements. You should read this information in conjunction with IBCP's consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations starting on page 83 below. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	Nine Months Ended September 30,		Year Ended December 31,				
($ in thousands, except per share data)	**2017**	**2016**	**2016**	**2015**	**2014**	**2013**	**2012**
	(unaudited)						
SUMMARY OF OPERATIONS:							
Interest income	$ 72,283	$ 64,366	$ 86,523	$ 80,842	$ 80,555	$ 87,121	$ 99,398
Interest expense	6,413	4,975	6,882	5,856	7,299	9,162	13,143
Net interest income	65,870	59,391	79,641	74,986	73,256	77,959	86,255
Provision for loan losses	806	(1,439)	(1,309)	(2,714)	(3,136)	(3,988)	6,887
Net gain on securities	62	302	563	20	320	369	887
Net gain on branch sale	___	___	___	1,193	___	___	5,402
Gain on extinguishment of debt	___	___	___	___	500	___	___
Other Non-interest income	31,027	28,795	41,735	38,917	37,955	44,460	57,276
Non-interest expenses	68,946	65,469	90,347	88,450	89,951	104,118	116,735
Income before income tax	27,207	24,458	32,901	29,380	25,216	22,658	26,198
Income tax expense (benefit)	8,443	7,547	10,135	9,363	7,195	(54,851)	___
Net income	**$ 18,764**	**16,911**	**$ 22,766**	**$ 20,017**	**$ 18,021**	**$ 77,509**	**$ 26,198**
Preferred stock dividends	___	___	___	___	___	(3,001)	(4,347)
Preferred stock discount	___	___	___	___	___	7,554	___

Net income applicable to common stock	**$ 18,764**	**$ 16,911**	**$ 22,766**	**$ 20,017**	**$ 18,021**	**$ 82,062**	**$ 21,851**
PER COMMON SHARE DATA:							
Net income per common share							
Basic	$ 0.88	$ 0.79	$ 1.06	$ 0.88	$ 0.79	$ 5.87	$ 2.51
Diluted	0.87	0.78	1.05	0.86	0.77	3.55	0.80
Cash dividends declared and paid	0.30	0.24	0.34	0.26	0.18	0.00	0.00
Book value	12.55	11.82	11.71	11.28	10.91	10.15	5.58

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($ in thousands, except per share data)	Nine Months Ended September 30, 2017	2016	Year Ended December 31, 2016	2015	2014	2013	2012
	(unaudited)						
SELECTED BALANCES:							
Assets	$ 2,753,446	$ 2,538,319	$ 2,548,950	$ 2,409,066	$ 2,248,730	$ 2,209,943	$ 2,023,867
Loans	1,937,094	1,607,354	1,608,248	1,515,050	1,409,962	1,374,570	1,419,139
Allowance for loan losses	21,478	22,043	20,234	22,570	25,990	32,325	44,275
Deposits	2,343,761	2,206,960	2,225,719	2,085,963	1,924,302	1,884,806	1,779,537
Shareholders' equity	267,710	250,902	248,980	251,092	250,371	231,581	134,975
Other borrowings	72,849	11,527	9,433	11,954	12,470	17,188	17,622
Subordinated debentures	35,569	35,569	35,569	35,569	35,569	40,723	50,175
SELECTED RATIOS:							
Net interest income to average interest earning assets	3.65 %	3.55 %	3.52 %	3.58 %	3.67 %	4.11 %	4.04 %
Net income to(2)							
Average common equity	10.27	10.20	9.21	7.89	7.43	64.22	68.29
Average assets	1.01	1.02	0.92	0.86	0.80	3.87	0.92
Average shareholder's equity to average assets	9.89	10.03	9.98	10.93	10.83	8.69	4.82
Tier 1 capital to average assets	10.63	10.56	10.50	10.91	11.18	10.61	8.08
Non-performing loans to Portfolio Loans	0.43	0.67	0.83	0.71	1.08	1.30	2.32
ASSET QUALITY RATIOS:							
Net loan charge-offs to average	(0.03)%	(0.06)%	0.06 %	0.05 %	0.23 %	0.58 %	1.39 %

portfolio loans							
Allowance for loan losses to total originated portfolio loans	1.11 %	1.37 %	1.26 %	1.49 %	1.84 %	2.35 %	3.12 %
Allowance for loan losses to total nonperforming loans	255.39 %	204.08 %	151.41 %	210.48 %	170.56 %	180.54 %	134.43 %
Nonperforming loans to total portfolio loans	0.43 %	0.67 %	0.83 %	0.71 %	1.08 %	1.30 %	2.32 %
Nonperforming assets to total assets	0.38 %	0.62 %	0.72 %	0.74 %	0.96 %	1.64 %	2.92 %
SELECTED RATIOS:							
Total portfolio loans to total deposits	82.65 %	72.83 %	72.26 %	72.63 %	73.27 %	72.93 %	79.75 %
Average total loans (including loans held for sale) to average earning assets	73.61 %	70.13 %	70.09 %	69.30 %	69.01 %	73.94 %	72.08 %
Noninterest income to net revenue	30.07 %	31.13 %	32.83 %	33.17 %	32.49 %	33.97 %	39.01 %
Leverage ratio	10.63 %	10.56 %	10.50 %	10.91 %	11.18 %	10.61 %	8.08 %
Tier 1 risk-based capital ratio	14.04 %	14.79 %	14.70 %	15.38 %	16.80 %	16.08 %	13.37 %
Total risk-based capital ratio	15.14 %	16.05 %	15.86 %	16.65 %	18.06 %	17.35 %	14.71 %
Average equity to average assets	9.83 %	10.02 %	9.84 %	10.93 %	10.83 %	8.69 %	4.82 %
Tangible common equity to tangible assets	9.67 %	9.81 %	9.70 %	10.34 %	11.03 %	10.35 %	6.49 %
Dividend payout ratio	34.11 %	30.45 %	31.95 %	29.45 %	22.91 %	0.00 %	0.00 %

Summary Selected Consolidated Financial Information of TCSB

The following tables set forth summary selected historical consolidated financial information of TCSB as of and for the nine months ended September 30, 2017 and 2016 and as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. The summary selected balance sheet data as of December 31, 2016, 2015, 2014, 2013 and 2012 and the summary selected income statement data for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 was derived from TCSB s audited consolidated financial statements. The summary selected balance sheet and income statement data as of and for the nine months ended September 30, 2017 and 2016 was derived from TCSB s unaudited interim consolidated financial statements. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	Nine Months Ended		**Year Ended**				
($ in thousands, except per share data)	**September 30, 2017**	**September 30, 2016**	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**	**December 31, 2012**
INCOME STATEMENT DATA:							
Interest income	$ 10,171	$ 8,658	$ 11,751	$ 10,938	$ 10,149	$ 8,758	$ 8,218
Interest expense	1,088	900	1,198	1,203	1,139	1,033	1,500
Net interest income	9,083	7,758	10,553	9,735	9,010	7,725	6,718
Provision for loan losses	700	200	800	325	75	625	1,210
Noninterest income	2,576	2,814	3,975	3,570	3,737	4,329	5,058
Noninterest expense	8,069	7,467	10,030	9,306	9,067	9,022	8,423
Net income	$ 1,982	$ 2,000	$ 2,515	$ 2,527	$ 2,421	$ 1,637	$ 1,452
Cash Dividends Declared Per Common Share[(1)]	—	—	—	—	—	—	
PERFORMANCE:							
Basic earnings per share	$ 0.82	$ 0.85	$ 1.07	$ 1.08	$ 1.03	$ 0.84	$ 0.75
Diluted earnings per share	$ 0.80	$ 0.83	$ 1.05	$ 1.05	$ 0.99	$ 0.83	$ 0.75
Book value per common share	$ 13.83	$ 12.45	$ 12.51	$ 11.58	$ 10.49	$ 9.44	$ 9.22
Return on average assets	0.79 %	0.89 %	0.83 %	0.87 %	0.96 %	0.79 %	0.76 %
Return on average shareholders' equity	8.28 %	9.45 %	8.83 %	9.79 %	10.50 %	8.75 %	8.61 %
Net interest margin	3.80 %	3.57 %	3.60 %	3.45 %	3.71 %	3.92 %	3.77 %
BALANCE SHEET DATA:							
Total assets	$ 348,924	$ 312,068	$ 314,377	$ 295,817	$ 267,786	$ 232,230	$ 192,265

Total loans	277,891	238,139	250,311	222,184	208,878	178,404	137,191
Total deposits	291,607	264,430	266,061	249,625	220,290	190,350	162,524
FHLB Advances	16,500	11,500	11,500	11,500	16,500	13,000	3,500
Shareholders' equity	33,401	29,202	30,038	27,171	24,597	22,136	17,868
AVERAGE BALANCE SHEET SUMMARY:							
Total assets	$ 332,767	$ 300,640	$ 303,590	$ 288,777	$ 252,867	$ 208,248	$ 190,620
Earning assets	319,192	290,791	293,457	281,810	242,969	197,008	178,209
Total loans	268,068	228,034	233,175	217,698	194,580	153,702	135,501
Total deposits	273,589	253,088	255,717	242,897	208,656	170,545	158,863
FHLB Advances	16,060	11,500	11,500	13,486	13,412	9,681	3,500
Shareholders' equity	31,925	28,296	28,545	25,880	23,160	18,877	17,006
ASSET QUALITY RATIOS:							
Net loan charge-offs to average loans	0.48 %	(0.04)%	0.12 %	0.23 %	0.16 %	0.52 %	0.37 %
Allowance for loan losses to total loans	0.85 %	0.61 %	1.17 %	1.08 %	1.24 %	1.57 %	2.16 %
Allowance for loan losses to total nonperforming loans	127.11 %	36.90 %	107.35 %	55.18 %	79.00 %	46.20 %	34.45 %
Nonperforming loans to total loans	0.33 %	1.13 %	0.73 %	1.53 %	1.47 %	2.50 %	4.42 %
Nonperforming assets to total assets	0.53 %	1.25 %	0.87 %	1.48 %	1.23 %	2.65 %	4.55 %

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	Nine Months Ended		Year Ended				
($ in thousands, except per share data)	**September 30, 2017**	**September 30, 2016**	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**	**December 31, 2012**
SELECTED RATIOS:							
Total loans to total deposits	95.30 %	90.06 %	94.08 %	89.01 %	94.82 %	93.72 %	84.41 %
Average total loans to average earning assets	83.97 %	78.42 %	79.46 %	77.25 %	80.08 %	78.02 %	76.03 %
Noninterest income to net revenue	20.21 %	24.53 %	25.28 %	24.61 %	26.91 %	33.08 %	38.10 %
Leverage ratio	9.83 %	9.74 %	9.73 %	9.46 %	9.13 %	9.76 %	9.92 %
Tier 1 risk-based capital ratio	12.51 %	13.07 %	12.67 %	13.66 %	12.12 %	12.17 %	13.28 %
Total risk-based capital ratio	13.40 %	14.27 %	13.92 %	14.83 %	13.37 %	13.43 %	15.81 %
Average equity to average assets	9.59 %	9.41 %	9.40 %	8.96 %	9.16 %	9.06 %	8.92 %
Tangible common equity to tangible assets	8.83 %	8.52 %	8.73 %	8.30 %	8.21 %	8.41 %	7.93 %
Dividend Payout Ratio	—	—	—	—	—	—	—

Comparative Per Share Data (Unaudited)

The following table shows information about earnings per share, dividends paid per share, and tangible book value per share, on a historical basis and on a pro forma combined and pro forma equivalent per share basis.

Comparative Per Share Data	**IBCP Historical**	**TCSB Historical**	**Pro Forma Combined**[(1)(2)]	**Equivalent Pro Forma Per Share of TCSB**[(3)]
Nine Months ended September 30, 2017:				
Basic earnings	$ 0.88	$ 0.82	$ 0.85	$ 0.95
Diluted earnings	$ 0.87	$ 0.80	$ 0.83	$ 0.93
Cash dividends paid	$ 0.30	$ —	$ 0.30	$ 0.33
Tangible book value	$ 12.47	$ 12.65	$ 12.15	$ 13.57
Year ended December 31, 2016				
Basic earnings	$ 1.06	$ 1.07	$ 1.03	$ 1.15
Diluted earnings	$ 1.05	$ 1.05	$ 1.01	$ 1.13
Cash dividends paid	$ 0.34	$ —	$ 0.34	$ 0.38
Tangible book value	$ 11.62	$ 11.32	$ 11.26	$ 12.57

(1) The pro forma combined earnings per share amounts were calculated by totaling the historical earnings of IBCP and TCSB, adjusted for purchase accounting entries, and dividing the resulting amount by the average pro forma shares of IBCP and TCSB, giving effect to the merger as if it had occurred as of the beginning of the period presented, excluding any merger transaction costs. The pro forma combined tangible book value amount, however, does include the impact of estimated merger and integration costs. The average pro forma shares of IBCP and

TCSB reflect historical basic and diluted shares, plus historical basic and diluted average shares of TCSB, as adjusted based on the fixed Exchange Ratio of 1.1166 shares of IBCP common stock for each share of TCSB common stock. The number of shares to be issued is subject to adjustment in certain limited circumstances.

(2) Pro forma combined cash dividends paid represents IBCP's historical amounts only.

(3) The equivalent pro forma per share of TCSB amounts were calculated by multiplying the pro forma combined amounts by the fixed Exchange Ratio of 1.1166 shares of IBCP common stock for each share of TCSB common stock.

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RISK FACTORS

In addition to the matters addressed in this prospectus and proxy statement, including the information under the heading Forward-Looking Statements, you should carefully consider the following risk factors in deciding how to vote on the merger agreement.

Risks Related to IBCP s Business

Investing in IBCP s common stock involves risks, including (among others) the following factors:

General political, economic or industry conditions, either domestically or internationally, may be less favorable than expected.

Local, domestic, and international economic, political and industry-specific conditions affect the financial services industry, directly and indirectly. Conditions such as or related to inflation, recession, unemployment, volatile interest rates, international conflicts and other factors outside of IBCP s control, such as real estate values, energy costs, fuel prices, state and local municipal budget deficits, and government spending and the U.S. national debt, may, directly and indirectly, adversely affect IBCP. As has been the case with the impact of recent economic conditions, economic downturns could result in the delinquency of outstanding loans, which could have a material adverse impact on IBCP s earnings.

Governmental monetary and fiscal policies may adversely affect the financial services industry and therefore impact IBCP s financial condition and results of operations.

Monetary and fiscal policies of various governmental and regulatory agencies, particularly the Federal Reserve, affect the financial services industry, directly and indirectly. The Federal Reserve regulates the supply of money and credit in the U.S., and its monetary and fiscal policies determine in a large part IBCP s cost of funds for lending and investing and the return that can be earned on such loans and investments. Changes in such policies, including changes in interest rates, will influence the origination of loans, the value of investments, the generation of deposits and the rates received on loans and investment securities and paid on deposits. Changes in monetary and fiscal policies are beyond IBCP s control and difficult to predict. IBCP s financial condition and results of operations could be materially adversely impacted by changes in governmental monetary and fiscal policies.

Volatility and disruptions in global capital and credit markets may adversely impact IBCP s business, financial condition and results of operations.

Even though IBCP operates in a distinct geographic region in the U.S., it is impacted by global capital and credit markets, which are sometimes subject to periods of extreme volatility and disruption. Disruptions, uncertainty or volatility in the capital and credit markets may limit IBCP s ability to access capital and manage liquidity, which may adversely affect IBCP s business, financial condition and results of operations. Further, IBCP s customers may be adversely impacted by such conditions, which could have a negative impact on IBCP s business, financial condition and results of operations.

The soundness of other financial institutions could adversely affect IBCP.

IBCP s ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty and other relationships. IBCP has exposure to many different industries and counterparties, and it routinely executes transactions with counterparties in the financial industry. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led, and may further lead, to market-wide liquidity problems and could lead to losses or defaults by IBCP or by other institutions. Many of these transactions could expose IBCP to credit risk in the event of default by a counterparty. In addition, IBCP s credit risk may be impacted when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due to it. There is no assurance that any such losses would not adversely affect IBCP and possibly be material in nature.

Changes in regulation or oversight may have a material adverse impact on IBCP s operations.

IBCP is subject to extensive regulation, supervision and examination by the Federal Reserve Board, the FDIC, the Michigan Department of Insurance and Financial Services, the SEC and other regulatory bodies. Such regulation and supervision governs the activities in which IBCP may engage. Regulatory authorities have extensive discretion

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in their supervisory and enforcement activities, including the imposition of restrictions on IBCP s operations, investigations and limitations related to IBCP s securities, the classification of its assets and determination of the level of its allowance for loan losses. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, legislation or supervisory action, may have a material adverse impact on IBCP s business, financial condition or results of operations.

In particular, Congress and other regulators have increased their focus on the regulation of the financial services industry in recent years. While recent changes in the executive branch may mitigate this impact, the effects on IBCP of recent legislation and regulatory actions cannot reliably be fully determined at this time. Moreover, as some of the legislation and regulatory actions previously implemented in response to the recent financial crisis expire, the impact of the conclusion of these programs on the financial sector and on the economic recovery is unknown. Any delay in the economic recovery or a worsening of current financial market conditions could adversely affect IBCP. IBCP can neither predict when or whether future regulatory or legislative reforms will be enacted nor what their contents will be. The impact of any future legislation or regulatory actions on IBCP s businesses or operations cannot be determined at this time, and such impact may adversely affect IBCP.

IBCP has credit risk inherent in its loan portfolios, and its allowance for loan losses may not be sufficient to cover actual loan losses.

IBCP s loan customers may not repay their loans according to their respective terms, and the collateral securing the payment of these loans may be insufficient to cover any losses IBCP may incur. IBCP makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of its borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of its loans. Non-performing loans amounted to $8.4 million and $13.4 million at September 30, 2017 and December 31, 2016, respectively. IBCP s allowance for loan losses coverage ratio of non-performing loans was 255.39% and 151.41% at September 30, 2017 and December 31, 2016, respectively. In determining the size of the allowance for loan losses, IBCP relies on its experience and its evaluation of current economic conditions. If IBCP s assumptions or judgments prove to be incorrect, its current allowance for loan losses may not be sufficient to cover certain loan losses inherent in its loan portfolio, and adjustments may be necessary to account for different economic conditions or adverse developments in its loan portfolio. Material additions to its allowance for loan losses would adversely impact its operating results.

In addition, federal and state regulators periodically review IBCP s allowance for loan losses and may require IBCP to increase its provision for loan losses or recognize additional loan charge-offs, notwithstanding any internal analysis that has been performed. Any increase in IBCP s allowance for loan losses or loan charge-offs required by these regulatory agencies could have a material adverse effect on its results of operations and financial condition.

IBCP has credit risk in its securities portfolio.

IBCP maintains diversified securities portfolios, which include obligations of the U.S. Treasury and government-sponsored agencies as well as securities issued by states and political subdivisions, mortgage-backed securities, corporate securities and asset-backed securities. IBCP seeks to limit credit losses in its securities portfolios by principally purchasing highly rated securities (generally rated AA or higher by a major debt rating agency) and by conducting due diligence on the issuer. However, gross unrealized losses on securities available for sale in its portfolio totaled approximately $1.8 million as of September 30, 2017 (compared to approximately $7.6 million as of December 31, 2016). IBCP believes these unrealized losses are temporary in nature and are expected to be recovered within a reasonable time period as it believes it has the ability to hold the securities to maturity or until such time as the unrealized losses reverse. However, IBCP evaluates securities available for sale for other than temporary impairment (OTTI) at least quarterly and more frequently when economic or market concerns warrant such evaluation. Those evaluations may result in OTTI charges to its earnings. In addition to these impairment charges, IBCP may, in the future, experience additional losses in its securities portfolio which may result in charges that could materially adversely affect its results of operations.

IBCP has agreed to indemnify the purchaser of Mepco s business against certain losses it may incur as a result of its purchase of the business.

In connection with IBCP s sale of substantially all of the assets of its Mepco subsidiary in May of 2017, it agreed to contractually indemnify the purchaser from certain losses the purchaser may incur, including as a result of its failure to collect certain receivables it purchased as part of the business as well as breaches of representations and

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warranties IBCP made in the sale agreement, subject to various limitations. IBCP has not accrued any liability related to this sale in its financial statements because it believes the likelihood of having to pay any amount as a result of these indemnification obligations is remote. However, if the purchaser is unable to collect the receivables it purchased from Mepco or otherwise encounters difficulties in operating the business, it is possible it could make one or more claims against IBCP pursuant to the sale agreement. In that event, IBCP may incur expenses in defending any such claims and/or amounts paid to such purchaser to resolve such claims. As of September 30, 2017, the balance of these receivables had declined to $22.5 million, and to date the purchaser has made no claims for indemnification.

IBCP s mortgage-banking revenues are susceptible to substantial variations, due in part to factors it does not control, such as market interest rates.

A portion of IBCP s revenues are derived from net gains on mortgage loans. These net gains primarily depend on the volume of loans IBCP sells, which in turn depends on its ability to originate real estate mortgage loans and the demand for fixed-rate obligations and other loans that are outside of its established interest-rate risk parameters. Net gains on mortgage loans are also dependent upon economic and competitive factors as well as IBCP s ability to effectively manage exposure to changes in interest rates. Consequently, they can often be a volatile part of IBCP s overall revenues. IBCP realized net gains of $8.9 million on mortgage loans during the first nine months of 2017 compared to $7.7 million during the first nine months of 2016, and IBCP realized net gains of $10.6 million on mortgage loans during 2016 compared to $7.4 million during 2015 and $5.6 million during 2014.

IBCP is subject to liquidity risk in its operations, which could adversely impact its ability to fund various obligations.

Liquidity risk is the possibility of being unable to meet obligations as they come due or capitalize on growth opportunities as they arise because of an inability to liquidate assets or obtain adequate funding on a timely basis, at a reasonable cost and within acceptable risk tolerances. Liquidity is required to fund various obligations, including credit obligations to borrowers, loan originations, withdrawals by depositors, repayment of debt, dividends to shareholders, operating expenses and capital expenditures. Liquidity is derived primarily from retail deposit growth and earnings retention, principal and interest payments on loans and investment securities, net cash provided from operations and access to other funding. If IBCP is unable to maintain adequate liquidity, then its business, financial condition and results of operations could be negatively impacted.

IBCP must rely on dividends or returns of capital from its subsidiary bank for most of its cash flow.

IBCP is a separate and distinct legal entity from its subsidiary bank, Independent Bank. Generally, the parent company receives substantially all of its cash flow from dividends or returns of capital from the subsidiary bank. These dividends or returns of capital are the principal source of funds to pay the parent company s operating expenses and for cash dividends on its common stock. Various federal and/or state laws and regulations limit the amount of dividends that the bank may pay to the parent company.

Any future strategic acquisitions or divestitures may present certain risks to IBCP s business and operations.

Difficulties in capitalizing on the opportunities presented by a future acquisition may prevent IBCP from fully achieving the expected benefits from the acquisition, or may cause the achievement of such expectations to take longer to realize than expected. Further, the assimilation of the acquired entity s customers and markets could result in higher than expected deposit attrition, loss of key employees, disruption of IBCP s businesses or the businesses of the acquired entity or otherwise adversely affect IBCP s ability to maintain relationships with customers and employees or achieve the anticipated benefits of the acquisition. These matters could have an adverse effect on IBCP for an undetermined period. IBCP will be subject to similar risks and difficulties in connection with any future decisions to downsize, sell or close units or otherwise change its business mix.

Compliance with new capital requirements may adversely affect IBCP.

The capital requirements applicable to IBCP as a bank holding company as well as to its subsidiary bank have been substantially revised in connection with Basel III and the requirements of the Financial Reform Act. These more stringent capital requirements, and any other new regulations, could adversely affect IBCP s ability to pay dividends in the future, or could require it to reduce business levels or to raise capital, including in ways that may adversely affect its results of operations or financial condition and/or existing shareholders. The ultimate impact of the new

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capital requirements cannot be determined at this time and will depend on a number of factors, including treatment and implementation by the U.S. bank regulators. However, maintaining higher levels of capital may reduce IBCP s profitability and otherwise adversely affect its business, financial condition, or results of operations.

Declines in the businesses or industries of IBCP s customers could cause increased credit losses, which could adversely affect IBCP.

IBCP s business customer base consists, in part, of customers in volatile businesses and industries such as the automotive production industry and the real estate business. These industries are sensitive to global economic conditions and supply chain factors. Any decline in one of those customers businesses or industries could cause increased credit losses, which in turn could adversely affect IBCP.

The introduction, implementation, withdrawal, success and timing of business initiatives and strategies may be less successful or may be different than anticipated, which could adversely affect IBCP s business.

IBCP makes certain projections and develops plans and strategies for its banking and financial products. If IBCP does not accurately determine demand for or changes in its banking and financial product needs, it could result in IBCP incurring significant expenses without the anticipated increases in revenue, which could result in a material adverse effect on its business.

IBCP may not be able to utilize technology to efficiently and effectively develop, market, and deliver new products and services to its customers.

The financial services industry experiences rapid technological change with regular introductions of new technology-driven products and services. The efficient and effective utilization of technology enables financial institutions to better serve customers and to reduce costs. IBCP s future success depends, in part, upon its ability to address the needs of its customers by using technology to market and deliver products and services that will satisfy customer demands, meet regulatory requirements, and create additional efficiencies in its operations. IBCP may not be able to effectively develop new technology-driven products and services or be successful in marketing or supporting these products and services to its customers, which could have a material adverse impact on its financial condition and results of operations.

Operational difficulties, failure of technology infrastructure or information security incidents could adversely affect IBCP s business and operations.

IBCP is exposed to many types of operational risk, including reputational risk, legal and compliance risk, the risk of fraud or theft by employees or outsiders, failure of its controls and procedures and unauthorized transactions by employees or operational errors, including clerical or recordkeeping errors or those resulting from computer or telecommunications systems malfunctions. Given the high volume of transactions IBCP processes, certain errors may be repeated or compounded before they are identified and resolved. In particular, IBCP s operations rely on the secure processing, storage and transmission of confidential and other information on its technology systems and networks. Any failure, interruption or breach in security of these systems could result in failures or disruptions in its customer relationship management, general ledger, deposit, loan and other systems.

IBCP also faces the risk of operational disruption, failure or capacity constraints due to its dependency on third party vendors for components of its business infrastructure, including its core data processing systems which are largely outsourced. While IBCP has selected these third party vendors carefully, it does not control their operations. As such, any failure on the part of these business partners to perform their various responsibilities could also adversely affect IBCP s business and operations.

IBCP may also be subject to disruptions of its operating systems arising from events that are wholly or partially beyond its control, which may include, for example, computer viruses, cyberattacks, spikes in transaction volume and/or customer activity, electrical or telecommunications outages, or natural disasters. Although IBCP has programs in place related to business continuity, disaster recovery and information security to maintain the confidentiality, integrity, and availability of its systems, business applications and customer information, such disruptions may give rise to interruptions in service to customers and loss or liability to IBCP.

The occurrence of any failure or interruption in IBCP s operations or information systems, or any security breach, could cause reputational damage, jeopardize the confidentiality of customer information, result in a loss of customer business, subject IBCP to regulatory intervention or expose it to civil litigation and financial loss or liability, any of which could have a material adverse effect on IBCP.

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Changes in the financial markets, including fluctuations in interest rates and their impact on deposit pricing, could adversely affect IBCP s net interest income and financial condition.

The operations of financial institutions such as IBCP are dependent to a large degree on net interest income, which is the difference between interest income from loans and investments and interest expense on deposits and borrowings. Prevailing economic conditions, the trade, fiscal and monetary policies of the federal government and the policies of various regulatory agencies all affect market rates of interest and the availability and cost of credit, which in turn significantly affect financial institutions net interest income. Volatility in interest rates can also result in disintermediation, which is the flow of funds away from financial institutions into direct investments, such as federal government and corporate securities and other investment vehicles, which, because of the absence of federal insurance premiums and reserve requirements, generally pay higher rates of return than financial institutions. IBCP s financial results could be materially adversely impacted by changes in financial market conditions.

Competitive product and pricing pressures among financial institutions within IBCP s markets may change.

IBCP operates in a very competitive environment, which is characterized by competition from a number of other financial institutions in each market in which it operates. IBCP competes with large national and regional financial institutions and with smaller financial institutions in terms of products and pricing. If IBCP is unable to compete effectively in products and pricing in its markets, business could decline, which could have a material adverse effect on IBCP s business, financial condition or results of operations.

Changes in customer behavior may adversely impact IBCP s business, financial condition and results of operations.

IBCP uses a variety of methods to anticipate customer behavior as a part of its strategic planning and to meet certain regulatory requirements. Individual, economic, political, industry-specific conditions and other factors outside of its control, such as fuel prices, energy costs, real estate values or other factors that affect customer income levels, could alter predicted customer borrowing, repayment, investment and deposit practices. Such a change in these practices could materially adversely affect IBCP s ability to anticipate business needs and meet regulatory requirements.

Further, difficult economic conditions may negatively affect consumer confidence levels. A decrease in consumer confidence levels would likely aggravate the adverse effects of these difficult market conditions on IBCP, its customers and others in the financial institutions industry.

IBCP s ability to maintain and expand customer relationships may differ from expectations

The financial services industry is very competitive. IBCP not only vies for business opportunities with new customers, but also competes to maintain and expand the relationships it has with its existing customers. While IBCP believes that it can continue to grow many of these relationships, IBCP will continue to experience pressures to maintain these relationships as its competitors attempt to capture its customers. Failure to create new customer relationships and to maintain and expand existing customer relationships to the extent anticipated may adversely impact IBCP s earnings.

IBCP s ability to retain key officers and employees may change.

IBCP s future operating results depend substantially upon the continued service of its executive officers and key personnel. IBCP s future operating results also depend in significant part upon its ability to attract and retain qualified management, financial, technical, marketing, sales and support personnel. Competition for qualified personnel is intense, and IBCP cannot ensure success in attracting or retaining qualified personnel. There may be only a limited number of persons with the requisite skills to serve in these positions, and it may be increasingly difficult for IBCP to hire personnel over time.

Further, IBCP s ability to retain key officers and employees may be impacted by legislation and regulation affecting the financial services industry. IBCP s business, financial condition or results of operations could be materially adversely affected by the loss of any key employees, or its inability to attract and retain skilled employees.

Legal and regulatory proceedings and related matters with respect to the financial services industry, including those directly involving IBCP, could adversely affect it or the financial services industry in general.

IBCP has been, and may in the future be, subject to various legal and regulatory proceedings. It is inherently difficult to assess the outcome of these matters, and there can be no assurance that IBCP will prevail in any

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proceeding or litigation. Any such matter could result in substantial cost and diversion of IBCP s efforts, which by itself could have a material adverse effect on IBCP s financial condition and operating results. Further, adverse determinations in such matters could result in actions by IBCP s regulators that could materially adversely affect its business, financial condition or results of operations.

Methods of reducing risk exposures might not be effective.

Instruments, systems and strategies used to hedge or otherwise manage exposure to various types of credit, market and liquidity, operational, compliance, business risks and enterprise-wide risk could be less effective than anticipated. As a result, IBCP may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risk, which could have a material adverse impact on its business, financial condition or results of operations.

Terrorist activities or other hostilities may adversely affect the general economy, financial and capital markets, specific industries, and IBCP.

Terrorist attacks or other hostilities may disrupt IBCP s operations or those of its customers. In addition, these events have had and may continue to have an adverse impact on the U.S. and world economies in general and consumer confidence and spending in particular, which could harm IBCP s operations. Any of these events could increase volatility in the U.S. and world financial markets, which could harm IBCP s stock price and may limit the capital resources available to it and its customers. This could have a material adverse impact on IBCP s operating results, revenues and costs and may result in increased volatility in the market price of its common stock.

Catastrophic events, including, but not limited to, hurricanes, tornadoes, earthquakes, fires and floods, may adversely affect the general economy, financial and capital markets, specific industries, and IBCP.

IBCP has significant operations and a significant customer base in Michigan where natural and other disasters may occur, such as tornadoes and floods. These types of natural catastrophic events at times have disrupted the local economy, IBCP s business, and IBCP s customers and have posed physical risks to its property. In addition, catastrophic events occurring in other regions of the world may have an impact on IBCP s customers and in turn, on IBCP. A significant catastrophic event could materially adversely affect IBCP s operating results.

Changes in accounting standards could materially impact IBCP s financial statements.

From time to time, changes are made to the financial accounting and reporting standards that govern the preparation of IBCP s financial statements. These changes can be difficult to predict and can materially impact how IBCP records and reports its financial condition and results of operations. In some cases, IBCP could be required to apply a new or revised standard retroactively, resulting in changes to previously reported financial results, or a cumulative charge to accumulated deficit.

IBCP s failure to appropriately apply certain critical accounting policies could result in a misstatement of its financial results and condition.

Accounting policies and processes are fundamental to how IBCP records and reports its financial condition and results of operations. IBCP must exercise judgment in selecting and applying many of these accounting policies and processes so they comply with U.S. GAAP. In some cases, IBCP must select the accounting policy or method to apply from two or more alternatives, any of which may be reasonable under the circumstances, yet may result in IBCP reporting materially different results than would have been reported under a different alternative.

IBCP has identified certain accounting policies as being critical because they require IBCP to make difficult, subjective or complex judgments about matters that are uncertain. Materially different amounts could be reported under different conditions or using different assumptions or estimates. IBCP has established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding management s judgments and the estimates pertaining to these matters, IBCP cannot guarantee that it will not be required to adjust accounting policies or restate prior period financial statements. See note #1, Accounting Policies in the Notes to Consolidated Financial Statements included in the financial schedules delivered with this prospectus and proxy statement.

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The trading price of IBCP s common stock may be subject to significant fluctuations and volatility.

The market price of IBCP s common stock could be subject to significant fluctuations due to, among other things:

- variations in quarterly or annual results of operations;
- changes in dividends per share;
- deterioration in asset quality, including declining real estate values;
- changes in interest rates;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving IBCP or its competitors;
- regulatory actions, including changes to regulatory capital levels, the components of regulatory capital and how regulatory capital is calculated;
- new regulations that limit or significantly change IBCP's ability to continue to offer products or services;
- volatility of stock market prices and volumes;
- issuance of additional shares of common stock or other debt or equity securities;
- changes in market valuations of similar companies;
- changes in securities analysts' estimates of financial performance or recommendations;
- perceptions in the marketplace regarding the financial services industry, IBCP and/or its competitors; and/or
- the occurrence of any one or more of the risk factors described above.

Risks Related to Proposed Merger

The value of the Merger Consideration will fluctuate with the price of IBCP common stock.

Upon completion of the merger, each share of TCSB common stock will be converted into the right to receive the Merger Consideration.

Except as provided in the merger agreement, there will be no adjustment made to the Merger Consideration as a result of fluctuations in the market price of IBCP common stock or the value of TCSB common stock. As a result, it is possible that the value of any IBCP common stock you receive in the merger will be different than the value of such shares on the date that the TCSB board of directors adopted the merger agreement, on the date of the information concerning stock value presented in this prospectus and proxy statement, and on the date that you vote to approve the merger agreement. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in IBCP s business, operations and prospects, and regulatory considerations. Many of these factors are beyond IBCP s control. Accordingly, at the time of the special meeting, you will not necessarily know or be able to calculate the exact value of the shares of IBCP common stock you will receive upon completion of the merger. You should obtain current market quotations for shares of IBCP common stock.

In addition, the Merger Consolidation is subject to adjustment in certain circumstances. See What TCSB Shareholders will Receive in the Merger on page 41 below.

Regulatory approvals may not be received, may take longer to receive than expected, or may impose conditions that are not presently anticipated.

Before the transactions contemplated in the merger agreement may be completed, regulatory approvals must be obtained from the Federal Reserve Board and the Michigan Department of Insurance and Financial Services. These governmental entities will consider, among other factors, the competitive impact of the merger, IBCP s financial and managerial resources, the convenience and needs of the communities to be served, capital position, safety and soundness, legal and regulatory compliance matters, and Community Reinvestment Act matters, and they may impose conditions on the completion of the merger or require changes to the terms of the merger agreement. There can be no assurance as to whether regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed.

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Each party is subject to business uncertainties and contractual restrictions while the merger is pending, which could adversely affect each party s business and operations.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on TCSB and IBCP. These uncertainties may impair TCSB s ability to attract, retain and motivate key personnel until the merger is consummated. Retention of certain employees by TCSB may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles with IBCP or TCSB. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with IBCP, IBCP s business following the merger could be harmed. In addition, uncertainties related to the merger could cause customers and others that deal with TCSB or IBCP to seek to change existing business relationships with TCSB or IBCP, or delay or defer certain business decisions with respect to TCSB or IBCP, which could negatively affect IBCP s or TCSB s respective revenues, earnings and cash flows, as well as the market price of IBCP common stock or the value of TCSB common stock, regardless of whether the merger is completed. Furthermore, the merger agreement restricts TCSB from taking specified actions without the consent of IBCP until the merger occurs or the merger agreement is terminated. These restrictions may prevent TCSB from pursuing attractive business opportunities that may arise prior to the completion of the merger. See The Merger Agreement – Conduct of Business Pending the Merger for a summary of certain of the contractual restrictions to which TCSB is subject.

Combining the two companies may be more difficult, costly, or time-consuming than expected.

The difficulties of merging the operations of TCSB with those of IBCP include, among others, integrating personnel with diverse business backgrounds, combining different corporate cultures, retaining key employees, and converting operating systems. The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the companies, and the loss of key personnel. The diversion of management s attention and any delays or difficulties encountered in connection with the merger and integration of TCSB into IBCP could have an adverse effect on the business and results of operations of TCSB or IBCP. As with any merger of banking institutions, there also may be business disruptions that cause the banks to lose customers or cause customers to take their deposits out of the banks. The success of the combined company following the merger may depend in large part on the ability to integrate the two businesses, business models and cultures. Inability to integrate our operations successfully and in a timely manner could result in the expected benefits of the merger not being realized.

TCSB shareholders percentage ownership of IBCP will be much smaller than their percentage ownership of TCSB.

TCSB shareholders currently have the right to vote in the election of the TCSB board of directors and on other matters affecting TCSB. When the merger occurs, each TCSB shareholder will become a shareholder of IBCP with a percentage ownership of the combined organization that is much smaller than the shareholder s percentage ownership of TCSB. Because of this, the TCSB shareholders will have less influence on the management and policies of IBCP than they now have on the management and policies of TCSB.

Directors and officers of TCSB have interests in the merger that differ from the interests of non-director or non-management shareholders.

Some of the directors and officers of TCSB have interests in the merger that differ from, or are in addition to, their interests as shareholders of TCSB generally. These interests exist because of, among other things, employment or severance agreements that the officers entered into with TCSB, rights that TCSB officers and directors have under TCSB s benefit plans, and rights to indemnification and directors and officers insurance following the merger. The members of each of TCSB s and IBCP s boards of directors knew about these additional interests and considered them when they adopted the merger agreement and approved the merger. For a more detailed discussion of these interests, see Interests of Certain Directors and Executive Officers in the Merger.

The merger agreement limits TCSB s ability to pursue alternatives to the merger.

The merger agreement contains provisions that limit TCSB s ability to encourage or consider competing third-party proposals to acquire TCSB, all or a significant part of its assets or stock, or other similar business combinations. These provisions, which include a $2,529,658 termination fee payable to IBCP under certain circumstances, might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of TCSB from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share price than that proposed in the merger, or might result in a potential competing acquirer proposing to pay a lower per share price to acquire TCSB than it might otherwise have proposed to pay. See The Merger Agreement – Acquisition Proposals by Third Parties and The Merger Agreement – Termination Fee.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed, which could have a negative impact on TCSB.

The merger agreement is subject to a number of conditions that must be fulfilled in order to complete the merger. Those conditions include completion of the merger by September 4, 2018, receipt of TCSB shareholder approval, receipt of regulatory approvals, continued accuracy of certain representations and warranties by both parties, and performance by both parties of certain covenants and agreements. In addition, the merger agreement may be terminated in certain circumstances. In particular, IBCP is not obligated to complete the merger if the Company Consolidated Shareholders Equity is less than $33,000,000 as of the Final Statement Date.

If the merger agreement is terminated, there may be various consequences to TCSB, including:

- TCSB's business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger without realizing any of the anticipated benefits of completing the merger; and
- TCSB may have incurred substantial expenses in connection with the merger without realizing any of the anticipated benefits of completing the merger.

If the merger agreement is terminated and the TCSB board of directors seeks another merger or business combination, under certain circumstances, TCSB is required to pay IBCP a $2,529,658 termination fee. TCSB shareholders cannot be certain that TCSB would be able to find a party willing to pay an equivalent or more attractive price than the price IBCP has agreed to pay in the merger.

IBCP may fail to realize the cost savings estimated for the merger.

IBCP expects to achieve cost savings from the merger when the two companies have been fully integrated. The cost savings estimates assume the ability to combine the businesses of IBCP and TCSB in a manner that permits those cost savings to be realized. If the estimates turn out to be incorrect or if IBCP is not able to combine successfully the two companies, the anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected.

The fairness opinion obtained by TCSB from its financial advisor will not reflect changes between the date of the opinion and the effective time of the merger.

D.A. Davidson & Co., the financial advisor to TCSB, has delivered a fairness opinion to the board of directors of TCSB. The opinion of DADCO is directed to the board of directors of TCSB and is not a recommendation to any shareholder on how to vote on the merger agreement or any other matter. The opinion, which was issued on December 4, 2017, states that, based upon and subject to the assumptions and limitations on review set forth in the opinion, the Exchange Ratio is fair, from a financial point of view, to TCSB. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, and therefore does not address the fairness of the Exchange Ratio as of the date of this prospectus and proxy statement, the date of the special meeting, or at the time the merger will be completed.

The merger may fail to qualify as a reorganization for federal income tax purposes, resulting in your recognition of taxable gain or loss in respect of all of your TCSB common stock.

IBCP and TCSB intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). The Internal Revenue Service (IRS) will not provide a ruling on the matter. IBCP and TCSB each will, as a condition to closing, obtain an opinion from counsel that the merger will constitute a reorganization for federal income tax purposes. However, these opinions do not bind the IRS or prevent the IRS from adopting a contrary position. If the merger fails to qualify as a reorganization, TCSB shareholders generally would recognize gain or loss on each share of TCSB common stock surrendered in an amount equal to the difference between the shareholder's adjusted tax basis in that share and the fair market value of the IBCP common stock received in exchange for that share upon completion of the merger. See Proposal 1 – The Merger – Material United States Federal Income Tax Consequences on page 39.

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The shares of IBCP common stock to be received by TCSB shareholders as a result of the merger will have different rights from the shares of TCSB common stock.

The rights associated with TCSB common stock are different from the rights associated with IBCP common stock. See Comparison of Common Shareholder Rights for a discussion of the different rights associated with IBCP common stock as compared to TCSB common stock.

Litigation may be filed against TCSB, its board of directors, and/or IBCP that could prevent or delay the completion of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that TCSB shareholders may file putative shareholder class action lawsuits against TCSB, its board of directors, and/or IBCP. Among other remedies, the plaintiffs may seek to enjoin the merger. The outcome of any such litigation is uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the merger and result in substantial costs to TCSB and IBCP, including any costs associated with indemnification. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect TCSB s and IBCP s business, financial condition, results of operations, cash flows and market price.

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TCSB SPECIAL MEETING AND GENERAL PROXY INFORMATION

Date, Time, Place, and Purpose

The TCSB board of directors is sending you this prospectus and proxy statement and proxy to use at the special meeting. At the special meeting, the TCSB board of directors will ask you to vote (1) to approve the merger agreement and (2) to approve the Adjournment Proposal.

The special meeting will be held on March 14, 2018, at 2:30 p.m., local time, at Traverse Area District Library, 610 Woodmere Avenue, Traverse City, Michigan 49686.

Recommendation of TCSB s Board of Directors

TCSB s board of directors has unanimously determined that the merger is in substantial compliance with all applicable laws and is fair to and in the best interests of TCSB and TCSB s shareholders, adopted the merger agreement and authorized the merger and the other transactions contemplated by the merger agreement, and unanimously recommends that TCSB shareholders vote FOR approval of the merger agreement and FOR the Adjournment Proposal.

Voting by Proxy; Record Date

TCSB s board of directors has designated February 5, 2018, as the record date for determination of shareholders entitled to notice of and to vote at the special meeting. As of the record date, 2,428,001 shares of TCSB common stock were issued and outstanding and held by approximately 365 record holders. TCSB shareholders are entitled to one vote on each matter considered and voted on at the special meeting for each share of TCSB common stock held of record at the close of business on the record date. If a holder of shares of TCSB common stock as of the record date properly submits a proxy, the shares represented by that proxy will be voted at the special meeting and at any adjournment of that meeting. If a shareholder specifies a choice, the proxy will be voted in accordance with the shareholder s specification. If no specification is made, your shares of TCSB common stock represented by your proxy will be voted FOR approval of the merger agreement and FOR approval of the Adjournment Proposal.

TCSB s management currently is not aware of any other matter to be presented at the special meeting. If other matters are presented, the shares for which proxies have been received will be voted in accordance with the discretion of the persons named as proxies.

Revocation of Proxies

A TCSB shareholder who has given a proxy may revoke it at any time before its exercise at the special meeting by one of three ways. First, you may send a written notice to the President and Chief Financial Officer of TCSB, Ann Bollinger, 333 West Grandview Parkway, Traverse City, Michigan 49684, stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy, dated at a date later than your most recent proxy. Third, you may attend the special meeting and vote in person. Your attendance at the special meeting will not, however, by itself revoke your proxy. If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote. Your last vote will be the vote that is counted.

Proxy Solicitation

The board of directors and management of TCSB will initially solicit proxies by mail. If they deem it advisable, directors, officers, and employees of TCSB may also solicit proxies in person, by telephone or by electronic means without additional compensation. In addition, nominees and other fiduciaries may solicit proxies. Such persons may, at the request of TCSB s management, mail material to or otherwise communicate with the beneficial owners of shares held by them.

Expenses

Except for internal costs and fees of TCSB, IBCP will pay all expenses incurred in connection with the solicitation of proxies of TCSB shareholders. IBCP will pay all expenses incurred in connection with the printing and mailing of this prospectus and proxy statement and all filing costs associated with the registration statement and the applications for regulatory approval. Otherwise, IBCP and TCSB will each pay their own fees and expenses incident to preparing for, entering into, and carrying out the merger agreement and procuring any necessary approvals, including fees and expenses of its own legal counsel and accountants and postage expenses.

Quorum

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the TCSB shareholders at the special meeting is necessary to constitute a quorum. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum.

Vote Required for Approval; Voting Agreement

The affirmative vote of the holders of a majority of the shares of TCSB common stock outstanding as of the record date for the special meeting is required to approve the merger agreement. Because the required vote of TCSB shareholders on the merger agreement is based upon the number of outstanding shares of TCSB common stock entitled to vote rather than upon the number of shares actually voted, a failure to vote and abstentions will have the same practical effect as a vote against approval of the merger agreement. The affirmative vote of the holders of a majority of votes cast at the special meeting is necessary to approve the Adjournment Proposal. A failure to vote and abstentions will have no effect on this proposal. No approval by IBCP shareholders is required.

As of the record date, TCSB s directors, executive officers, and their affiliates beneficially owned 1,064,555 shares of TCSB common stock, or approximately 43.25% of the shares of TCSB common stock entitled to vote at the special meeting. Each of TCSB s directors has entered into a voting agreement pursuant to which he or she has agreed, subject to certain exceptions, to vote his or her shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director s spouse or over which such director has voting influence or control to be voted, in favor of approval of the merger agreement.

PROPOSAL 1 – THE MERGER

The following discussion summarizes certain aspects of the merger. This summary discussion does not purport to be a complete description of the merger and is qualified in its entirety by reference to the merger agreement, which is attached as Appendix A *to this prospectus and proxy statement and incorporated herein by reference into this prospectus and proxy statement.*

Background of the Merger

TCSB s Board of Directors and management regularly evaluate and assess TCSB s strategy and opportunities to strengthen its business and achieve profitable growth and value for its shareholders through various strategic initiatives, alternatives and transactions, giving consideration to the context of developments in the banking industry, including industry consolidation, the regulatory environment, conditions in the markets that TCSB serves, competitive considerations and other factors. TCSB s board of directors regularly reviews the company s performance, risks, opportunities, stock valuation, capital needs and strategy and discusses these matters at meetings.

When considering strategic alternatives from time to time, management and the board of directors examined the possibility of acquiring other institutions to gain additional profitability through scale. However, opportunities were limited due in large part to the existence of very few banks of a smaller, realistic size which were available for potential acquisition and in attractive markets.

Management and the board of directors also regularly considered the merits of maintaining an independence strategy versus the opportunity to pursue additional shareholder value through the sale of TCSB. The independence strategy was maintained in recent years due to, among other things, the strong financial performance of TCSB and its prospects for generating additional shareholder value through organic growth.

However, for several years, the board of directors has viewed the general lack of liquidity and market in TCSB common stock as a weakness to the independence strategy. Shares of TCSB common stock are not traded in an established market. They are traded infrequently and generally in private transactions between individuals.

In addition, during the years since the financial crisis, management and the board of directors assessed significant operating risk increases in the banking industry. Specifically, costs associated with increasing compliance and safety and soundness regulatory burdens, necessary technology enhancements, cybersecurity risks and increasing

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competition were noted as challenges to a continued independence strategy. The board of directors also began to recognize and discuss that as the financial performance, market share and reputation of TCSB continued to grow, so too did the prospects and rationale for pursuing a potential sale of the company, including that combining with a larger company would increase scale, scope, strength and diversity of operations, product lines and delivery systems and enhance the ability to provide more comprehensive financial services and higher loan limits.

On March 22, 2017, the board of directors held its annual strategic planning meeting. All of these factors combined led the board of directors to serious consideration of whether the present independence strategy should be retained or modified to seek a strategic partnership through a potential sale of TCSB. Based on, among other things, TCSB s internal strengths (solid financial performance and metrics, low levels of classified assets, excellent sales force and projected growth rates) combined with optimism in the political and economic climate (rising interest rates, presumed softening of the bank regulatory environment and potential corporate income tax cuts), the board of directors unanimously determined to preliminarily explore the possibility of selling TCSB in the relative near-term. The board of directors authorized management to consult with its corporate counsel, Warner Norcross & Judd LLP (Warner Norcross), to provide guidance on the initial phases of a potential sales process and to explore the engagement of an investment banking firm to act as financial advisor to TCSB in connection with a potential sale of the company.

On May 16, 2017, the board of directors held a special meeting. A representative of Warner Norcross attended the meeting. In addition, representatives of two investment banking firms (D.A. Davidson & Co. (DADCO) and another reputable firm) separately attended the meeting and gave detailed presentations to the board of directors, which addressed, among other things: the firm s industry experience and qualifications in M&A transactions; recent stock market performance, with an emphasis on the financial institutions sector; factors influencing the M&A market for community banks; precedent M&A transactions; M&A valuation of TCSB as of May 16, 2017 based on precedent M&A transactions, ability-to-pay analysis and net present value analysis; select potential merger partners, including considerations for evaluation of each potential merger partner; overview of a sales process (which included various different approaches) and timeline; considerations of stock versus cash as transaction consideration; and the firm s fee proposal.

Warner Norcross advised of the fiduciary and legal obligations applicable to directors when considering a merger or sale of TCSB. Warner Norcross also reviewed Article XI (Business Combinations) of TCSB s articles of incorporation, which requires the board of directors, when considering a business combination transaction, to first conclude that the transaction would be in substantial compliance with all applicable laws, and second conclude that the transaction would be in the best interests of the corporation and its shareholders, based on relevant factors, including: the fairness of the consideration to be received; the possible social and economic impact on TCSB, its employees and customers and the communities it serves; the business, financial condition, safety and soundness and prospects of the offering party; the competence, experience and integrity of the offering party and its management; and the intentions of the offering party regarding the operation of TCSB after completion of the transaction (Article XI Factors).

The board of directors extensively discussed a potential sale of TCSB and the presentations from the investment banking firms. Following the discussion, the board of directors unanimously authorized continuation of exploration of a potential sale of TCSB. The board of directors elected to defer the selection of an investment banking firm to act as financial advisor to a later date to allow directors additional time to review and consider the information provided by the two investment banking firms.

On May 23, 2017, the board of directors held a regular meeting. Following discussion, the board of directors unanimously approved the engagement of DADCO to act as financial advisor to TCSB in connection with a potential sale of the company and authorized management to proceed to negotiate a definitive engagement letter with DADCO. In approving the engagement of DADCO, the board of directors considered, among other things, the type and amount of DADCO s fees, DADCO s expertise in advising financial institutions, including in M&A transactions