

COMMUNITY REPORT 2022

Peoples Bank of Alabama



We care about people.

CONTENTS

Forward	3
Supporting Local Business	4
Giving Back	8
Financial Investment	14
Financial Highlights	15



Huntsville Ribbon Cutting



Trussville Ribbon Cutting

FORWARD

Peoples Bank of Alabama celebrates its 45th anniversary this year. Since 1977, dating back to our humble beginnings as Peoples Bank of Holly Pond, the bank has grown to become one of the 10 largest banks in the state with over \$1.25 Billion in assets. Despite incredible growth, we haven't forgotten what made us successful – personal relationships, an unwavering commitment to customer service, and state-of-the-art product and service offerings that our customers need to help them achieve their financial goals.

During the year, we continued expansion efforts into Madison County with the opening of a new branch in Huntsville and into eastern Jefferson County with a branch purchase in Trussville. We also made investments to improve numerous branches across our footprint, and we are in the process of rebuilding our locations in Lacey's Spring and Locust Fork under a new design we have labeled the "branch of the future." It is a hybrid design that leverages traditional in-person banking with increased utilization of technology.

We also continue to evaluate and streamline our product offerings. During 2022, we successfully rolled out a no overdraft fee account (Simple Checking); we removed our professional products while still meeting customer needs through existing product offerings; and we revised our equity lines whereby we pay all fees with standard prepayment penalties.



While doing all of these things and navigating a challenging economic landscape, the bank generated record income of \$20.9 million and improved our capital position to almost 9%, thereby giving us a solid footing for the economic uncertainties that lie ahead in 2023 and beyond.

We are excited to share these highlights with you and trust you will enjoy learning more about the ways the bank and our associates are impacting individuals, businesses and our communities as a whole in this report. We have the best team of community bankers across the state and these results wouldn't be possible without their hard work, commitment, and dedication. We are grateful for every associate and the continued support of our shareholders.

*By Chuck Herndon, President
& Tim Williams, Chief Executive Officer*

SUPPORTING LOCAL BUSINESS

"NO EMAIL OR
PHONE CALL
HAS EVER BEEN
IGNORED. THEY
ALWAYS ANSWER,
AND THEY OFFER
DEPENDABLE
ADVICE AND
COUNSEL."

— DEWAYNE SHADDIX,
THE SHADDIX COMPANY



WE WANT YOU TO SUCCEED

THE SHADDIX COMPANY



Established in 1970 by Tommy and Mitchelene Shaddix as a Plumbing Company, The Shaddix Company is a 53-year-old family-owned and operated precast and prefab manufacturer in Cullman, Alabama. The business employs 32 people devoted to offering high quality products, and through the years customer satisfaction has been their top priority.

In 2013, after over 40 years of being in business, founder Tommy Shaddix and his son, Dewayne, discussed providing products for contractors with smaller scale structures. And as sales increased, Tommy's vision grew to include more and more concrete products in order to serve more contractors. Tommy passed away in 2015, but Dewayne, his wife Tracey, and Mitchelene Shaddix were determined to carry on his vision.

Growth requires money and they knew a larger facility and more equipment would be needed in order to expand the business. Dewayne approached his local bank with whom credit had already been established. After speaking with his loan officer, he was told "I'll get back with you next week." Dewayne said, "That was 2017, this is 2023, and that banker still hasn't called."

After searching the internet and making inquiries for possible funding sources, Peoples Bank of Alabama responded. It wasn't long until a meeting was set with the Shaddix group and Peoples Bank Relationship Manager, Jeff Taffar, along with two Peoples Bank SBA

lending experts, Kevin Kilpatrick and Jeff Latham. "These gentlemen," according to Dewayne, "led us through a maze with which we had no experience. They advised, guided, informed and found a favorable solution putting The Shaddix Company in our present location with an expanded product line."

A second expansion has taken place since that meeting allowing the company to satisfy the needs of the industry and their clients who are considered friends. Peoples Bank of Alabama has been honored to meet the needs of the Shaddix Company through services including: operating checking account, real estate and equipment lending, a business mortgage, and direct deposit for payroll.

The Shaddix family feel that their Peoples Bank team is truly concerned about them and wants them to succeed. As Dewayne puts it, "No email or phone call has ever been ignored. They always answer, and they offer dependable advice and counsel."

"Peoples Bank sets a pretty high bar in the banking industry," said Dewayne, "and the Shaddix Company is working to do the same in the precast industry. The Peoples Bank motto is 'In God We Trust' and The Shaddix Company does too. We know Peoples Bank likes to help others and with the help we've received from Peoples Bank, The Shaddix Company can do more for others too."

PEOPLE HELPING PEOPLE

SEAY CONSTRUCTION

At Peoples Bank of Alabama, community is everything. And a big part of what makes our communities special are the businesses that reside there and provide jobs and opportunities for our friends, families, and neighbors. With the bank's expansion into the Trussville market this year, new opportunities in the Jefferson County small business arena continue to surface.

When the residents of Trussville hear the name Seay Construction, Inc., they automatically think of a solid organization that has been around since 1985. With humble beginnings based in the home of Founder, Chris Seay, Seay Construction has experienced sizable growth due primarily to their reputation – what they refer to as their number one asset. They are known for being one of the best in the Commercial & Office building, New Construction-General Contractors & Operative Building sector.

Sizable growth for many organizations often equates to growing needs in order to meet the demands of the business. Peoples Bank of Alabama has been honored to help meet those needs for Chris and Jonathon Seay through services like real estate lending, both business and personal depository accounts, and several commercial service products like remote capture

and purchasing cards. Part of the strategic plan for their business includes expansion into neighboring states like Georgia, Tennessee and Florida. Jeff Purnell, Peoples Bank Commercial Relationship Manager, has been instrumental in acquiring a partnership with the Seay's and has been given the opportunity to provide financial assistance as their business continues to grow.

“First and foremost, our goal is to revitalize things right here in Alabama and specifically Trussville,” said Jonathon Seay, “and I believe Peoples Bank of Alabama will play a large role in both personal development projects as well as professional business clients that we serve. I would highly recommend Jeff Purnell to anyone with commercial banking needs. He is always looking for new ways to support our efforts. Teamwork is very important, surrounding yourself with the right people. Those are the things that have led to our current success and I believe will continue to contribute to successful projects in our future with Peoples Bank.”

This is community banking at its finest - people helping people.



“...He is always looking for new ways to support our efforts.”

— Jonathon Seay, Seay Construction



Peoples Bank of Alabama associates are personally involved in giving back to our communities.

GIVING BACK

There are times when many of us experience financial hardship; however, economic struggles have significantly increased since 2020 due to the pandemic crisis and rise of unemployment rates. Low-income families have been hit the hardest by general inflation and recent sticker shock on basic necessities like groceries and gas.

Although financial education cannot predict or prevent an economic crisis, it does help individuals, families, and communities as they weather difficult times with more resilience and less stress. Understanding money management can help anyone improve their economic situation and prepare for a brighter future regardless of their income level.




Peoples Bank of Alabama has a passion for improving financial wellness for everyone, now and in the future. Children are capable of learning about money management from a very young age. Financial literacy can prepare them for everything from saving for a new gaming console to saving for college. Later, it helps adults manage budgets, build savings, establish good credit, and invest funds wisely so they can make major purchases and life plans. Financial education can help guide individuals and families to a more comfortable retirement so they can better provide for their loved ones' futures.

“What a Difference a Day Makes” is an effort to help break the cycle of generational poverty. Our plan is to reach as many schools as possible to teach basic financial education principles. When we understand how to manage our finances we are less likely to rely on loans from family members and high-interest predatory lenders. It is our desire to help educate children and adults alike so they are less susceptible to financial scams and risky investments, and show them more beneficial resources in difficult times. Being financially stable and independent reduces stress, it sets a good example for others, and over time it will lead to stronger communities.

When you think you are too small to make a difference, try spending the night with a mosquito.

When we visit your community, we hope you will join us in helping to make a difference one day at a time!

DEBRA GOBLE, COMPLIANCE OFFICER

A photograph of two Peoples Bank of Alabama associates, a man and a woman, standing outdoors in front of a building with horizontal siding. The man is wearing a vest and holding a small object, and the woman is also wearing a vest. The image is overlaid with a dark green filter and white text.

**YOU CAN
TRUST A LOCAL
BANK TO BE
THERE WHEN
YOU NEED IT.**

VOLUNTEER EFFORTS



Our Gadsden Branch hosted a food and blanket drive for the **HSPRAC, Humane Society Pet Rescue & Adoption Center**.



Both of our Decatur branches sponsored a school supply drive to benefit the **Neighborhood Christian Center**. Together they collected over 500 items to donate to the center for their after-school programs.



Cullman Main was a drop off location for **United Way's Stuff the Bus** drive helping to collect school supplies to benefit kids in need.



Arab Parkway participated by serving on the **Domestic Violence Services** project.



Shasta & Jayme volunteered their time cleaning **Etowah Counties Free Community Clinic**.



Several of the staff in Marshall County helped to clean the **Child Advocacy Center in Guntersville**.



Our Albertville staff donated to the Domestic Violence Shelter of Marshall County during **United Way's Day of Caring** event.

VOLUNTEER EFFORTS

Our Morgan County branches collect donations throughout the year for **Hospice of the Valley** in Decatur whose mission statement is



to provide exceptional care and support for those facing serious illness, death and grief. Patsy is shown here presenting the check to Meghan Maples.



The Gadsden and Rainbow City branches **collected food for local non-profit organizations** over the holidays.

CHRISTMAS SHOE GIVEAWAY

One of the highlights every year is our Christmas Shoe Giveaway at the Cullman County Child Development Center. This year did not disappoint as dozens of boys and girls opened their Christmas gift from Peoples Bank, a new pair of tennis shoes. Bank volunteers coordinate with the school to purchase, label, gift wrap, and deliver the shoes to every student. They also help open the gifts, if needed, and serve refreshments at the end of the day.



Tammi Roberts is pictured with Pamela Bolding from the NCC.

The Decatur Round and Decatur Downtown branches **donated toys to the Neighborhood Christian Center (NCC) for the Christmas Toy Room.** Families in need will get to select toys for their children for Christmas.



PURCHASE WITH A PURPOSE

The bank was excited to offer our Purchase with a Purpose drive for the third consecutive year in a row. For every purchase made with a Peoples Bank of Alabama Discover® debit card during the month of November, \$1 was donated to local non-profit organizations up to \$20,000. Eight of our favorite charities, one in every county that we serve, received donation checks.



NEIGHBORHOOD BRIDGES



FAMILY CARE CENTER



CULLMAN CARING FOR KIDS



THE HOPE HOUSE



HEALS



FACES OF MORGAN COUNTY



SERVING YOU MINISTRIES



SLEEP IN HEAVENLY PEACE

WHAT A DIFFERENCE A DAY MAKES



Rainbow City volunteers visited **John Jones Elementary** to share a story and a financial

literacy lesson to 2nd grade students. Elshante and Jeannie read “Lily Learns about Wants and Needs” and then interacted with the students during a Q&A session.

Peoples Bank visited Blountsville Elementary to share with more than 150 summer school students the importance of starting an early habit of saving a portion of the money you earn. Each student received a piggy bank and a coloring activity book filled with fun pages on how to save. The students were excited and many shared their goal of saving for a big item purchase in the future.



Miranda and Morgan visited **Parkside Elementary School** 2nd graders and taught the lesson “Waiting for a Great

Deal” on how to make wise spending choices as part of our What A Difference A Day Makes effort.



Morgan and Amanda visited the **Cullman County Child Development Center** to teach 2nd graders about saving money!”

Volunteers from Peoples Bank visited the **Brindlee Mountain Primary School** to teach a Saving Money lesson to the 2nd graders.



Debra Goble spoke to 120 senior students at **Corner High School’s Senior Seminar Series**. They asked very good questions as we spoke on topics that included the importance of checking accounts, how checking accounts work, the

difference between debit and credit cards as well as the importance of maintaining good credit and identity theft prevention.



The bank is a proud sponsor of the **Liberty Learning Foundation's Super Citizen program**. The Super Citizen program helps educators teach Character Education, Financial Literacy, Career Development and required subjects – right alongside the soul-stirring lessons of freedom, liberty & civic responsibility. Trey Williams, Adam Shedd and Karen Webb attended the kick-off presentation at East Elementary School in Cullman.



Cullman City Economic Development's **"Keeping It Real" program** helped **Vinemont High School** 9th grade students learn real-world budgeting skills with assigned family and career scenarios. Peoples Bank of Alabama was proud to be represented.



Peoples Bank visited the **Holly Pond Senior Citizen Center** to

discuss checking account options as well as fraud identification and prevention. Cecily Cannon from Cullman County Commission on Aging leads the senior citizens at the center.

SBA T.H.R.I.V.E. Emerging Leaders Reimagined

Kevin Kilpatrick was asked to sit on a panel with other Small Business Administration lenders at the SBA T.H.R.I.V.E. Emerging Leaders Reimagined event. The event covered topics like dissecting and understanding financial statements, managing cash flow, knowing when and how to outsource bookkeeping and overall account management, and the process of rising capital. The panel was invited to appear for the CEO mentoring group that discussed Business Finance and Rising Capital.



FINANCIAL INVESTMENT

Several strategic initiatives were completed during 2022 that line up with our vision statement to be the leader in providing affordable, state of the art financial products and services to consumers and businesses by having a partnership with our communities through education, direct participation and financial investment.

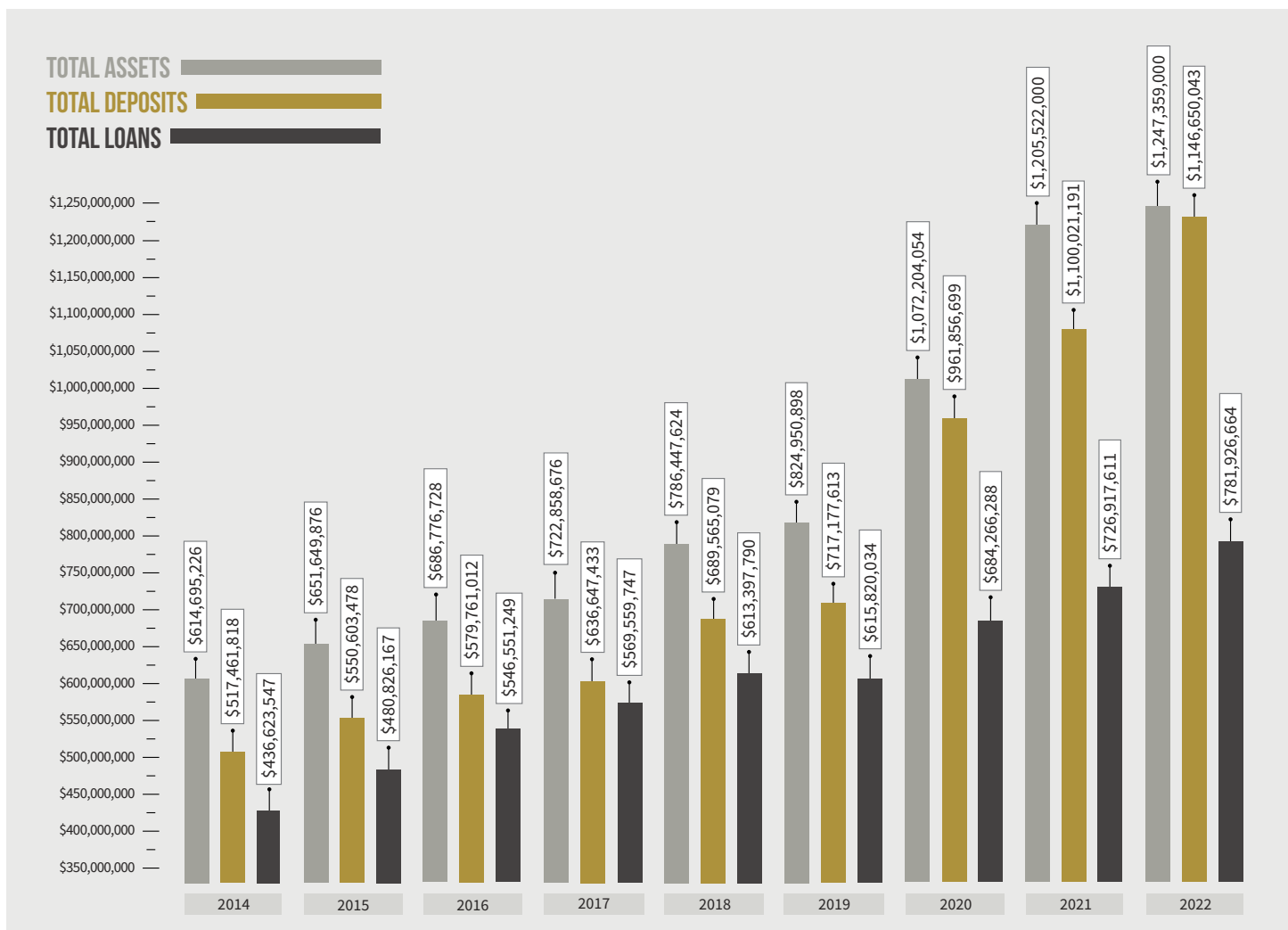


As mentioned in the forward to this report, we opened two new branches this year expanding further into eastern Jefferson County with our Trussville branch (pictured on the back cover), and further north into Madison County with our new Huntsville branch (pictured on the front cover). Growing our footprint in the Huntsville market not only allows us to better serve our existing clients in that area, but it allows us to service new clients in and around the Madison and Morgan County areas. Having a full-service banking location in Trussville allows the bank another opportunity to expand our presence in the Birmingham metro market and continue to grow our brand in the neighboring communities.

We are also investing in the Lacey's Spring and Locust Fork communities by rebuilding brand new facilities at both locations to better service the financial needs of the community. The new design (pictured above) combines traditional banking with the best in state of the art technology.

Peoples Bank of Alabama has been helping people and businesses with their financial well-being for over 45 years by offering the same capabilities as larger banks while remaining true to the small-town values it was founded upon. We focus on relationships and giving superior customer service because banking just like life is all about people.

FINANCIAL HIGHLIGHTS



TIER 1
LEVERAGE RATIO

9.18%

RETURN ON
AVERAGE ASSETS

1.69%

(RoAA)

PRIVATELY HELD



24% owned
by ESOP



COMMUNITY REPORT 2022

Peoples Bank of Alabama



peoplesbankal.com | 877.788.0288

