



Peoples Bank of Alabama

COMMUNITY REPORT 2023

We care about people.

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Guntersville Ribbon Cutting



Locust Fork Ribbon Cutting

FORWARD

Reflecting on 2023 brings to mind sentiments of pride and gratitude. Although the year began with uncertain economic conditions including three of the four largest bank failures in history, Peoples Bank of Alabama was proud to be included in the sixth annual ranking of the **Forbes 2023 America's Best Banks in Each State** list released mid-year*. We were both humbled and honored to receive the recognition.

As a community leader, the bank's focus for over 46 years is rooted in good old-fashioned community banking. We value relationships and to put it simply, we bank folks that we know in markets that we understand. The bank continues to succeed by being customer-focused, community-minded, and family-oriented as well as being committed to seeing our customers reach their financial goals and delivering above market returns for our investors.

At the end of 2023, we ranked the 11th largest bank headquartered in Alabama with total assets of \$1.27 Billion. We are uniquely positioned with all of the products and services our customers want and need, while out servicing our larger competitors.

In addition to our financial success, we also invested in the long-term growth of the bank with branch improvements and market expansion in both rural and suburban areas of our footprint. Our Lacey's Spring and Locust Fork locations underwent newly designed and constructed facilities that leverage traditional in-person banking with improved utilization of technology. We also purchased a building and finished development of a new main office in Guntersville consolidating the existing branch into the new facility.

Another milestone for the year involved expansion into Shelby County with the purchase of a retail branch in Pelham. With this purchase we consolidated our



former International Park branch in Hoover into a well-located and more traditional facility.

We continue to be well capitalized with our Tier 1 leverage ratio improving to over 10% by year end. We also maintain excellent liquidity, over \$165MM at year end, which is in excess of 13% of total assets. We have no foreclosed real estate or repossessed assets on our books; and we have a healthy loan loss reserve of \$14.5MM or 1.7% comparing favorably to our industry peers.

These results are the outcome of strategic planning that has been executed by the best group of community bankers in the state. We are all committed to working hard to serve our customers, our communities, and each other. This year's Community Report highlights a few ways our bank and our associates are impacting individuals, businesses, and our communities; and how the continued support of our shareholders truly makes a difference.

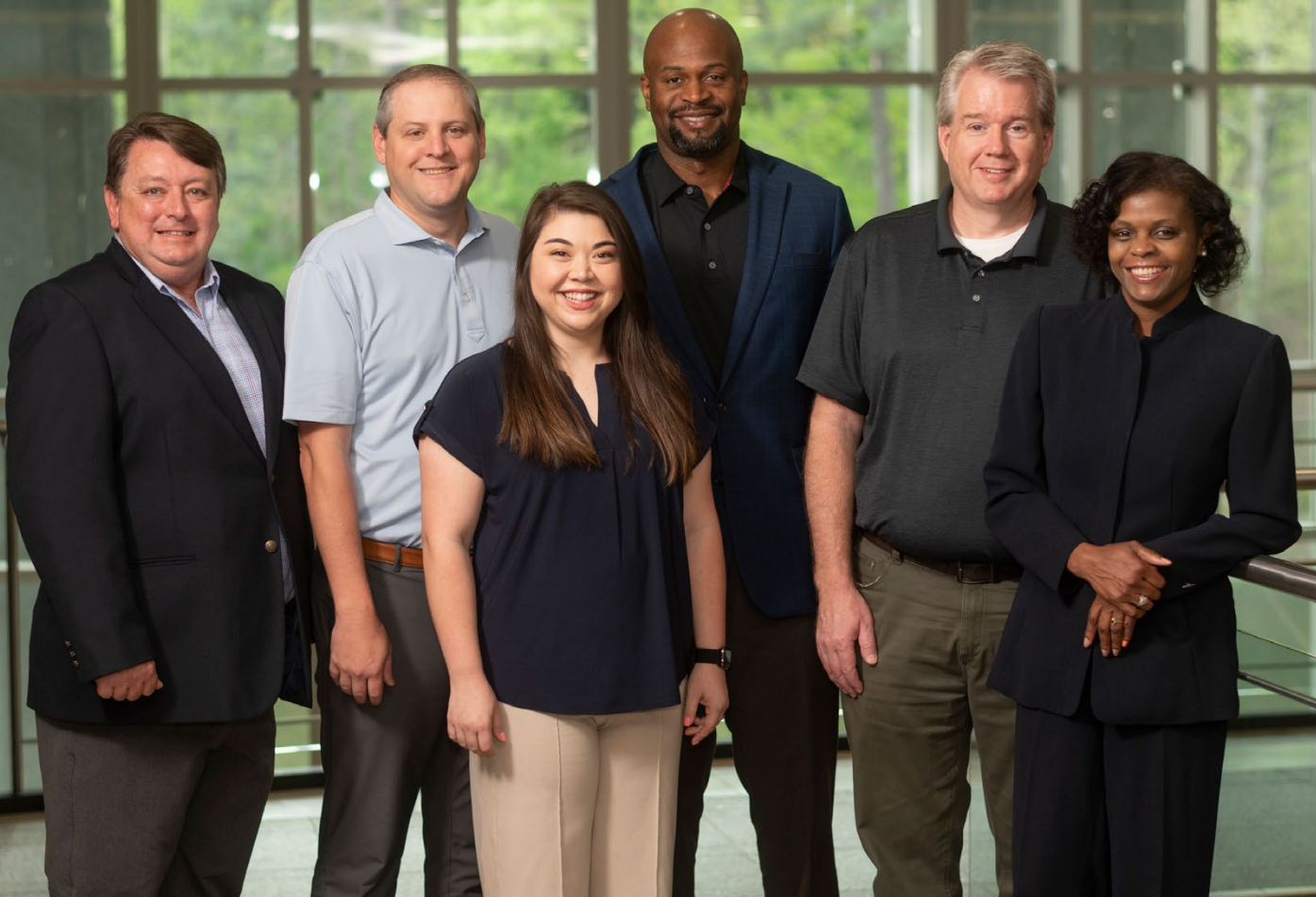
*By Chuck Herndon, President
& Tim Williams, Chief Executive Officer*

[\(VIEW THE FORBES LIST\)](#)

SUPPORTING LOCAL BUSINESS

DEVELOPING LASTING RELATIONSHIPS

Delivering Exceptional Service



I have no doubt that we will be using Peoples Bank of Alabama in the future.

— Josh Fallin

General Manager,
Blount County Tractor & Equipment



BLOUNT COUNTY TRACTOR & EQUIPMENT

Blount County Tractor & Equipment (BCTE) is Oneonta's premier Kubota dealership. Offering sales, parts, and service, their goal is to provide the best experience when it comes to turf and agricultural equipment. Owners Keith Fallin and Roger Graves hired General Manager Josh Fallin to oversee "The Tractor Place" as it is often referred to locally, leaning on his 19 years of experience in the industry.

Farm operations is vital to the local agricultural community. When parts or service are needed, there is no backup plan. The crops must be tended to and livestock must be fed regardless of what else is happening in the world. BCTE does everything they can to meet the demand even if it means loaning out their own personal tractors or helping to unload hay for customers while their tractors are being serviced.

Peoples Bank of Alabama's Relationship Manager, Chris Latta, has developed a strong working relationship with Keith, Roger and Josh and they

often partner in the community on projects and sponsorships. BCTE and Peoples Bank of Alabama share the same desire to serve the community by developing lasting relationships and delivering exceptional service. Josh says, "We want to serve our community in the best way possible for years to come. We are looking at the long game here and already have expansion plans in place. I have no doubt that we will be using Peoples Bank of Alabama in the future for lending as well as adding ACH to our online banking services. The integration that Peoples Bank Online Banking offers with our accounting system is a lifesaver. It significantly cuts down the amount of time our bookkeeper spends each day reconciling transactions."

We love partnering with small businesses like BCTE who share our values and desire to make our communities better. Peoples Bank of Alabama has been helping local businesses grow for over 45 years.

DAYSTAR CHURCH

“Whenever we have required funding for a new project, PBAL has been there ready, willing, and able to assist.”

— Jason Zinsmeister,
Executive Director, Daystar Church

Daystar Church, led by Pastor Jerry Lawson, is marked by a commitment to reaching out to the community, inviting people into a life-changing relationship with Jesus Christ, and providing a supportive and nurturing environment for spiritual growth. The church’s adoption of innovative growth strategies has played a critical role in transforming Daystar into a vibrant and thriving church community in Cullman, Alabama.

Over just a few short years, the church grew from 60 members to over 650, and now averages around 2700 attendees every weekend. This growth is attributed to a combination of strategic planning, community outreach, and an emphasis on personal invitations and engagement with the church’s programs and services.

The church has been rapidly growing almost from the very beginning. The need for more space has

been an ongoing issue as their Cullman, Hartselle, and Madison campuses grow. Their longstanding relationship with Peoples Bank of Alabama (PBAL) goes back nearly 18 years. “The bank has been with us through times of prosperity,” said Executive Director, Jason Zinsmeister, “and times of struggle, and they have always been willing to do whatever it takes to help us maintain our relationship through various loan modifications, rate swaps, and other creative methods. Whenever we have required funding for a new project, PBAL has been there ready, willing, and able to assist.”

Peoples Bank of Alabama is active in the community because we are part of the community. This is where we live, work, and worship. We care about people, and it is a privilege to support local businesses and churches just like Daystar.



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

GIVING BACK

INTRODUCTION

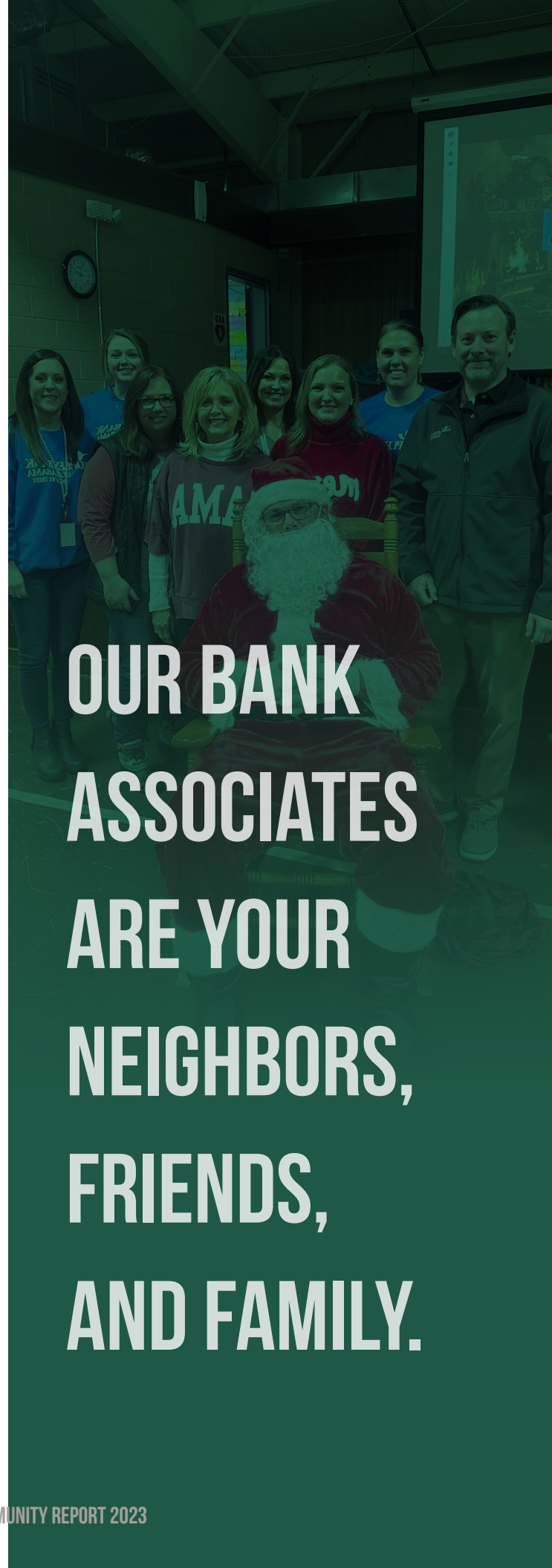
**DEBRA GOBLE,
COMPLIANCE OFFICER**



Giving back has always been important to our Peoples Bank of Alabama family. By investing our time, attention, and financial resources, we believe we can inspire hope and create lasting change. We support initiatives that enhance educational

opportunities in our communities, invest in economic development through our local chambers of commerce, and teach financial literacy through our “What a Difference a Day Makes” program. In 2023, our employees participated in over 80 community service events throughout the neighborhoods we serve.

We are passionate about investing our time and resources where we live and raise our families. Serving our community is more than a commitment—it's our culture.



**OUR BANK
ASSOCIATES
ARE YOUR
NEIGHBORS,
FRIENDS,
AND FAMILY.**

VOLUNTEER EFFORTS



Centre Branch hosted a hygiene product supply drive to help Cherokee County Schools and daycare children who have an immediate need for these items.



Cherokee County branches had a Thanksgiving Food Drive. Non-perishable items were donated to Wills Creek Food Pantry.



Decatur staff collected personal hygiene supplies for Neighborhood Christian Centers.



Gilliam Springs Baptist Church hosted Peoples Bank of Alabama staff who held a Fighting Fraud Seminar. Participants learned how to help identify varying types of fraud and how to prevent it from happening.



CHRISTMAS SHOE GIVEAWAY

Every year, the highlight at Christmas is giving new shoes to every student who attends the Cullman County Child Development Center. This tradition is close to the heart of our staff in Cullman County and has been for many, many years.



VOLUNTEER EFFORTS

Some of our Marshall County staff in Arab visited Tesa food bank and thrift store to stock and organize shelves of non-perishable items as part of United Way's Day of Caring project. They also bagged food for customers to pick up, and organized and hung clothing items in the thrift store.



Bank staff paid the Warrior Senior Center a visit to lead a Fraud Prevention seminar.



Peoples Bank of Alabama hosted a Smart Credit Seminar at the Birmingham Public Library where participants heard important tips on credit reports and scores from bank staff.



Bank volunteers spoke to 450 senior adults from Cullman, Lawrence, and Morgan counties at the North Central Alabama Regional Council of Governments (NARCOG) Annual Older Americans monthly event and distributed information on how to prevent scams and elder fraud.



Morgan County staff collected money throughout the year for Hospice of the Valley.



Bank staff delivered school supplies to aid the Blount County Education Foundation in filling 2023-2024 backpacks for students in nine Blount County Schools' summer programs.

PURCHASE WITH A PURPOSE

During the month of November, in partnership with Discover®, we were pleased to deliver donation checks to local non-profit organizations in each of our markets as part of our Purchase with a Purpose campaign. For every purchase made with a Peoples Bank of Alabama Discover® debit card, \$1 was donated up to \$2,500 per organization.



NEIGHBORHOOD BRIDGES



FAMILY CARE CENTER



CULLMAN CARING FOR KIDS



THE HOPE HOUSE



HEALS



FACES OF MORGAN COUNTY



SERVING YOU MINISTRIES



SAFE HOUSE

WHAT A DIFFERENCE A DAY MAKES



Blountsville Elementary School's Explorer Summer program – 175 K-5 students heard a lesson on “Wants and

Needs” and learned about saving, safe-keeping your cash, and learning to wait for a deal.

The bank visited Austinville Elementary and Chapman Elementary Schools to share with 2nd graders about the importance of saving money.



Bank staff attended Community Action Arab's Head Start parent meeting to present spending and saving plan material.



Blountsville Elementary School 2nd graders were taught on saving money.



George W. Floyd Elementary 3rd graders learned how to save money and be financially responsible.



The bank was represented at Warrior Elementary School's Career Fair speaking to 5th graders about careers in banking.



Better Basics, an organization that works to eradicate illiteracy among children in Central Alabama sponsored and coordinated an event at Sun Valley Elementary

School in Jefferson County. Peoples Bank of Alabama staff attended to help give hands-on instruction to the students.



Cedar Bluff School 2nd and 3rd graders received instruction on the importance of saving money.



Tools of the Trade at Wallace State Community College offers 8th graders the ability to understand various job opportunities in fields like nursing, welding, insurance, banking, etc.



Corner High School seniors heard from Peoples Bank staff on financial management as part of their senior seminar program which helps prepare them for life after high school.



Peoples Bank of Alabama staff joined the Alabama 4H Extension System's "Your Money, Your Life" program at Priceville Junior High School. 7th graders practiced budgeting with real world scenarios.



Brewer High School JAG (Jobs for America's Graduates) program invited Peoples Bank staff to share with students about banking terminology, practices, and budgeting tools.



Brewer High School "Life Skills" event was attended by bank staff. Students were taught banking basics with the help of FDIC's Money Smart curriculum.



Cullman Economic Development Agency led a "Keeping it Real" program of freshmen at Cold Springs High School. Students learn the foundation of budgeting and how to apply each student's mock budget using their mock career, family and bills.

COMMUNITY IMPACT



ProBilling & Funding Service (PBFS), a division of PeoplesBank of Alabama, has been helping customers with cash flow challenges and accounts receivable servicing for over a decade. When a business is growing at a rapid rate, cash flow shortages, lack of man power, space, and even time constraints can often result in growth limitations. ProBilling & Funding Service can step in to help alleviate some of those challenges.

SET Logistics, for example, opened their doors in 2017 with ten staff members. Their business began in Oneonta with a focus in freight transportation. In April of 2017, PBFS began funding their receivables providing instant cash flow so they could increase their business without the normal restriction of waiting on a customer to pay them. Instead of SET holding the receivable on their books, PBFS has the receivable on theirs. This allows SET to pay the carriers that haul the load on a timely basis insuring that the carrier will look to do more business with them in the future. PBFS also handles the administrative functions involved with the receivables by overseeing payment posting on the invoices, answering billing questions, collecting payments, etc.

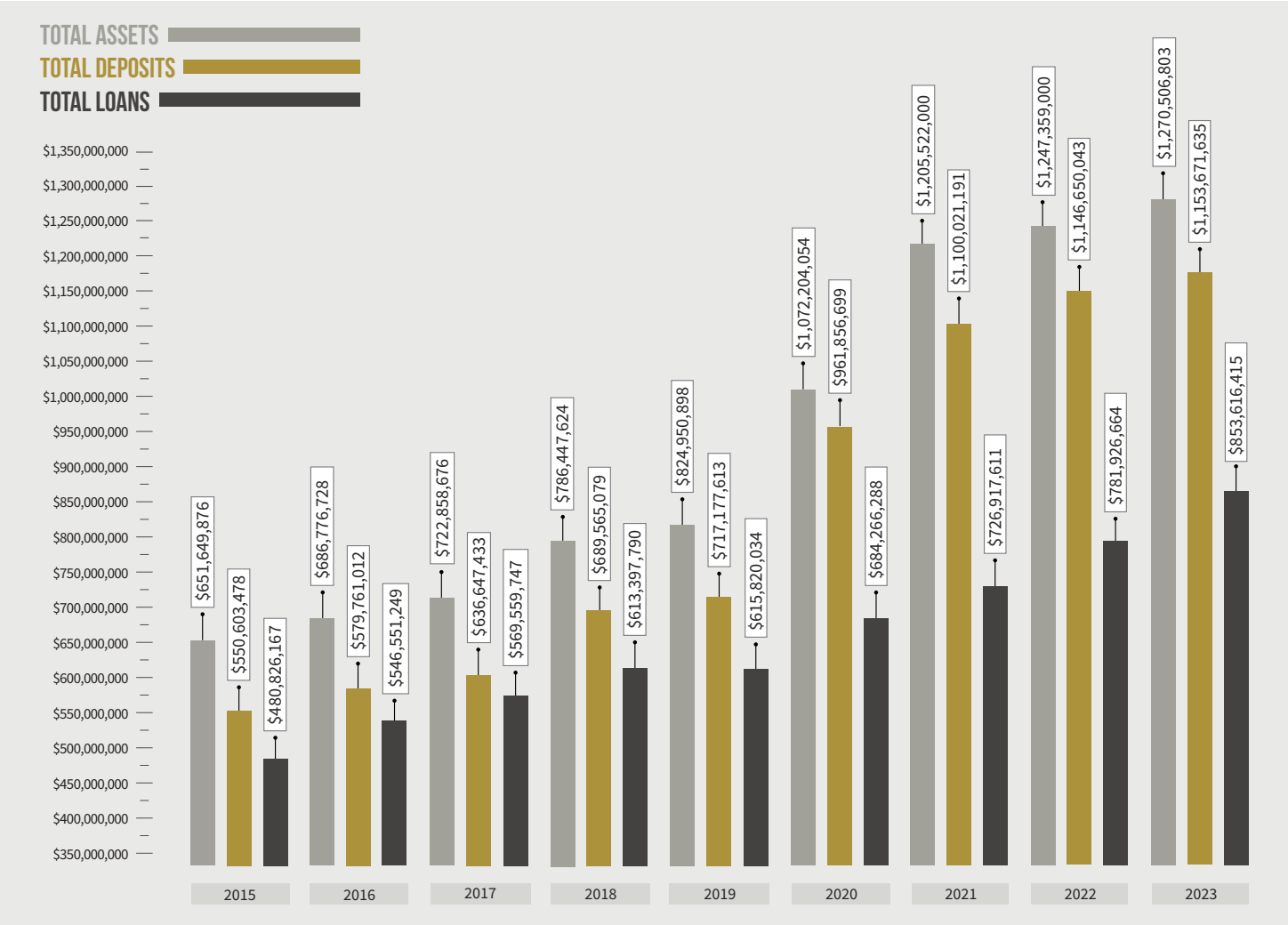
In five years, SET Logistics has grown exponentially.

They have been listed on Inc. 5000's fastest growing companies the last four years! They have grown from ten employees to seventy-eight full time team members today. They have also expanded from one location in Oneonta to three additional locations in Birmingham, Mobile and Charlotte, North Carolina. SET continues to increase their business with active recruitment of new accounts and is now ProBilling & Funding's largest single point client.

Growth always impacts community. With their growing number of staff members, SET is providing job opportunities and positively affecting the economy. Their team members give of their time and resources to many different school systems by sponsoring teacher and student activities. SET also partners with The Exceptional Foundation, a 501(c)(3) nonprofit organization that serves individuals with special needs in the Greater Birmingham area by targeting social and recreational objectives not met by educational institutions or the community at large.

We believe that when we help local businesses grow the benefits affect the entire community. We are grateful for every opportunity to make a positive impact.

FINANCIAL HIGHLIGHTS



TIER 1
LEVERAGE RATIO

10.46%

RETURN ON
AVERAGE ASSETS

2.05%

(RoAA)

PRIVATELY HELD



24% owned
by ESOP



COMMUNITY REPORT 2023

Peoples Bank of Alabama



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