



2024 Community Report

We care about people.

peoplesbankal.com





Contents

03. Forward

04. Supporting Local Business

08. Giving Back

14. Employee Investment

15. Financial Highlights



Pelham Grand Opening

Forward



At Peoples Bank of Alabama, we operate under a strategic plan that focuses on each of our stakeholder groups: our customers, our communities, our associates and our shareholders. This plan is based on an unwavering commitment to relationship banking. We believe we are uniquely positioned with the products and services that our customers need and an ability to deliver these under a community banking model where we empower our associates to deliver the bank to our customers. Our individual actions are guided by our corporate values—exceeding expectations and being honest, responsible, and positive.

Our associates are a fundamental strength of the organization. At Peoples Bank, we do not view our associates as just employees; they comprise one of the largest shareholders of the bank through the Employee Stock Ownership Plan (ESOP). We believe this is a key differentiator between our bank and our competitors. As an owner, we each

have a vested interest in the long-term success of the bank, our customers, and our communities, and during 2024 our associates logged over 400 hours of community service with a focus on financial literacy.

Over the past year, we also continued our geographic expansion through the acquisition, redevelopment, and grand opening of our newest branch location at 2267 Pelham Parkway in northern Shelby County. While it is our desire to introduce new markets and customers to the bank, we remain focused on generating organic growth, and during 2024 we were able to increase total assets by 6.4% to \$1.35 Billion. We continue to be one of the largest Alabama-based banks, but even more importantly we are proud to say that we serve almost 55,000 consumer and business accounts across our markets and have invested an estimated \$250k in financial support to making our communities better.

Financially, we continue to perform well. During 2024, we generated over \$24.5 Million in net income; we were also able to grow total loans by 2.5% to \$875 Million and total deposits by 5.8% to \$1.22 Billion. At year end, our loan-to-deposit ratio was 72%, and while losses have remained minimal, our loan loss reserve to total loan ratio was 1.75%, as compared to our peer average of 1.27%. We have also continued to strengthen our balance sheet with our Tier I leverage ratio further improving to 10.73%; year-end liquidity also exceeded \$215 Million or 16% of total assets.

These great results would not be possible if it were not for the efforts of our associates and the continued support of our shareholders. We are grateful for each of you and are excited to share this year's Community Report highlighting some of our efforts toward making life better across the markets we serve!

Tim Williams, *Chief Executive Officer*

Chuck Herndon, *President*

Supporting Local Business



Lawn Doctor

In 2007, Star Womack purchased the Lawn Doctor franchise in Decatur, Alabama with its 300 customers. The first five years, Star was with a larger bank and he experienced limited personalized support. He shares, “This type service left my small business without valuable guidance tailored to my unique needs.”

Today, they have over 4,800 customers spanning the Decatur, Athens, and Huntsville areas due, in part, to the working relationship they have developed with Peoples Bank of Alabama.

Darris Frost, the bank’s Market President over the Tennessee Valley Region, is a neighbor to Star and told him in the early days of frustration with his bank to call Relationship Manager, Brent Breedlove. “Since 2012, I have been able to grow my business from \$300,000 in annual revenues to over \$3 million,” said Star. “With Peoples Bank of Alabama, I always enjoy quick response times and I know that no matter what time of day I contact them, Brent and his assistant, Stephanie Edwards, always promptly respond back and assist me and my company in every way.”

“My business is important to me,” Star writes, “because it helps homeowners and businesses enjoy more attractive and valuable properties. I have plans to expand into new territory in the coming years and I am confident that Brent and Stephanie will continue to be responsive, agile, and attentive to the support my business will need in the future.”

Bigger banks don’t know you like we do, and smaller banks can’t serve you like we do. Peoples Bank of



Alabama prides itself on making quick decisions and delivering fast turnaround times to help busy people take care of their businesses. We are grateful for businesses like Lawn Doctor, and business owners like Star Womack, for allowing us to take care of their growing business needs.

“With Peoples Bank of Alabama, I always enjoy quick response times and I know that no matter what time of day I contact them... (they) always promptly respond back and assist me and my company in every way.”



“Having a local bank like Peoples, often gives us the advantage of receiving more tailored services.”

AR Recycling LLC

Peoples Bank of Alabama has supported the mission of AR Recycling LLC for many years. Business owner, Sunny Vasudeva writes, “Balancing growth, quality, and cash flow is a tough challenge, especially in a mission-driven business like ours. Scaling up while maintaining high standards and keeping finances stable through both strong and challenging times requires a financial partner that understands your vision.”

“Our business has been fortunate to receive the support of Peoples Bank from the very beginning,” Sunny shared, “which has helped us scale our impact on plastic recycling. Their support has enabled us to invest in growth and continue delivering high-quality recycling solutions as our business grows.”

AR Recycling prevents plastic waste from ending up in landfills, oceans, and natural habitats. They help reduce the need for virgin plastic, which is made from fossil fuels like oil and gas. They collect, process, and repurpose plastic waste to create reusable raw materials or new products. Obtaining plastic and paper recyclables from households, businesses, and industries, they then sort them by type and quality and then have them shredded and ground into smaller pieces to be shipped to

compounders and processors who often convert them into pellets or flakes for manufacturing. AR Recycling contributes to a cleaner planet, a stronger economy, and a more sustainable future.

According to Sunny, “Having a local bank like Peoples, often gives us the advantage of receiving more tailored services. Understanding my business’s unique needs and offering flexible solutions that larger banks often tend to ignore are just a few of those advantages. Over time, I have built a strong relationship with Peoples Bank of Alabama and that has led to continued growth for my business.”

“Jill Smith, Taylor Snow and Trey Williams are three individuals that I want to personally thank for their continued support and for believing in my business from the start,” Sunny shares. “Your guidance and trust have been invaluable in helping me grow and navigate through the ups and downs of my business. I truly appreciate the strong relationship we’ve built, and I’m grateful for the role you’ve played in my success. I look forward to continuing our partnership and working together to make a positive impact on our community.”

Giving Back

Peoples Bank of Alabama is dedicated to giving back to our communities. We are driven to make a positive impact in the communities where we live, work and play. It is natural to be inspired by causes we truly care about because making a difference in the world around us is our passion.

Serving our community is more than a commitment—it's our culture.

We are a community bank that actively seeks opportunities to engage with local residents through financial education programs, community events, volunteer initiatives and neighborhood gatherings. This involvement not only supports the community's financial well-being, it also strengthens relationships. In 2024, through our "What a Difference a Day Makes" program, our employees volunteered at over 160 community activities across 50 organizations.

DEBRA GOBLE
Compliance Officer



PEOPLES BANK SUPPORTS UNITED WAY OF CULLMAN COUNTY'S STUFF THE BUS DRIVE BY RECEIVING SCHOOL SUPPLY DONATIONS FOR STUDENTS IN NEED.



Brent Breedlove and Stephanie Edwards speak to Community Action Partnership of North Alabama about Elder Abuse.



Jeff Purnell volunteered at Trussville High School to talk to students about SMART goals and career paths.



Malinda Hall visited Eva School to read to the students for "Read Across America" during Dr. Seuss week!



Scott McDonald attended and spoke at the Decatur Chamber of Commerce Poverty Simulation which gives participants a glimpse into the world of poverty and the struggles many local residents face.



The bank donated to HudsonAlpha Institute for Biotechnology who's research and teaching mission is focused on genomics and genetics for truly individualized medicine, developing new and sustainable energy sources, and understanding the normal function of cells and organisms.



The bank provides lunch to Hanceville Middle School staff and the Cullman Tech School for Teacher Appreciation week. Carla, Brian, and Brittany visited Arab High School to serve the staff coffee and donuts to wish them a great school year!



Our Gadsden Branch collected snacks for Willow Creek Pantry's summer school reading program at George Floyd Elementary School.



Some of our Albertville staff donate to area non-profit organizations.



A donation was presented to Lacey's Spring school's summer reading and math program.

What a Difference a Day Makes



Amy Kennedy and Rebekah Cobb attended the Career Fair hosted by Warrior Elementary School for 5th grade students of Warrior and Bryant Elementary. The students had a scavenger hunt that involved visiting various business tables to learn what role the business plays in the community and what career options are offered.



Bank representatives, Alana, Corey, Lisa, and Rebekah visited Brewer High School's JAG class (Jobs for America's Graduates) to take part in the Steps to Success program. They shared lessons on loans, credit reporting, ways to manage debt and much more.



Bank staff visited Danville-Neel Elementary School to teach on needs versus wants.



Brewer High School received a visit from Peoples Bank staff during their Career Fair and Life Skills Day.



A team of volunteers visited Hayden Primary School to share a lesson with the 1st graders on needs versus wants. Students heard a story, answered questions, did an activity and received a gift from the bank!



Debra Goble and Pam Calvert were invited to participate in the J B Pennington High School Career Fair. They met with four groups of students to talk about careers in banking.



Tammi Roberts, Shelia Dudley, and Patsy Thomas represented the bank at the NARCOG Annual Luau. The event attracted over 600 senior adults from North Alabama. Bank representatives handed our fraud prevention materials and shared many giveaways and a door prize.



Many bank representatives contributed to the Blountsville Elementary Summer Camp program. From preparing treat bags to teaching lessons to engaging with the kids, many volunteers helped to make this school event possible.



Debra Goble, Jessica Phillips, and Alana Bridges attended a "They Be Scammin'" event hosted by Cusimano, Roberts, Mills & Knowlton, LLC at Gadsden Public Library. Debra spoke about common types of fraud, how to spot scams, and what to do to recover.



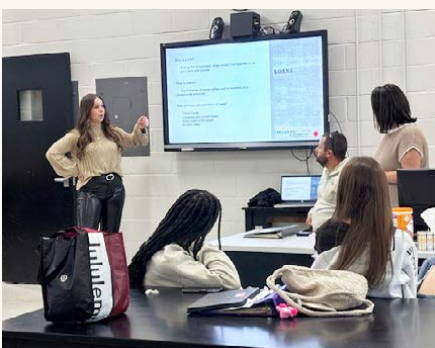
Bank representatives attended Liberty Learning Foundation's kickoff event as a sponsor at Arab Elementary School and Corley Elementary School in Boaz.



Staff across the bank participate in United Way's Day of Caring by either collecting items for food pantries, or volunteering to help specific non-profit organizations like Second Chance Thrift Store, the Cullman County Center for the Developmentally Disabled, Inc., or a myriad of others.



The bank attended several "Keeping it Real" events again this year at Cold Springs School, Good Hope High, and Vinemont High School. Students are challenged to use a mock career, family, bills and budget to learn the basics of finances.



Some of our Gadsden staff visited Wellborn High School 7-12th graders for a financial literacy day.

We are active in the community because we are part of the community.

Purchase With a Purpose

The bank was excited to participate again this year, in partnership with Discover®, in our Purchase with a Purpose campaign. For every purchase made with a Peoples Bank of Alabama Discover® debit card, \$1 was donated to non-profit organizations in each of our markets. Discover® partnered with the bank in giving away over \$25,000.



FAMILY CARE CENTER



SERVING YOU MINISTRIES



NEIGHBORHOOD BRIDGES



JAMES M. BARRIE CENTER



HEALS, INC.



FACES



HOPE HOUSE



CUMAN CARING FOR KIDS

Christmas Shoe Giveaway

The Cullman County Child Development Center Christmas shoe giveaway is a volunteer event sponsored by the bank that always brings smiles to the children of our community and those of our staff who are able to attend. This year was no different as dozens of students received their new pair of tennis shoes and enjoyed snacks with their classmates.



Employee Investment



Here at Peoples Bank of Alabama we embrace the motto “We Care About People.” While many see a company motto like this through the lens of caring about customers, it’s just as important if not more important to apply the slogan to our staff. One way we show intentionality towards living out our motto is through the Branch Manager Summit.

This annual event allows our Branch Managers the opportunity to learn, laugh and grow together. The event is hosted by Branch Administration but provides an opportunity for departments across the bank to interact directly with our manager team. This day serves several purposes but all with the goal of equipping our Branch Managers to better serve their teams and our customers.

Our 2024 Branch Manager Summit kicked off with a word from our Bank President, Chuck Herndon. He thanked every team member for an outstanding job in growing the bank during 2023, and outlined the key priorities for 2024. He also recognized many of our managers who graduated from the Bank’s Consumer Credit and Lending Academy. This intensive training program is designed to help managers build knowledge, skills and capabilities for meaningful conversations with customers about consumer lending; as well as guide them through the process from application, to underwriting, to loan closing. This investment in our manager

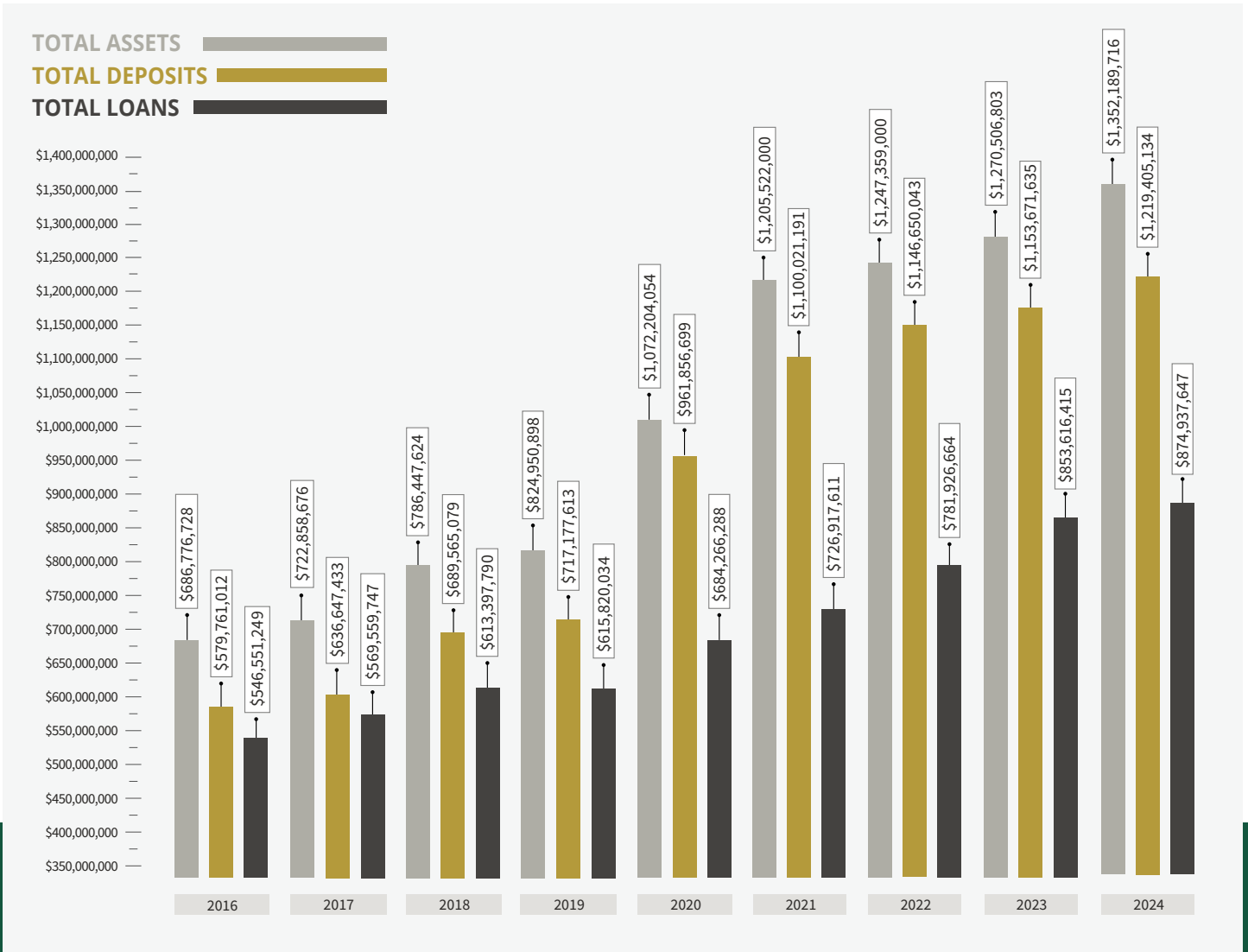
team has already paid dividends to customers by increasing access to lending options, and to shareholders by increasing our loan portfolio.

A key challenge over the last few years has been combating fraud against our customers and the bank. During the 2024 Summit, Branch Managers were made aware of the most common current fraud schemes and the best prevention methods available for overcoming this ever-present issue. Our CFO, David Patterson, shared financial highlights as well as employee benefit updates. The team also heard from our Commercial Services and Mortgage Lending teams who shared helpful information on referral opportunities to assist both business and consumer customers. Finally, after a few fun team-building activities during lunch, the Branch Administration team wrapped up the day covering several topics specific to branch operations.

We are committed to living out our core values every day. If we really do care about people, then we need to remember that each interaction we have throughout the day is with a person. That person may be a co-worker, a customer, a non-customer, or a guest in our workplace; either way, every interaction is an opportunity to show them how much we care.

Financial Highlights

PEOPLES BANK OF ALABAMA: 2024 FINANCIAL INFORMATION



Tier 1
Leverage Ratio

10.73%

Return on
Average Assets

1.86%

(RoAA)

Privately Held



24% owned
by ESOP



2024
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Report



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