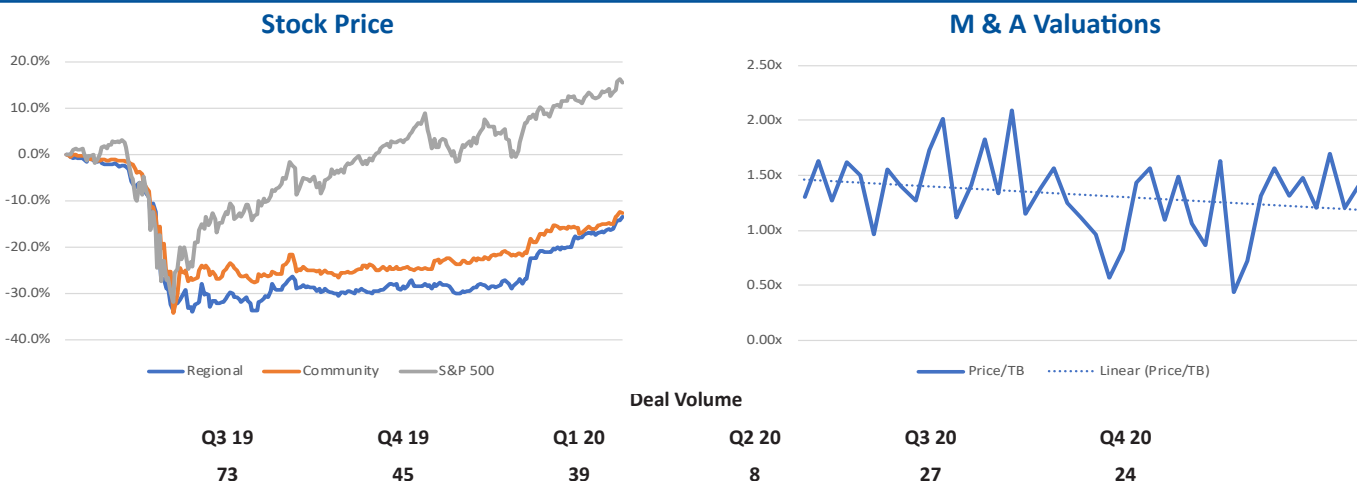


## Nationwide Community Bank Stock Valuation & Deal Activity Last 12 Months



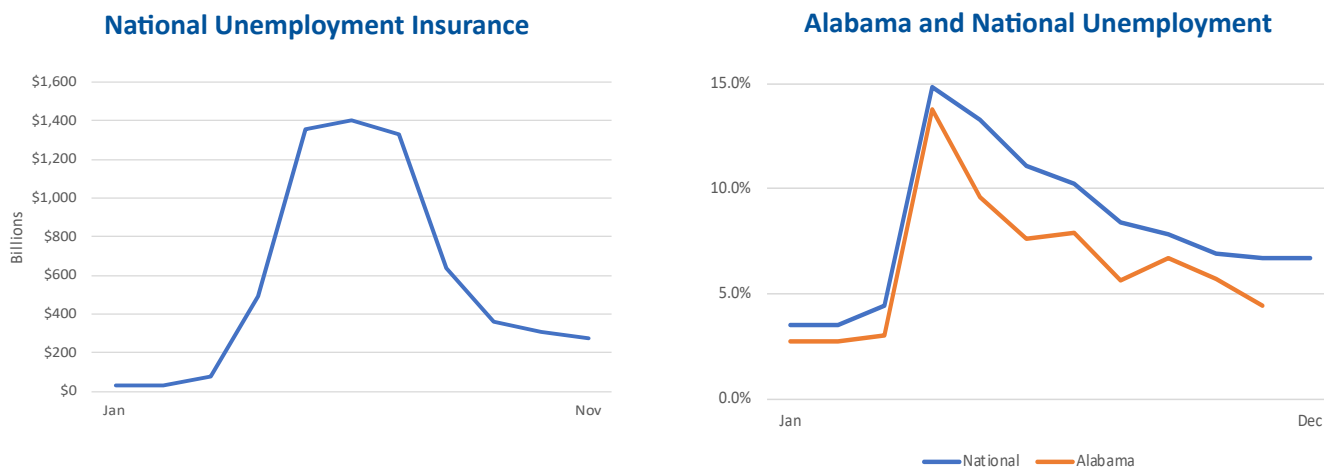
Initial stock price falloff from COVID credit risk and rate deduction, recent improvements from vaccine, probable increased stimulus spending and underlying rate increase. M & A valuations and volume negatively impacted by COVID credit risk and reduced rates.

Note: Community banks are defined as having less than \$10B in assets, regional banks less than \$250B in assets.

### ALABAMA COMMUNITY BANK INDUSTRY NEWS

- **PPP:** \$248B in new PPP funding is available to first draw Community Banks on Jan 11 with the second draw on Jan 13.
- **Senate Banking Committee:** Sherrod Brown, D-Ohio and harsh industry critic will likely chair the Committee.
- **Branch Closures:** FDIC study reflects 92% of closures are in urban areas, only 8% in standalone rural locations.
- **FDIC Community Bank Study:** The 2020 study was released in December. PW&Co will issue a summary in February. <https://www.fdic.gov/resources/community-banking/cbi-study.html>.
- **2021 M & A:** Analysts anticipate strong M & A activity in the second half of 2021 and full year 2022 with focus on Merger of Equals as banks build scale to enhance value. See more on our MOE discussion in Alabama. <https://pwco.com/covid-capital-scale-opportunity-a-case-for-community-bank-mergers/>.
- **Stock Buybacks:** Q4 buyback activity was highest in 12 months.
- **WalMart:** WalMart announced a new Fin Tech partnership and appetite for ongoing financial acquisitions to supplement its Woodforest Financial branch presence currently in 700 WalMart locations.
- **December Alabama M & A:** None, however FNB was acquired by Bancorp South on Jan 14th at 1.40x book.

### Q4 ALABAMA ECONOMIC PERFORMANCE



Sources: S&P Global Market Intelligence, FRED, & FDIC.