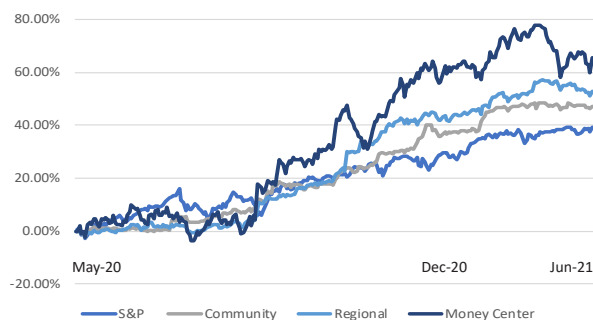
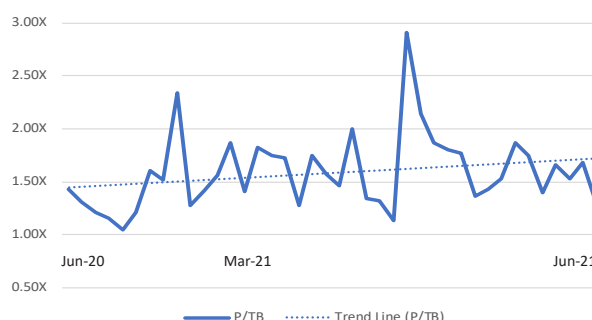


## Nationwide Community Bank Stock Valuation and M&A Deal Activity

### Publicly Traded Stock Prices



### M&A Valuations



Note: Community banks are defined as having less than \$10B in assets, Regional banks less than \$250B in assets, Money Center greater than \$250B in assets.

### M&A Volume

Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
73	45	39	11	29	22	33	49

Deal Price rebound related to recent publicly traded stock price improvement brought about by stimulus, vaccine, and rate increases. Bank stock price fell in June due to flattening of yield curve and weak employment data. That said, all bank asset classes generated YoY return than the S&P return of 38%.

## Alabama Community Bank Industry News

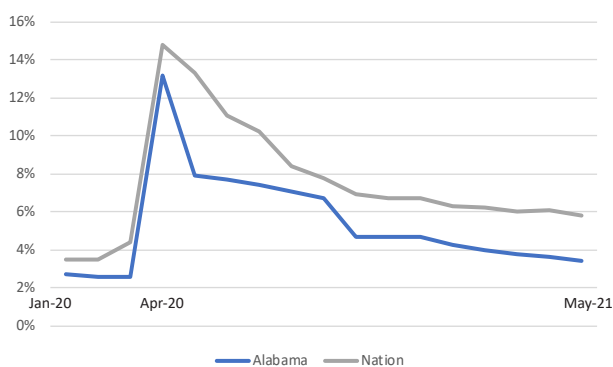
- **Negative Regulatory News:** (1) Biden Executive Order emphasizing increased scrutiny of Bank Mergers, (2) potential requirement for banks to report all cash deposits greater \$600 to the IRS, (3) potential requirement for publicly traded banks to report carbon footprint of all loans.
- **Positive Regulatory News:** Potential legislation currently in the House would allow banks to pay no tax on interest income from Ag related Real Estate loans or home mortgages in communities under 2,500.
- **PPP Loan Sales:** A number of Community/Regional banks are selling PPP portfolios to enhance NIM through realization of fees and elimination of 1% yield carry.
- **June Alabama M & A:** None.

## Q2 Alabama Economic Performance

### Alabama Consumer Spending from January 2020 to June 13, 2021



### Alabama Unemployment from January 2020 to May 31, 2021



Alabama consumer spending through May 30 was up 27.8% since January 2020 vs 14.8% nationwide, while our unemployment rate is 2.4% below the national average.

Sources: S&P Global Market Intelligence, Opportunity Insights, IRS, Alabama Department of Revenue