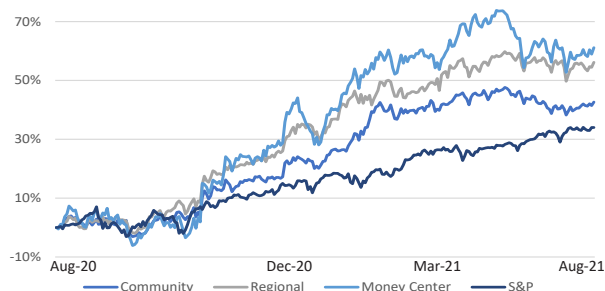
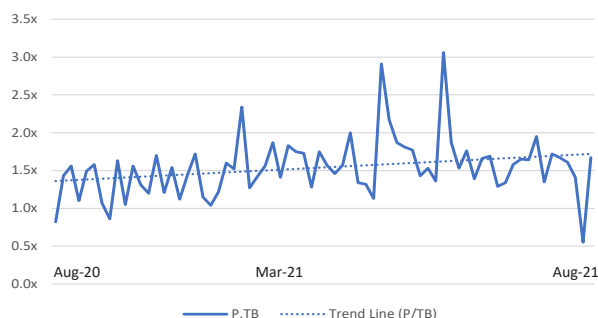


## Nationwide Community Bank Stock Valuation and M&A Deal Activity

### 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

| Q4 19 | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21 | Q2 21 | Q3 21 thru 8/3 |
|-------|-------|-------|-------|-------|-------|-------|----------------|
| 45    | 39    | 11    | 29    | 22    | 33    | 49    | 13             |

Deal Price rebound related to recent publicly traded stock price improvement brought about by stimulus, vaccine, and economic reopening. Bank stock price fell in June/July due to flattening of yield curve and Delta variant. That said, all bank asset classes generated YoY return more than the S&P return of 33%.

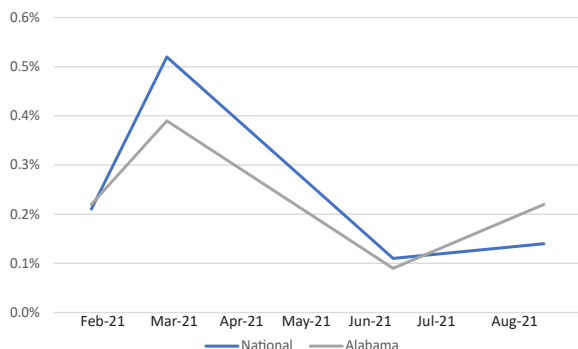
### Alabama Community Bank Industry News

- Q2 was another good quarter for Alabama banks. Q2 ROA of 0.99% was an 8 basis point improvement over Q1 due to stable NIM (3.40% in Q2 vs. 3.43% Q1) and improved Efficiency Ratio (65.3% Q2 vs 67.2% Q1), resulting in a 1.1% improvement in Q2 ROE (8.8% Q2 vs 7.7% Q1).
- Q2 had negative loan growth of -0.5% vs 5.1% growth in Q1. Deposits grew 15.0% Q2 vs 23.2% Q1 stimulating asset growth causing a fall in leverage to 9.9% Q2 vs 10.4% Q1. Loan/Deposit grew to 61.5% vs 57.6% Q1.
- Credit remains benign with NPA/Asset of 0.51% Q2 vs 0.48% Q1 with NCO of 0.05% in Q2 and Q1.
- Independent Community Bankers Association is urging Congress to re-look credit union acquisitions of banks and including a 10% exit fee equal to 10% of the acquired bank assets to the transaction price.
- July Alabama M & A: None, on Aug 4 Alabama CU purchased Security Federal S & L of Jasper for undisclosed price. On Aug 5, Nova Bank, applied for a state banking charter.

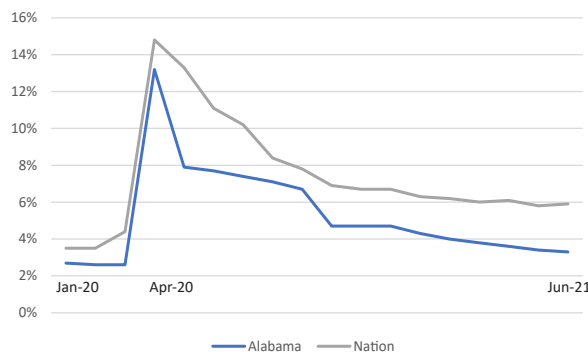
All financial information is Median for Alabama Banks <\$1 billion in assets.

### Q2/Q3 Alabama Economic Performance

#### Percentage of Population First Vaccine Received



#### Alabama Unemployment



44% of the nation has received its first COVID shot through August 5, vs 31% in Alabama, while our employment rate is 2.6% below the national average.

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