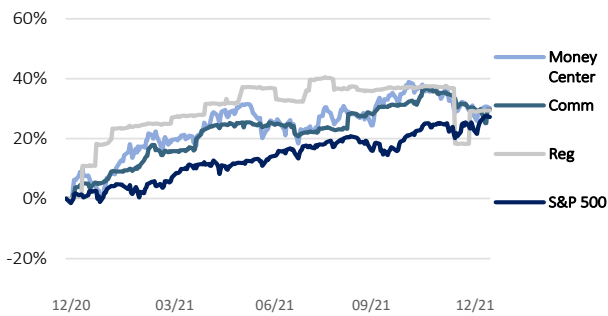


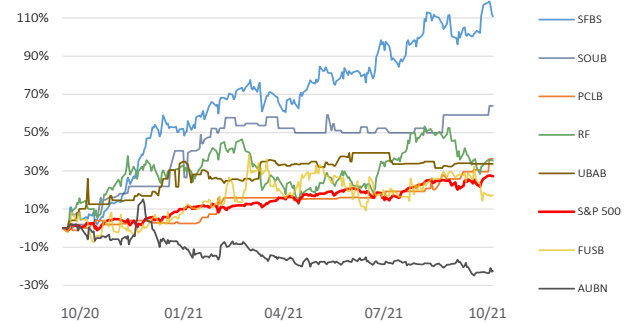
Community Bank Stock Valuation and Deal Activity

Publicly Traded Stock Prices (U.S.)



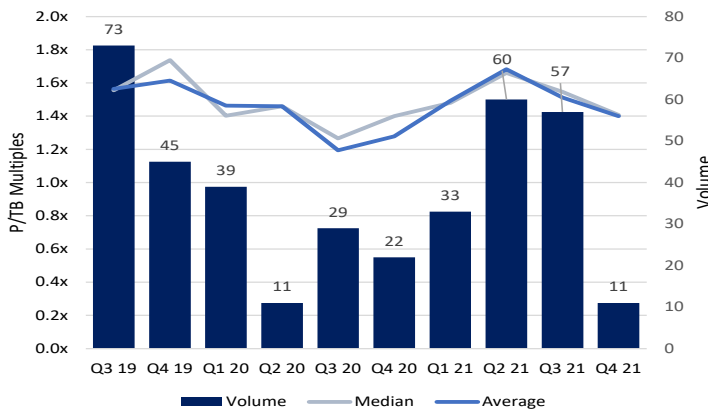
Note: Community Banks (Comm) defined as assets <\$10B, Regional banks (Reg) defined as assets \$10B-\$250B, Money Center (MC) defined as assets >\$250B.

Publicly Traded Stock Prices (AL)



Note: Three AL banks not included due to limited trading activity (Tickers: RVRF, SCBS, SRNN)

M&A Activity



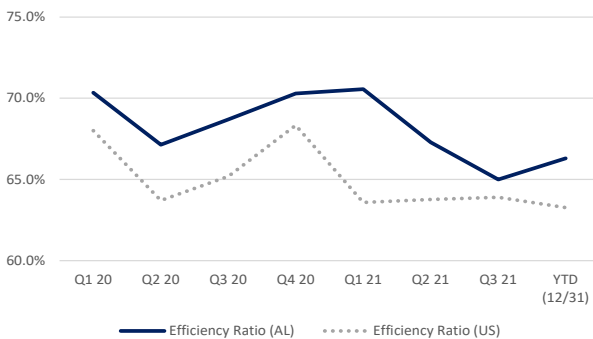
Bank M&A activity in 2021 surpassed 2019 and 2020 levels, as full-year volume reached its highest levels since 2007 despite a sluggish fourth quarter. Median deal value-to-tangible book for 2021 was 1.5x.

Community, regional, and money center banks outperformed the S&P 500 over the last twelve months. Alabama bank stocks, including ServisFirst, SouthPoint, Pinnacle, Regions, United Bank, River Bank & Trust, and First Community Bank of Cullman outperformed the market over the same period.

Alabama Community Bank Industry News

- SouthPoint Bank completed its merger with Merchants Bank of Alabama, with SouthPoint as the surviving entity. The combined entity will have over \$1 billion in total assets, \$900 million in deposits and 10 branches across the state.
- Probability estimates suggest two Fed rate hikes in 2022 and four in 2023, signaling a 75 to 150 bps hike by year end 2022 (0.25% currently). Analysts are expecting a strong year for bank stock due to rate hikes and community banks can expect bolstered NII.

Average Efficiency Ratio



Average efficiency ratio for US banks is approximately 63%, compared to Alabama banks' 66% as of 12/31/2021. Average Alabama bank loan and deposit growth was 2% and 14% over the same period, compared to US averages of 4.3% and 15% respectively.

Note: Data collected 01/05/2022

Sources: S&P Global Market Intelligence, Alabama Dept of Revenue

Average Loan & Deposit Growth

