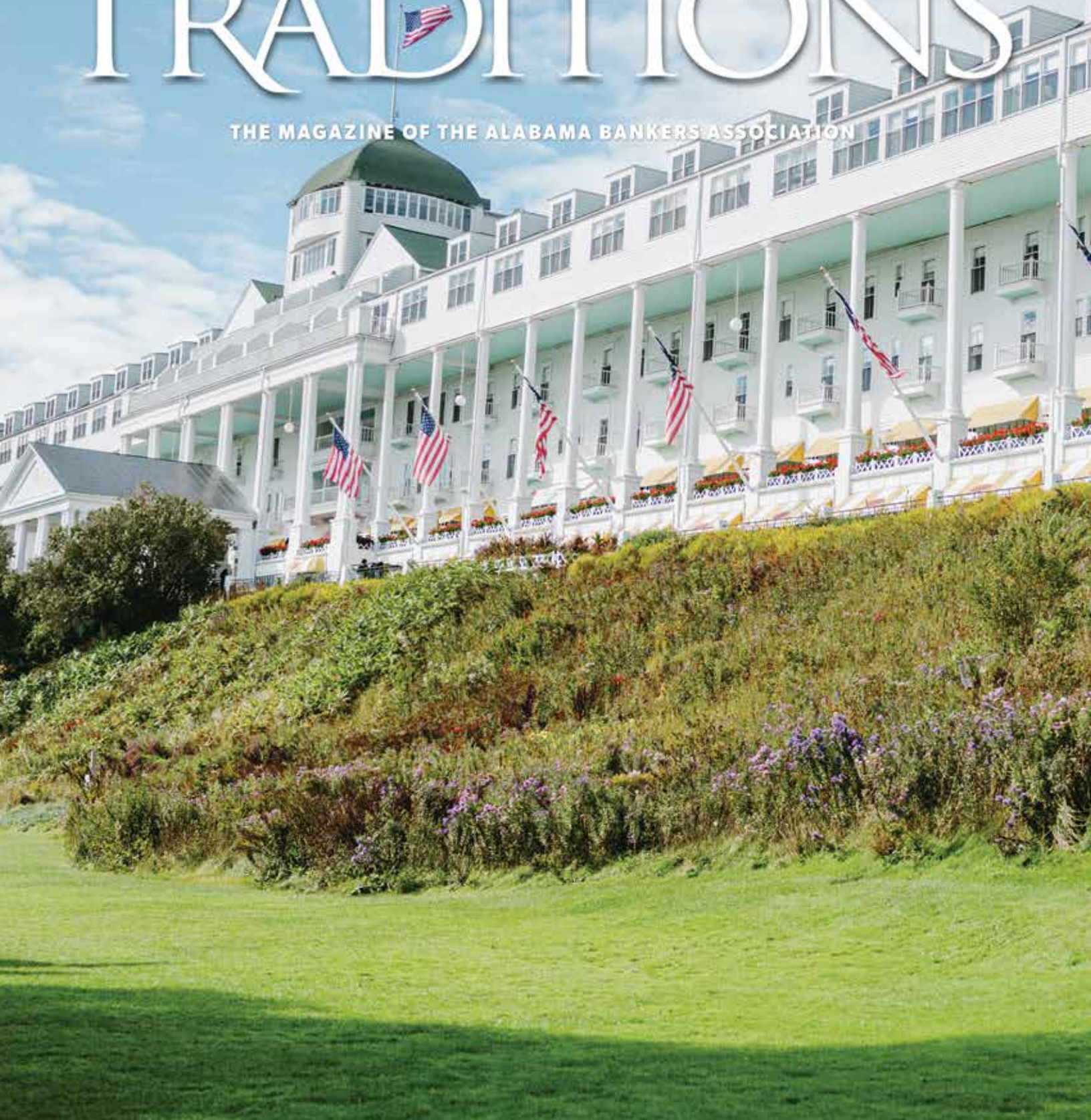


BANKING TRADITIONS

THE MAGAZINE OF THE ALABAMA BANKERS ASSOCIATION



Interest Rate Risk and Investment Strategies Seminar

October 19-21, 2022 | Oklahoma City, OK 
The Skirvin Hotel



The Skirvin Hotel

One Park Avenue
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WHO SHOULD ATTEND

Financial institutions' CEOs, CFOs, investment officers, board members, and those who are directly or indirectly responsible for financial management functions will benefit from this seminar. **There is no cost for this seminar.**

ACCOMMODATIONS

A block of rooms is available at The Skirvin Hotel. Identify yourself as a Baker Seminar attendee (or group code TBG3) when calling **+1 (800) HILTONS**. The special room rate will be available until the room block is sold out.

AGENDA

Wednesday, 19th
Twin Hills
Golf 1:00 pm

Thursday, 20th
Breakfast 7:30 am
Seminar 8:30 am
Lunch 12:00 pm
Adjourn 4:00 pm
Dinner 7:00 pm

Friday, 21st
Breakfast 7:30 am
Seminar 8:30 am
Conclusion 12:00 pm



Two years after the pandemic left financial institutions drowning in excess liquidity at historically low interest rates, the industry faces a new challenge... rising interest rates. The Fed has quickly pivoted from supporting the economy to fighting inflation and institutions are now facing the first rising rate environment in years. Regulators have watched with concern as loan and investment durations extended to record highs in a search for yield and will have a renewed focus on the Investment Portfolio and Interest Rate Risk Management. Portfolio managers can no longer be reactive, but must be proactive in managing their investment portfolio and balance sheet in the face of rising rates and a flattening yield curve. This seminar will examine all of these concerns and present actionable strategies to better prepare your institution for the uncertainty ahead.

Join us for an in-depth discussion of the following topics:

- **Economic and Market Update** — Review of current economic conditions and the outlook for growth, inflation, and interest rates
- **The Powell Pivot** — Update on rate hikes, tapering, and the outlook for Federal Reserve monetary policy
- **Interest Rate Risk** — How to ensure you are prepared for the heightened regulatory focus coming in the years ahead
- **Liquidity Risk Management** — Best practices for managing liquidity risk as rates rise
- **Investment Portfolio Strategies** — Adapting your strategy and finding the best relative value for rising rates and a flattening yield curve
- **MBS/CMO Market** — Balancing prepayment and extension risk in an uncertain mortgage rate environment
- **Municipal Market Update** — The latest on managing municipal credit risk and finding the best relative value

For your convenience, register for the seminar online at **GoBaker.com/oklahoma**. Call Skoshi Heron at 888.990.0010 for more information.



11 hours of Economics and Finance CPE credits will be earned for your attendance.

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15 Bank Executive Leadership Certification Program: Introducing the Class of 2022

Congratulations to the members of the third class of the Bank Executive Leadership Certification Program. This group of 32 bankers from across the state began with a retreat and from then have embarked upon an 18-month journey toward becoming Alabama’s next generation of innovative leaders.

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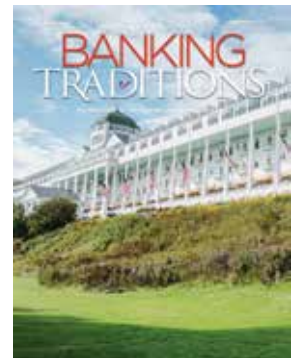
Nearly 200 students and bankers attended our annual Legislative Day event on April 13 in Montgomery. Students enjoyed tours of the Capitol and State House as well as a luncheon at the RSA Activity Center on Dexter Avenue. Our keynote speaker at the luncheon was Gov. Kay Ivey who encouraged the students about how to make an impact in their communities and take advantage of the opportunities ahead of them.

20 BBQ with Bankers: 2022 Spring Tour

This spring ABA held BBQ with Bankers events at Jacksonville State University, Troy University, the University of Alabama, Auburn University, the University of North Alabama and the University of South Alabama. This program was launched to help promote the banking industry and help our member banks recruit talent to their financial institution.

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The Alabama Bankers Association’s 129th Annual Convention and Marketplace was held June 12-15 at The Grand Hotel on Mackinac Island in Michigan. Watch for the summer issue of Banking Traditions for a full recap!



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478.952.6497
tfinney@servisfirstbank.com

William Mellown
Vice President – AL, LA, MS
205.536.7460
wmellown@servisfirstbank.com

J. David Jordan
Senior Vice President
Chief Correspondent Operations Officer
205.423.2719
djordan@servisfirstbank.com

Murray Bibb
Senior Vice President
Correspondent Chief Credit Officer
205.578.4548
mbibb@servisfirstbank.com

Guillermo Chiang
Senior Vice President - FL
305.582.4909
gchiang@servisfirstbank.com

Karen Grahn
Senior Vice President
Credit Card Division Manager
205.949.0330
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Vice President
Credit Card Operations Manager
205.423.2739
cvansant@servisfirstbank.com

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Vice President - TN, KY
901.828.6785
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Strong Vision & Collective Strength of the Banking Industry

With the warm days of spring comes the busyness associated with an election year in Alabama. No sooner than the Legislature adjourned sine die on the evening of April 7, the association team resumed the work of meeting with elected officials as well as candidates across the state running for legislative, judicial, and constitutional offices.

In every case there is more than just familiarity with our industry, and in most cases our conversations evolve into special stories about how the banks in his or her district benefit the local economies, support schools and other good public works and how the bankers are depended on as integral partners in municipalities, counties and on boards, foundations and so on.

Naturally, the support provided to these campaigns by **BankPAC** is helpful in mounting a successful run for office. In turn, supporting individuals in public service who work to maintain a climate good for business, who support strong economic development, and who promote an efficient and conservative government is a natural for our industry as we work to help all Alabamians meet important financial goals. Simply put, BankPAC helps ABA lead the way in promoting strong parallels between the banking industry and effective leaders in state government and we are grateful for those opportunities.

Speaking of leadership, check out the feature in this edition of *Banking Traditions* about ABA's **Bank Executive Leadership Program** which will soon graduate its third class of leaders later this summer. Without exception, this is among the strongest banking leadership programs in the nation. Over an 18-month period, bankers in the program are exposed to critical leadership thinking and personal assessment from some of the nation's most talented experts. In the words of David Hedges, executive

vice president and CFO of Auburn Bank, a graduate of the previous class, "For a large part of my career, I have been focused on doing and producing rather than leading. For me, the program's focus on building successful teams and developing others has been tremendously helpful."

Armed to lead in even greater ways, graduates of this exclusive program are helping Alabama banks and their customers reach the next level, and we congratulate each of them on a job well done.

Also featured in this edition is the work of ABA's Bankers2Leaders which is hard at work promoting our industry to college students around the state. In another round of college presentations, our **Barbecue with Bankers Spring Tour** has held events at Auburn University, Jacksonville State University, Troy University, the University of Alabama, the University of North Alabama, and the University of South Alabama. Perhaps in greater than ever numbers, students are engaged with interest about careers in banking. If you've not yet participated in one of these events, reach out to ABA's Ashley Thomas about ways you can help.

Finally, I'd like to thank the hundreds of you who participated in a recent membership survey conducted by Cygnal in Washington, D.C. We will soon share the results of this survey; however, we are quite pleased to share that the ABA's overall net promoter score was exceptional, and the feedback was both reassuring and helpful.

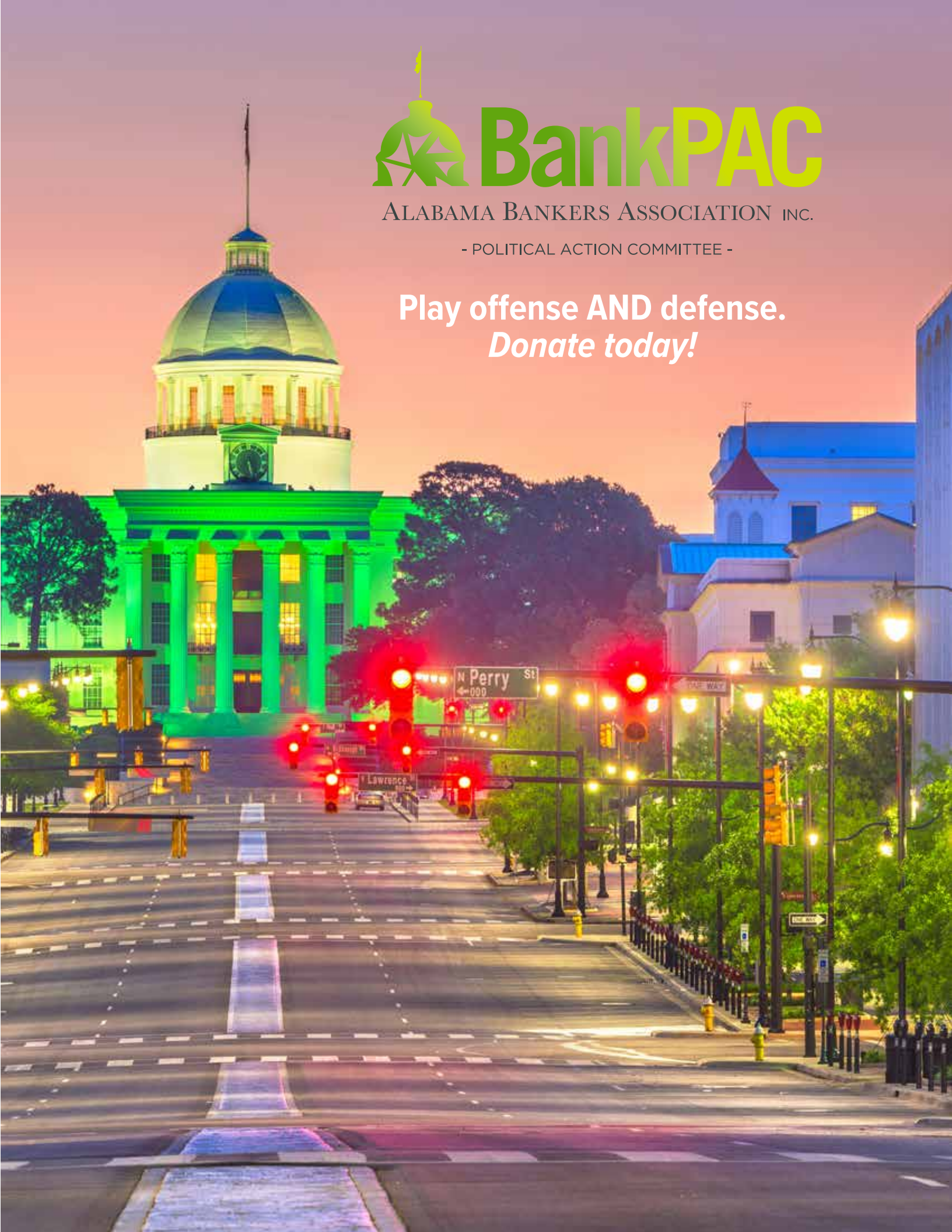
Serving you, our members, is our top priority in everything we do. In fact, it's our motto: **Unified Vision. Indivisible Strength.** As the busyness of this year continues, I hope you will find opportunities to join in as we work together with strong vision and collective strength for our industry.



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CRS Data's Financial Suite software program allows banks to provide fully compliant in-house property evaluations, in lieu of appraisals, on any type of real estate. Instead of waiting weeks for an appraisal, banks can perform a fully compliant evaluation in an hour. In addition to time and cost savings for your customer and bank, financial institutions are allowed to charge a reasonable fee for these evaluations, which becomes a consistent non-interest income stream. Finally, the Financial Suite also has a prospecting component which allows banks to identify maturing real estate loans in their target markets.

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When considering this company and its product for endorsement, ABS interviewed current customers for input. CRS received high praise for both its product and its high-level of customer service.

As part of the endorsement, CRS Data will offer a 10 percent discount off standard pricing for all agreements two years or longer with ABA member banks. For more information about how CRS Data can help your financial institution, contact **Jason Pruitt** either by calling at (770) 883-6609 or emailing him at jp Pruitt@crsdata.com.



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INTEREST RATE RISK IN 2022: ASSUMPTION JUNCTION

by Matt Harris



In March this year, the Federal Reserve lifted interest rates for the first time since 2018. Today, both the bond market and FOMC have set the stage for an aggressive rate path given current inflation challenges. Given this outlook, there will be a renewed focus from regulators relating to interest rate and liquidity risk.

If you've ever owned a car, you probably know about maintenance schedules. When followed, items such as oil, spark plugs and tires are periodically reviewed and replaced to ensure the vehicle will continue to run properly. As regulators continue their increased scrutiny of interest rate risk (IRR) models, financial institutions should consider adopting their own "maintenance schedule" for model assumptions. Just like an automobile, a robust IRR model should be reviewed at least periodically to determine whether current behavior assumptions are appropriate and reasonable. When opening the hood of your interest rate risk model, the following assumptions should be reviewed:

Critical Assumptions for Interest Rate Risk Modeling

- Interest Rate Scenarios to be Modeled
- Reinvestment/Discount/Driver Rates
- Rate Sensitivities (Betas) and Time Lags
- Average Lives of Non-Maturing Liabilities
- Asset Prepayment/Liability Decay

While the list above is certainly not exhaustive, these assumptions could be considered the most critical and impactful to your reporting for both earnings-at-risk and long-term fair value analysis.

Rate Adjustments/Shocks

While it is commonly known that examiners are expecting +400 bps rate scenarios for earnings simulations, they are also expecting to see non-parallel rate moves as well. This is where the short- and long-term rates of the curve move by different magnitudes. Historical yield curve analysis will help assist with selection of the most realistic rate change scenarios.

Reinvestment & Discount Rates

The earnings-at-risk simulation relies heavily on reinvestment rates and other re-pricing rates to calculate the changes in interest income and expense. Discount rates, on the other hand, are used more specifically to determine the present value of future cash flows used more for long-term fair value analysis (Economic Value of Equity or Net Economic Value). Management should use current offering and other market rates to consistently adjust these, especially after recent rate changes and new products.

Rate Sensitivities & Time Lags

Sensitivities, sometimes known as "betas," are numbers that help describe the pricing relationship of a particular account in response to movement in market rates. Time lags specify how much time will pass before

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the account begins to experience a rate change. For example, an account with a rate sensitivity of 30% and lag of 3 would imply that if market rates increased 100 basis points, the account would increase by only 30 basis points three months after the initial market rate move. Management should spend time reviewing historical rate performance to confirm that current sensitivity and lag assumptions are reasonable for their current activities.

Average Lives of Non-Maturing Liabilities

Because non-maturing liabilities are widely considered the most mystifying assumptions for the model, the question here is what kind of maturities do the balances of your non-maturing liabilities have? Financial institutions should perform an analysis of non-maturing liability behavior and identify those funds that can be considered volatile versus core funding. Once separated, more volatile balances should be assigned shorter average lives versus core funding, which typically carries a longer average life.

Asset Prepayment Liability Decay

Asset prepayments and liability decay rates are important to capture optionality on certain accounts. For assets, loans and mortgage-related securities have the ability to prepay principal. On the liability side, non-maturing liabilities incorporate decay rates to simulate the effect of depositors withdrawing balances in certain interest rate environments. A higher prepayment or decay rate would usually imply a

shorter average life of the particular account.

Stress Testing Assumptions

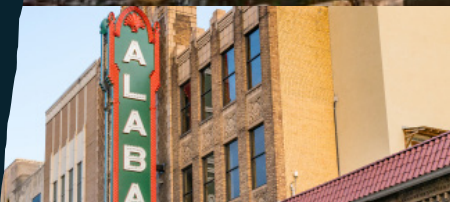
One approach is to routinely “stress test” the assumptions in the model. Management may find this helpful as it identifies which items have the most significant impact on model results. An example of stressing an assumption would be removing time lags on non-maturing liabilities and doubling rate sensitivities. This adjustment would highlight the potential increase in interest expense if the institution would have to be more competitive from a pricing standpoint for those particular products.

Conclusion

Because an assumption is, by definition, something accepted as true without proof, there isn't necessarily a right and wrong way to model one. Also, while back testing is necessary and history may be insightful, it can't predict the future. Prudent risk managers are aware of these limitations and will strive to maintain reasonable and supportable modeling assumptions. They will also consistently tweak and adjust their assumptions to better understand the implications those assumptions have on their model output and ultimately asset/liability management strategy.

Matt Harris, CFA, is senior vice president at The Baker Group, where he serves as assistant director of asset/liability management. Contact: 405-415-7251, mharris@GoBaker.com. The Baker Group has been endorsed since 2010.

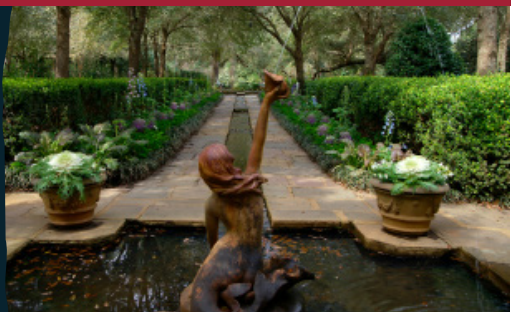




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Keep in eye out for an application to be released this summer!

Questions? Email Ashley Thomas at athomas@alabama.bank.

Gov. Kay Ivey Highlights Annual Legislative Day

Nearly 200 students and bankers attended our annual Legislative Day event on April 13 in Montgomery. Students enjoyed tours of the Capitol and State House as well as a luncheon at the RSA Activity Center on Dexter Avenue. Our keynote speaker at the luncheon was **Gov. Kay Ivey** who encouraged the students to make an impact in their communities and take advantage of the opportunities ahead of them.

Also during the luncheon, our Bankers 2 Leaders Division Chairman **Elizabeth Bailey** presented scholarships to two outstanding seniors, **Callie Shiver** and **Sarah Burge**. Callie is the daughter of **Sarah Shiver** who is employed with **Samson Banking Company**. Callie graduated from Geneva High School and will attend Huntingdon College in Montgomery this fall. She plans to major in business and minor in biblical studies. Sarah is the daughter of **Candice Burge** with **Bryant Bank**. Sarah graduated from Hillcrest High School in Tuscaloosa. She will head to Oxford, Miss. this fall to attend the University of Mississippi. Sarah plans to major in computer science and hopes to develop algorithms to detect fraudulent activity within banking systems. Each scholarship recipient received a \$2,000 scholarship to use toward their freshman year of college.



Save the date for next year's event which will be held on
APRIL 12, 2023
in Montgomery!





BBQ with Bankers

2022 SPRING TOUR

This spring ABA held **BBQ with Bankers** events at Jacksonville State University, Troy University, the University of Alabama, Auburn University, the University of North Alabama and the University of South Alabama. This program was launched to help promote the banking industry and help our member banks recruit talent to their financial institution.

HOW DOES IT WORK? Typically bankers and students enjoy fellowship and a meal. At some point during the event a panel of bankers share their personal stories of how they became a part of the banking industry and what types of career paths are available as a banker. ABA collects resumes from all students in attendance and then distributes those resumes to the bankers that attended the event.

ABA launched this program through our Bankers 2 Leaders division in the fall of 2017. Since that time a number of financial institutions have hired employees as a direct result of these events. More of these events will be held in the fall. Keep an eye out for details to be sent by email!



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BOARD BRIEFS

Working with Fintechs: Who “Owns” the Customer?

by *Chris Couch, Phelps Dunbar*

Community banks and financial technology companies (FinTechs) who partner together often have competing views about who owns the customer relationship. The divergent views can present the full range of risk – financial, strategic, operational, compliance and reputational – to the bank, who should take care to appreciate that FinTechs are not your average service provider.

The Bank View

FinTechs can help community banks expand their product offerings and customer base rapidly across geographies and demographics, all while generating handsome non-interest income for the bank. FinTechs are highly adept at innovating traditional bank products and offering them online or through mobile applications. In a typical FinTech program, the FinTech generally:

- Identifies, markets to, screens and qualifies prospective customers
- Establishes the customer account and delivers the product or services
- Services the relationship on behalf of the bank

It does this all under the FinTech’s “brand” and delivery channel. The terms and conditions of the bank-FinTech relationship, including the parties’ obligations to each other, are generally set out in a program agreement that describes the FinTech as a service provider to the bank. As a result, banks tend to view FinTech partnerships through the third-party service provider lens, a view consistent with that of state and federal bank regulators and subject to specific regulatory guidance.

The FinTech View

FinTechs, by contrast, view bank partners as their service providers. That is, the FinTech creates innovative products

aimed at specific customers, identifies and markets to those customers, delivers the products, services the relationships, and keeps all of the records, cradle to grave. It does so largely in its own name and through its own technology. Often, the bank partner has no direct interaction with the customer, other than providing the technical link between the FinTech application used by the customer and the larger financial system and being disclosed as the legal provider of services in the account documentation. The FinTech pays the bank significant monthly fees to supply the linkage. In the FinTech view, the customer “banks” with the FinTech and looks to the FinTech – not the bank – for current and future products and services. If the relationship between the bank and the FinTech breaks down, the FinTech moves the customer relationship to a new bank and the customer knows no difference.

The Legal View

The difference between the bank and FinTech view of who “owns” the customer – in the consumer programs that use the dominant FinTech model – runs squarely into consumer privacy laws, including GLBA and Regulation P. Those laws generally provide that consumer customer information may only be used by the financial institution with the customer relationship, and then only for the purpose given by or obtained from the customer. There are exceptions to the limitation, but even they are generally anchored to the consumer’s financial institution. From a privacy law perspective, once a FinTech establishes a customer relationship under a bank partner program, the bank – not the FinTech – is the “financial institution” for privacy reasons. From a privacy law perspective, then, the bank “owns” the customer relationship.

Why Does It Matter Who Owns the Relationship?

- In a FinTech program, there are generally three relevant blocks of time in the customer life cycle:
- The marketing period, during which the FinTech is identifying and marketing to prospective customers,

and the bank has visibility into the process or any legal relationship with the consumer

- The service period, during which the FinTech is interacting with the consumer customer as a service provider to the bank
- The second marketing period, during which the FinTech is marketing to the consumer additional, non-bank services

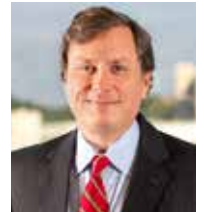
Because the second marketing period generally relies on experience-related information stemming from customers' transactions with the bank (acquired during the service period), the marketing activity generally falls outside of a privacy law exception. That is, because the bank is the "financial institution" for privacy law purposes, and the FinTech's marketing activity in the second marketing period is not in furtherance of a transaction initiated by the customer with the bank or for purposes of marketing the bank's products and services, the FinTech's use of customer data in the second marketing period may violate privacy laws. Importantly, since the burden of consumer compliance (here, protection of customer data) rests with the financial

institution (i.e., the bank), the FinTech's violation effectively constitutes the bank's violation. As a result, who "owns" the relationship in a bank partnership has direct compliance risk for the bank given the way FinTechs often run their programs.

What To Do?

Given the regulatory issues FinTech partnerships can present for banks, banks should take care to understand the nature and manner of the activity conducted and carefully tailor the program agreement to align with the bank's regulatory burden. Indemnities, guaranties and program monitoring rights often play a role, and the cost of program oversight can sometimes eat away at those hefty non-interest income payments.

Chris Couch is a partner in the Birmingham office of Phelps Dunbar, where he advises banks and FinTechs in regulatory matters, payment systems, privacy and BSA/AML matters, including the structuring of bank partner agreements.



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EDUCATION *Spotlight*

ADVANCED BSA ACADEMY

A total of 54 people from 48 banks gathered in Point Clear at The Grand Hotel in mid-April for our annual, week-long Advanced BSA Academy. Led by Dianne Barton and Doug Gilmer, this event also featured regulatory speakers including Craig Hirsch, OCC; Dan Haggerty, Federal Reserve; and, Melanie Thacker, FDIC.





PERSONNEL

Bryant Bank congratulates **Cory Reamer** on his promotion to senior vice president, capital markets/correspondent banking. According to the bank, since joining the Bryant Bank team Reamer has served the community banks in Alabama with professionalism and genuine interest in what is best for the community bank and community banker. His desire to establish meaningful relationships and provide value added service allows all parties to benefit from the relationships.



Cory Reamer

Brian Fisher joins **Community Bank's** Birmingham Division as a vice president. Fisher has worked in the banking industry for 13 years and will focus on growing his loan and deposit portfolio within the Birmingham market.



Brian Fisher

MidSouth Bank in Dothan welcomes **Mark S. Siner** who joined the bank as chief credit officer and executive vice president. Siner brings more than 25 years of commercial lending, real estate lending and credit management leadership experience to his new role. During his banking career, he has served as a senior lender, ALLL director, commercial real estate lending manager, and chief credit officer.



Mark Siner

NobleBank & Trust headquartered in Anniston congratulates **Paul Rogers** on being named chief operations officer. Rogers has been with NobleBank & Trust for eight years and has more than 30 years commercial banking experience. Along with this new role, Rogers will continue to serve as market president in Birmingham.



Paul Rogers

NobleBank & Trust would also like to congratulate **Trey Pilkington** and **Kayla Peeples** on their recent promotions. Pilkington was promoted to vice president and relationship manager. He began his banking career in Calhoun County and has been with NobleBank & Trust for six years. He will continue serve the financial needs of the community from the bank's Oxford Office. Peeples recently was named executive administrative assistant and marketing director.



Trey Pilkington



Kayla Peeples

Progress Bank welcomes **Ginny Terry** to its team in Huntsville as a mortgage loan officer. She joins the bank with more than 28 years of experience in mortgage loan origination and previously worked for several local, well-known financial institutions. The bank also congratulates **Devin McCullough** on her promotion to mortgage loan officer at in Huntsville. Prior to transitioning to the mortgage industry, McCullough spent two years teaching and eight years working with insurance. The past two years, McCullough has worked her way up from loan officer assistant to processing to operations manager and now loan officer. **John Collier** joins the team as senior lender and market leader for Shelby County. Collier began his banking career 25 years ago as a branch manager, later moving into private banking, followed by business/commercial banking for the past 15 years.



Ginny Terry



Devin McCullough



John Collier



First National Bankers Bank in Birmingham congratulates several employees on their recent promotions. **Heather Spillman**, CPA, has been promoted to executive vice president of FNBB Services Corp. **Timothy Vardaman** has been promoted to executive vice president, director of operations for FNBB Capital Markets. In the FNBB Asset Liability Management Division, **Amee Goodhew** was promoted to senior vice president. **Blair Bogan** and **Ross Michel** were promoted to ALM specialist II. FNBB Capital Markets Division promoted **Amanda Akers** to vice president and bond accounting analyst II. **Melinda Hale** and **Nikki Macon** were promoted to assistant vice president. **Daryl Lowery** was promoted to sales assistant II. In the operations division, **Kerri Rachal** was promoted to assistant vice president of deposit operations, **Carol Belluewas** was promoted to client services rep II and **Mary Ray** was promoted to international payment services rep II.



Heather Spillman



Timothy Vardaman



Amee Goodhew



Blair Bogan



Ross Michel



Amanda Akers



Melinda Hale



Nikki Macon



Daryl Lowery



Kerri Rachal



Carol Belluewas



Mary Ray

Regions Bank welcomes **Dave Strickert** to lead Corporate Credit Products, part of Regions' Credit Products Group within Corporate Banking. Strickert joins Regions after a 30-plus-year career at Bank of America, where he most recently served as managing director and group head of its Leveraged Finance team in the Wholesale Credit division. In his new role with Regions, Strickert will lead Credit Products teams supporting Diversified Industries, Specialized Industries, Real Estate Banking, and Regions Equipment Finance Company (REFCO) clients. These teams – numbering approximately 200 Regions professionals – are responsible for credit origination, underwriting, and portfolio management functions for Corporate Banking commitments and



Dave Strickert

relationships in markets throughout Regions' high-growth footprint covering the Southeast, the Midwest, Texas, and beyond. The bank also welcomes **Dan Massey** who will join the company as chief enterprise operations and technology officer effective May 9. Massey joins Regions following nearly 30 years with Truist Bank and predecessor companies, including SunTrust Bank. He has deep experience in leading teams focused on modernizing banking technologies while working closely with business groups to provide differentiated products and services to clients. At Truist, Massey served as head of Enterprise Technology Strategic Services and most recently as head of Digital and Contact Center Banking. Massey will lead teams that oversee several critical functions of the company



Dan Massey



newsline

STATEWIDE ROUND UP

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including enterprise operations, application development, information technology, information security, data and analytics, and corporate computing.

River Bank & Trust

in Decatur welcomes **Brittney Cardwell** to its team of banking experts. As assistant vice president and treasury management sales officer, Cardwell will help



Brittney Cardwell



Jonathan Lancaster

businesses throughout northern Alabama run smoothly and efficiently with a full suite of treasury management solutions. The bank also welcomes **Jonathan Lancaster** who joined the team as vice president and relationship manager. A knowledgeable local banker, Lancaster will offer financial expertise to clients throughout northern Alabama.

Robertson Banking Company, based in Demopolis, is pleased to announce the following promotions: **Donna Bozeman** to senior vice president- controller, **Ann Griffin** to senior vice president- data processing, **Kory Fields** to vice president- loan department, **Kristi Parker** to vice president - loan officer, **Bill Holemon** to assistant vice president - business banker in Tuscaloosa, **Heath McClure** to assistant vice president - IT, and **Morgan Walters** to assistant vice president and head of trust.

ServisFirst Bank

Huntsville announced the promotions of **Blake Freeman** to senior vice president, commercial banking officer; **Stuart Whitaker** to vice president, commercial banking officer; and **Rachel Guthrie** to assistant relationship



Blake Freeman



Stuart Whitaker

manager and bank officer; and **DeLynn Gower** to senior vice president, private banking officer. Freeman has excelled as one of the bank's key commercial bankers. He has worked



Rachel Guthrie



DeLynn Gower

for ServisFirst Bank since 2013, when he joined the team as a summer intern. Freeman is responsible for a diverse portfolio of residential development and home construction, multi-family development, and commercial and industrial clients. Whitaker has worked in banking and finance since 2013, joining the ServisFirst Bank team in 2018. He has developed and maintained a diverse portfolio of primarily commercial and industrial clients throughout the Southeast. Guthrie will continue to support commercial and private banking teams with credit underwriting while working more closely with the bank's clients to meet their financial needs. She was instrumental in the success of the bank's Paycheck Protection Program process by handling the PPP requests for several larger clients. Gower has more than 25 years of experience in the banking industry with 16 years of those with ServisFirst. Through her career with the bank she has served in a variety of roles including client service representative, assistant branch manager, and key positions within the private banking department including her current role as private banking officer.

ServisFirst in Birmingham welcomes new employee **Susanne Keough** to ServisFirst Bank as senior vice president and head of International Banking. In this role, Keough will lead sales and operations including trade finance, foreign exchange trading and operations, and international wires while supervising the administration of existing products and services. Keough brings almost 30 years of international banking



Susanne Keough

STATEWIDE ROUND UP

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experience to this new role. Prior to joining ServisFirst Bank, Keough was with Synovus Bank as the international sales consultant and export lending manager after serving as senior vice president and head of Global Trade Solutions with SunTrust Bank. She has also held positions with Citibank and Bank of America and served as the export finance manager for the State of Georgia.

Smart Bank welcomes **Andy Hardin** to its team as the regional president for the Auburn area. Hardin has experience through his work at BBVA in Auburn, Montgomery, Alabama, and Gainesville, Fla. Hardin has won 4 Pinnacle Awards and helped the BBVA Compass Auburn Bank achieve recognition as the number 1 community bank. He serves as vice president on the SouthEast US Korean Chamber of Commerce and is an original board member to the Gouge Performing Arts Board.



Andy Hardin

DIRECTOR NEWS

ServisFirst Bank Huntsville welcomes **Zack Penney** as a new board member. Zack Penney owns and operates five dealerships in the Huntsville and Jasper markets. Their franchises include Toyota, Mitsubishi, Ford, and Chrysler Dodge Ram Jeep. Bill Penney Motor Company is a third-generation family business that was started by Zack's grandfather, Bill Penney, in 1941. Zack took over operation of the stores from his father, Jerre Penney, who successfully grew the business for over 40 years.



Zack Penney

RETIREMENTS

Troy Bank & Trust congratulates **Gayla McKinney** on her retirement as executive vice president and chief operations officer. McKinney began her career with the bank in 1969 as

a proof operator. She was the first female executive officer at Troy Bank and Trust. According to the bank, it is difficult, if not impossible, to sum up her achievements during 53 years of dedicated service. The bank says that she has been an integral part of its success and her leadership, hard work, commitment, kindness, and generosity are worthy of admiration.



Gayla McKinney

OBITUARIES

Hal Huggins passed away on May 10. Huggins was the president of **Town-Country United Bank** (formerly Town Country National Bank).

SEND US YOUR NEWS!

Do you have information for Banking Traditions magazine?

If so, send it to **Shelley Hildebrand** by emailing her at shildebrand@alabama.bank. We want to hear about what is going on in your bank and how your bank is impacting the community! Other items to share include personnel changes, director changes, and retirements. Feel free to send high resolution photos with your news items! Information is accepted all year long. **Questions?** Call Shelley at (334) 386-5743 or email her at shildebrand@alabama.bank.



newsline

PERSONNEL • DIRECTORS • RETIREMENTS • OBITUARIES • BANK NEWS

ABA Members Recognized as Top Performers in 2021 by S&P Global

S&P Global Market Intelligence released its ranking on the top performing banks for 2021. Among those included are eight members of the Alabama Bankers Association. In the category of Top 100 Best Performing Community Banks under \$3B in assets, **Samson Banking Company** in Samson was ranked as the top community bank in the nation. Congratulations to the following ABA members included on the list!

Top 100 Best Performing Community Banks (Assets \$3 billion and less):

- **#1 - Samson Banking Company**, Samson, David King, chairman & CEO
- **#82 - Friend Bank**, Slocomb, Hope Johnson, chairman & CEO

Top 50 Best Performing US Public Banks (Assets greater than \$10 billion trading on a major exchange):

- **#14 - Pinnacle Financial Partners**, Nashville, Tenn., Terry Turner, CEO
- **#15 - ServisFirst Bancshares, Inc.**, Birmingham, Tom Broughton, chairman, president & CEO
- **#28 - Valley National Bancorp**, Wayne, N.J., Ira Robbins, chairman & CEO
- **#30 - SouthState Corporation**, Winter Haven, Fla., John C. Corbett, CEO
- **#38 - Ameris Bancorp**, Atlanta, Ga., H. Palmer Proctor, Jr., CEO
- **#42 - Synovus Financial Corporation**, Columbus, Ga., Kevin Blair, president & CEO

Progress Bank Adds Third Birmingham Area Office in Meadowbrook

Progress Bank has received regulatory approval to open a third full-service office in the Birmingham. Located off Highway 280 in the Meadowbrook area, this will be the bank's 14th office.

"The greater Birmingham area is an important market for us, and opening a location on Highway 280 to better serve clients is a perfect fit. We've hired some excellent bankers to run the new office and lead our expansion in Jefferson and Shelby counties," **David Nast**, president and CEO of Progress Bank, said.

The new office, slated to open in fall 2022, will be located in a previous PNC Bank building at 2000 Meadow Lake Drive in Birmingham. The bank also has nearby locations on Highland Avenue in Birmingham and on Montgomery Highway in Vestavia Hills.

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ABA *HALF CENTURY CLUB*

Celebrating those who have been in the banking industry for 50 years or more!



Congratulations to **Mark Wilson** with **The Bank of Walker County** on 50 years of service to the banking industry! In the photo above from left are Wilson and ABA Sales and Recruitment Coordinator **Beth Oliver**.
Photo courtesy of Al Blanton.



Congratulations to **Rita Wesley** with **Troy Bank & Trust** on 50 years of service to the banking industry! In the photo above from left are ABA President and CEO Scott Latham and Wesley. Photo courtesy of Joey Meredith.

River Bank & Trust Opens Second Auburn Location

Lee County President **Boles Pegues** has announced the opening of River Bank & Trust's second Auburn office at 1192 South Donahue Street, the Alabama-based bank's 20th location. In celebration, the bank hosted a grand opening on April 29.

"We're thrilled to provide the Lee County community with even more convenience," says Pegues. "Customers will enjoy the corner location as well as the hospitality, personal attention, and local banking expertise they've come to expect from River Bank & Trust."

Vice President / Relationship Manager **Mike Waldrop** is based at the new office, and Assistant Vice President **Riki Mills** serves as office manager. Visitors will be delighted by River Bank's signature client living room, complete with a fireplace, freshly baked cookies, cold drinks, and a gourmet coffee bar. Pegues welcomes friends, neighbors, and customers to stop by for a tour and experience the River Bank & Trust difference.



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- Scott Couch

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United Community Banks, Inc. and Progress Financial Corporation Announce Merger Agreement

United Community Banks, Inc. and Progress Financial Corporation announced the execution of a definitive merger agreement pursuant to which United will acquire Progress, and its wholly-owned subsidiary, Progress Bank & Trust, in an all-stock transaction with an aggregate value of approximately \$271.5 million, or \$23.52 per share of Progress common stock, based on United's closing stock price of \$30.55 as of May 3. Progress is headquartered in Huntsville, and operates 14 offices in high-growth, southeastern markets, including, Huntsville, Birmingham, Daphne and Tuscaloosa in Alabama and the Florida Panhandle. As of March 31, Progress had total assets of \$1.9 billion, total loans of \$1.3 billion, and total deposits of \$1.7 billion. In addition to traditional banking products, Progress offers

wealth management and private banking through Progress Financial Services, a division of Progress Bank, with approximately \$1.2 billion in assets under management.

"We believe Progress and United to be a great cultural fit and are excited to join forces in Alabama and the Florida panhandle. Progress bankers and their customers will benefit from the expanded products and resources that we are able to bring to the table," said **Lynn Harton**, chairman and CEO of United. "Our M&A focus has continued to be on high growth markets in the Southeast with attractive demographics. Progress' footprint will complement our existing markets and be accretive to our franchise value. We have been investing in Birmingham over the past several years and have SBA and Senior Care teams already in place. I spent several years as a banker in these markets and know well the potential they represent. I am looking forward to bringing Progress into the United team."

"I would like to thank the dedicated employees of Progress that have elevated our franchise over the past several years to one

of the best performing banks in our region. I am proud of the company we have built together and believe that a partnership with United represents an excellent opportunity for us to continue to serve our customers at the highest level. We also greatly value United's commitment to communities because that has always been a big part of our Progress culture," said **David Nast**, president and CEO of Progress.

Under the terms of the merger agreement, Progress shareholders will receive 0.77 shares of United common stock for each share of Progress common stock outstanding. The Merger is expected to be accretive to United's earnings per share, excluding transaction costs, by approximately \$0.07 per share, or 2.0% in 2023. The estimated transaction returns are consistent with United's stated acquisition criteria pertaining to tangible book value and targeted internal rates of return. The merger agreement was unanimously approved by the boards of directors of Progress and United. The merger is expected to be completed in the fourth quarter of 2022 and is subject to customary conditions, including regulatory approval as well as the approval of Progress's shareholders.

Regions Bank Wins Gallup Exceptional Workplace Award

Regions Bank on Thursday announced the company has received the 2022 Gallup Exceptional Workplace Award. This award recognizes the most engaged workplace cultures in the world. 2022 marks the eighth year Regions has won this honor.

"Being named a Gallup Exceptional Workplace affirms Regions' commitment to making associate engagement a priority," said Regions Financial Corp. President and CEO **John Turner**. "This award speaks to the strength of our culture and is an example of how every one of us contributes to making Regions an exceptional place to work and an employer of choice."

Gallup research includes studies of millions of employees across all industries and consistently shows the best workplaces share an intentional focus on engagement and their culture. As a winner,

Regions differentiates itself by investing in employees and putting people development at the center of its business strategy.

This award is particularly meaningful after another year of unpredictability in the workplace, during which Gallup found that Regions continued to engage and develop its associates amid the disruption brought about by the pandemic.

"Gallup's 2022 GEWA winners have steered their organizations through another unprecedented and challenging year," said **Jim Harter**, Gallup's chief scientist of workplace management and wellbeing. "They didn't slow down or hit 'pause' during times of uncertainty. They stayed true to their organizational values. Gallup commends all of the 2022 GEWA winners for their resiliency, determination and commitment to making their people a priority."



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"The greater Birmingham area is an important market for us, and opening a location on Highway 280 to better serve clients is a perfect fit. We've hired some excellent bankers to run the new office and lead our expansion in Jefferson and Shelby counties," **David Nast**, president and CEO of Progress Bank, said.

The new office, slated to open in fall 2022, will be located in a previous PNC Bank building at 2000 Meadow Lake Drive in Birmingham. The bank also has nearby locations on Highland Avenue in Birmingham and on Montgomery Highway in Vestavia Hills.

Renasant Named a Top Bank by Forbes

Renasant Corporation recently announced that Forbes has named Renasant Bank as one of the best banks in the world in its World's Best Banks 2022 report ranking it as the sixth best bank in the United States.

In compiling its rankings for Forbes, Statista surveyed more than 45,000 customers for their opinions on their current and former banking relationships.

Banks were rated on general satisfaction as well as key metrics such as trust, fees, digital services and financial advice.

"We're once again proud to be recognized by Forbes for the work we do serving our clients and communities," said Renasant President and CEO, **Mitch Waycaster**. "Our goal is to be the financial services provider of choice in every market we serve, and this recognition reflects our tremendously talented team at Renasant and our passion towards relationship banking."

ServisFirst Named to 2022 KBW Bank Honor Roll: Spotlight on Consistent Earnings Growth

ServisFirst Bank in Birmingham announced that it has been added to the 2022 KBW Bank Honor Roll: Spotlight on Consistent Earnings Growth, which highlights banks that consistently deliver exceptional growth per share over the past 10 years. This is the seventh year ServisFirst Bank has been named to this list of banking institutions. Only 17 out of nearly 365 evaluated banking institutions nationwide qualified for this year's list. To be eligible for the KBW Bank Honor Roll, banks with more than \$500 million in total assets must have reported consecutive increases in annual earnings per share over the past decade.

SunSouth Bank Rated #1 in Alabama for Asset Quality

Congratulations to SunSouth Bank on its rating as #1 for asset quality by the Investment Banking firm Porter White & Company. "We are very thankful our Board decided to put the bank on a new path eight years ago and we are very proud of the employees that implemented the new direction. This distinction recognizes with clarity the Directors foresight in making the decision to change and the hard work of all involved," SunSouth's President and CEO **Monty Weigel** said.

SunSouth, founded in 1954 as The Peoples Bank, implemented a strategy in 2014 to focus on local businesses and individuals, focused and thorough credit underwriting, mobile banking and a broadening array of deposit products. When asked of the progress CEO Weigel said, "We have made significant strides with more to come. SunSouth is two years into a digital banking project that will allow businesses and individuals to open deposit accounts, apply for loans, receive online approvals, digital signatures and many other things, all online without the need to go into an office. We started this project before Covid however recent times have shown us how important a decision this was, particularly as people's habits of online purchasing have changed. This system will be in testing mode through the summer and we expect to flip the lights on in early fall this year."



SmartBank Expands Team in Montgomery

SmartBank continues to grow by investing in the Montgomery market, recently expanding its banking team by adding eight seasoned bank professionals. The team will be led by **Donna Cooper**, market president, a veteran in the banking industry and lifelong resident of the region. Cooper joins SmartBank with more than 41 years of banking experience, most recently serving over 26 years at BBVA. “I manage the SmartBank Montgomery Commercial team, ensuring their success in relationship development in the Commercial and Private Banking Divisions,” said Cooper. From relationship managers to credit underwriters, Cooper will be supported by an extremely experienced team who has an invaluable history and understanding of the market. Members of the team include **Libby Taunton**, vice president and private banker; **Cindy Mattingley**, banking officer and commercial assistant; **Jason Gardner**, senior vice president and corporate relationship manager; **Teresa Green**, banking officer and private banking assistant; **Ruby Leflore**, senior financial services representative; **Bruce Crawford**, senior vice president, commercial and private banking executive; and **Jay Baker**, senior vice president and lead corporate relationship manager. Together, this team has over 250 years of experience in the banking industry.



ASSOCIATE MEMBER NEWS

Congratulations to CPA firm **Mauldin & Jenkins** on being named a Top Workplaces 2022 honor by the Atlanta Journal-Constitution. The list is based solely on employee feedback gathered through a third-party survey administered by employee engagement technology partner Energage, LLC.

Two ABA associate member CPA firms reported being recognized by *Accounting Today*. **Saltmarsh, Cleaveland & Gund** was once again included in the publication's list of Gulf Coast Regional Leaders. The 2022 list is comprised of firms based in Florida, Alabama, Louisiana and Mississippi, and was released as part of the publication's annual listing of the Top 100 Firms in the nation. As part of the annual ranking of the largest accounting and professional services practices, the Gulf Coast Regional Leaders list posted firms that combined had the third best average growth rate of

any region, with 10 out of 21 reporting double-digit growth. **Mauldin & Jenkins, LLC**, announced it was also included on the list for the 28th year in a row. Climbing six spots, the firm comes in at number 77. Mauldin & Jenkins was also named on the Regional Leader list as a Top Firm serving the Southeast. The average growth rate for the Regional Leader list was up five percentage points from last year's report, and 16 of the 29 firms, including Mauldin & Jenkins, reported double-digit growth.

Quantalytix, the provider of cloud-based Enterprise Bank Management (EBM) software for community financial institutions, has named **Ryan Bui** as its new chief technology officer. Bui joined the Quantalytix team two years ago as a software developer and most recently held the position of director of engineering. In his new position, he will ensure Quantalytix software uses cutting edge technology and techniques.

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JUNE

- 1 FFIEC Information Security Handbook Review (10:00 AM)
- 1 Loan Documentation for the Agricultural Lender (1:30 PM)
- 2 Call Report for Beginners Part 5 (1:30 PM)
- 2 TRID Hot Spots (10:00 AM)
- 3 When to Coach and When to Supervise (10:00 AM)
- 6 How to Craft an Effective Commercial Loan Write-Up (1:30 PM)
- 7 SAR--Line-by-Line (1:30 PM)
- 8 BSA: CIP and CDD (1:30 PM)
- 8 Call Report Current Matters & Common Questions (10:00 AM)
- 9 Regulation Z Rules for Home Equity Lines of Credit (1:30 PM)
- 9 Teller Compliance Issues (10:00 AM)
- 10 Employment Documentation (10:00 AM)
- 13 Robbery Basics & Beyond (1:30 PM)
- 14 Bi-Monthly Compliance Briefing - June 2022 (10:00 AM)
- 15 Dealing with Subpoenas (10:00 AM)
- 15 Elder Financial Exploitation (1:30 PM)
- 16 MSBs, MRBs, PEPs, and Other High Risk Customers (1:30 PM)
- 16 Schedule RC-R Part I (10:00 AM)
- 17 Schedule RC-R Part II (10:00 AM)
- 20 Minimize Data Entry in Excel (1:30 PM)
- 21 Officer Calling (1:30 PM)
- 22 Right of Setoff (10:00 AM)
- 22 Secrets to Being a Great Call Center Agent (1:30 PM)
- 23 Managing Your ACH Exceptions and Decreasing Risk (10:00 AM)
- 23 Treasury Management: A Powerful Tool to Increase Deposits and Fee Income (1:30 PM)
- 24 Diversity & Inclusion in the Workplace (10:00 AM)

JULY

- 1 Information Security Officer: Role & Responsibilities (10:00 AM)
- 6 Schedules RI and RC: The Anchor Schedules and Why We Re-class Accounts (1:30 PM)
- 7 UCC or TBD (10:00 AM)
- 8 Employee Engagement & Retention Strategies (10:00 AM)

- 11 Problem Loan Work-Out in Today's Market (1:30 PM)
- 12 BSA Officer Summer Update (1:30 PM)
- 12 TRID Beginners (10:00 AM)
- 13 What You Need to Know About Escrows? (1:30 PM)
- 14 Federal Benefit Garnishments (10:00 AM)
- 18 Introduction to Commercial Lending (1:30 PM)
- 19 Legal Issues of Checks (1:30 PM)
- 19 Schedule RC-C Part I (10:00 AM)
- 20 Best-Ever Compliance Checklists for Consumer Loans (1:30 PM)
- 20 Collections 101 (10:00 AM)
- 21 Customer Dies (10:00 AM)
- 22 Developing an Effective Remote Deposit Capture and Mobile Deposit Capture Program (10:00 AM)
- 25 CRE Appraisals: Regulations and the Review Process (1:30 PM)
- 26 W9s and W-8BENs procedures (1:30 PM)
- 27 FLSA Beyond Basics & Remote Work (10:00 AM)
- 28 Excel for Sales Professionals (1:30 PM)
- 29 Branch Manager Best Practices (10:00 AM)

AUGUST

- 1 CRE Appraisals: Components, Approaches to Value & Cap Rates (1:30 PM)
- 2 SAR Narratives (1:30 PM)
- 3 Excel Explained: Speed Tips (1:30 PM)
- 4 Customer Service vs. Customer Experience (1:30 PM)
- 5 Bank Accounting for Beginners Part 1 (10:00 AM)
- 8 Total TRID Part 1 (1:30 PM)
- 9 Advertising (10:00 AM)
- 9 Total TRID Part 2 (1:30 PM)
- 10 Total TRID Part 3 (1:30 PM)
- 11 FFIEC's Business Continuity Management Exam Objectives (1:30 PM)
- 11 Total TRID Part 4 (1:30 PM)
- 12 Bank Accounting for Beginners Part 2 (10:00 AM)
- 15 Residential Construction Lending (1:30 PM)
- 16 Check Fraud (10:00 AM)
- 17 Bi-Monthly Compliance Briefing - August 2022 (10:00 AM)

For more information about our telephone seminars and webinars, please contact **Debbie Pharr** by calling (334) 386-5735 or emailing dpharr@alabama.bank.

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2021 BHG borrower:

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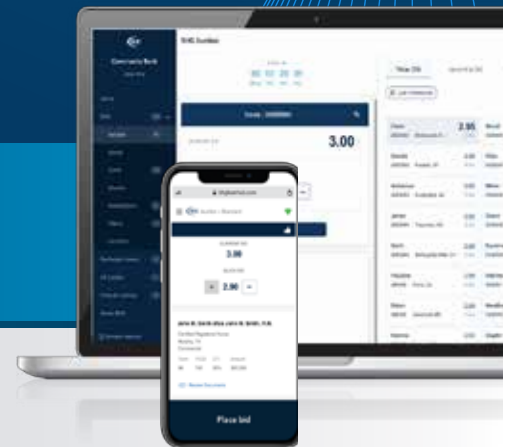
AVG Loan Size: \$109,000

WA Years in Industry: 20

WA DSCR: 2.6



To learn more about BHG, please contact:
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