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Lobbying in the Nation's Capital

*Forty-eight hours in Washington, D.C., in mid-September proved to be an effective use of time for bankers across Alabama who traveled in for our annual ABA DC Fly-In. With expectations of sharing with lawmakers and their staffs how they can help our banks better serve Alabamians, those present engaged in meaningful dialogue with **Sen. Tommy Tuberville, Sen. Katie Britt, and Reps. Robert Aderholt, Jerry Carl, Barry Moore, Gary Palmer, Mike Rogers, and Dale Strong.***

In addition, Sen. Tuberville invited FDIC Board Member **Jonathan McKernan** to join our meeting with him. McKernan provided unique insight on the agency's approach to regulation after last spring's bank failures along with some insight on the various approaches to what FDIC coverage levels might look like going forward.

Agency meetings included briefings led by **Travis Hill**, FDIC Vice Chairman, and **Larry Lee**, deputy counsel, Office of Regulations with the Consumer Financial Protection Bureau. At the outset of our trip, senior officials from the **American Bankers Association** and the **Independent Community Bankers of America** provided updates on issues important to our industry.

Among the issues discussed were the ACRE bill, the Farm bill, the SAFE and SAFER Banking Acts, the Credit Card Competition Act, concerns surrounding the CFPB's Small Business Lending Data Collection (Section 1071), Deposit Insurance Reform/Special Assessment, Federal Home Loan Bank Reform, SBA 7(a) lending and credit union competitive inequities.

The banking industry in Alabama enjoys strong support from our congressional delegation, mainly due to the jobs that you — our bankers —

do in operating safe, sound, and solid financial institutions. Those present were able to share firsthand the needs and experiences of customers back home, enabling lawmakers to understand better the practical implications of laws they consider.

One of the best ways we can advocate for our industry is through meetings with our lawmakers, whether in Washington, D.C., or your hometown. I hope you will never discount the effectiveness of your voice and input on issues before these elected officials, and I hope you will plan to be part of every such meeting in the future.

On a state level, we are busy at work before the 2024 Regular Session of the Alabama Legislature, which convenes on March 11, 2024. Meetings are already scheduled with **Greg Reed**, president pro tempore of the Senate, and **Nathaniel Ledbetter**, speaker of the House, to brief them on issues we expect to be before them in the next session. I hope you will thank your state senator and representative for their service and offer your perspective on banking issues.

As always, we thank you for the opportunity to work for and represent your bank, and we wish you and your family a very Happy Thanksgiving!





Alabama Banking Services Introduces the BANK PERFORMANCE REPORT

The Bank Performance Report is now available through your membership with Alabama Bankers Association. Using data from the quarterly FFIEC Call Reports, the BPR ranks overall performance of each bank headquartered in that state. The

overall performance ranking is based on each bank's average ranking across eight different performance categories – Net Interest, Non-Interest Income, Non-Interest Expense, Efficiency, NPA's/Equity & Reserve, Asset Quality Index, Return on Assets and Return on Equity.

The BPR has been a proven strategic planning tool for the last 20 years serving multiple uses, including:

- Strategic Profit Planning
- Board Reporting
- Measurement for Performance Incentives
- Competition Analysis
- Trends in the Market

Rank	Company Name	City	Total Assets	Assets Type	Parent Name	Charter Type	FFC Rating	Return on Assets	Return on Equity
1	The First Citizens Bank of Alabama	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
2	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
3	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
4	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
5	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
6	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
7	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
8	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
9	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
10	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
11	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
12	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
13	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
14	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
15	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
16	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
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19	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%
20	First Citizens Bank	Montgomery	100,000,000,000	Commercial	The First Citizens Bank of Alabama	State	AAA	1.00%	10.00%

Quarter 1 BPR sample page

They offer a wealth of benchmarking data that can assist in helping banks identify areas for improvement and ultimately improve their overall performance.

The standard annual BPR subscription includes a quarterly printed, bound,

and tabbed report, plus two electronic reports (PDF and Excel versions). Electronic versions of the report will allow you to share the data with other members of your team and to promote further data-sorting and analysis for your own purposes. The annual subscription fee includes four (4) quarters, with your first report being the next quarter published upon subscribing. Custom reports are also available, pricing to be commensurate with request complexity.

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CEO

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CONFERENCE

Nearly 750 people representing 84 banks attended the 2023 ABA CEO, BankExec & Directors' Conference held Aug. 3-5 at The Grand Hotel in Point Clear.

Our conference began Thursday afternoon with a presentation from **Doreen Eberley** who serves as the FDIC Director, Division of Risk Management Supervision. Other notable guests speaking to the group that afternoon included Alabama State Banking Superintendent **Mike Hill** and FDIC Atlanta Regional Director **Tim Rich**.

Guests enjoyed a cocktail party Thursday evening in the Grand Ballroom to network and participate in the B2L Silent Auction. A variety of handbags, jewelry items and sports memorabilia were up for bidding. Friday morning featured breakout sessions with regulatory speakers. Friday afternoon featured our hot topics panels and ABA breakout sessions also continued.

Breakout session speakers included:

- **Dan Hillenbrand**, legislative director for U.S. Senator Katie Britt, who held an open forum;
- **Bill Edelstein** who discussed how artificial intelligence would likely transform







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the banking industry;

- **Mikelle Brady** with Profit Resources, Inc. shared 10 strategies to improve the bank's bottom line;
- and, **Casey Reese** with Green Check Verified discussed issues relating to cannabis banking.

Highlights for Saturday morning included an economic update from **Dr. Roger Tutterow** with Kennesaw State University as well as attendee-favorite **David Kemp**. **Dr. Melissa Furman** discussed current trends in the talent landscape and strategies to avoid employee burnout. **Josh Blades**, the association's governmental relations consultant, discussed issues related to the state's congressional districts.

Saturday evening concluded the conference with a dinner and a live performance by **SEC Shorts**. Alabama and Auburn fans were equally offended by the crew who is known for their spot on humor regarding SEC football. **Claude Edwards**, president of **Bryant Bank**, went head to head with **Dwight Gamble**, chairman, president and CEO of **HNB First**, in an Auburn versus Alabama trivia game. Mark your calendar for next year's event which will be back at The Grand Hotel Aug. 1-3, 2024!



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B2L Summer

LEADERSHIP CONFERENCE

JULY 13-15, 2023 | THE HENDERSON BEACH RESORT | DESTIN, FLORIDA



Nearly 300 people representing 40 banks gathered in Destin, Fla. at The Henderson Beach Resort in mid-July for our Bankers 2 Leaders Summer Conference! Attendees heard from a variety of speakers sharing both motivational messages and leadership training topics. Our workshop speaker, **Brad Lomenick**, explained the skills and principles that define a true change maker. During his workshop he covered the eight key essentials leaders needed to know to influence others and make a difference. On Friday, guests at this family friendly event enjoyed our Barbecue & Brews event for lunch as well as family bingo! And Saturday evening, B2L held a luau grand finale event complete with dinner, a band, games and prizes for the kids!



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INDEPENDENT COMMUNITY
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I recently joked that I have read an article every week for the past year that says a recession is starting the next month.

But where is that recession?

Everyone — or maybe some of us — remember the common rule of thumb that two consecutive quarters of negative gross domestic product (GDP) growth equals a recession. However, determining a recession is not quite that simple. The official recession determination is made by the National Bureau of Economic Research (NBER), which is a committee made up of eight economists who use many factors in making that determination. The NBER states their traditional definition of a recession is “a significant decline in economic activity that is spread across the economy and that lasts more than a few months.” As of September 2023, the NBER hasn’t declared an official recession since the COVID-induced recession of April 2020.

A recession typically has plenty of negative consequences, including a rise in the unemployment rate as well as stagnate or declining incomes. As a result, consumer spending declines, which further impacts businesses and their bottom lines. The early phases of an economic downturn often coincide with increases in interest rates as the Federal Reserve uses monetary policy to pump the brakes on an overheating economy to help control inflation. The Federal Reserve’s monetary actions have a major impact on institutions’ balance sheets, specifically with loan and deposit pricing. As the Fed raises rates, the cost of credit increases and deposit rates increase (usually at a

slow pace), therefore incentivizing less borrowing and more saving. These macroeconomic and interest rate dynamics play a major factor in overall performance and balance sheet management.

No one has the crystal ball on when the next recession will begin, how long it will last, and how severe it will be. However, given the recent decline in inflation levels due to the Fed’s aggressive tightening cycle, it does feel as if we are getting closer to the peak in interest rates and closer to the end of the current economic cycle. Whether this current Fed tightening cycle ends in a recession or a soft landing, the Fed’s latest Dot Plot points to a path for lower interest rates in the future. Balance sheet managers and ALCOs should never try to time the peak of interest rates. Rather, they should best prepare the balance sheet for the next recession and/or falling interest rates.

Here are some considerations for preparing the balance sheet for the next recession.

- **Interest Rate Risk** – Whether the current tightening cycle ends in a recession or a soft landing, there is a high likelihood for some level of lower rates in the future. Utilizing your Interest Rate Risk Model to identify any exposures to falling interest rates is critical. Managing your asset sensitivity and asset duration through effective investment selection and strategy is key. Being reactive is not a



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strategy.

- **Credit Risk** – Asset quality problems of some magnitude accompany recessions. Ensure current loan pricing and structure is appropriate given the deal and current environment. Avoid chasing loan demand late in the cycle by tightening credit underwriting standards.
- **Liquidity** – Historically, during recessions and falling rate scenarios, deposit levels increase, and liquidity levels grow. Ensure your assets are fully deployed to optimize your earning asset mix while keeping a cushion of unencumbered liquid assets. Lastly, every institution should have ample contingent liquidity sources for those unforeseen liquidity events and needs.
- **Stress Testing** – Stress testing should be done on a regular basis. It important to consider higher impact, lower probability scenarios when creating stress scenarios. Stress testing can be conducted

to various aspects of the institution including the following: capital, liquidity, and interest rate risk.

“How can we better prepare for a possible recession?” I encourage you to put this question as an agenda item for your next ALCO meeting. Every institution’s balance sheet and risk profile are unique. There is no one-size-fits-all strategy but being proactive and having a plan (as well as contingency plans) is essential.

Dale Sheller is an associate partner in the Financial Strategies Group at The Baker Group. He joined the firm in 2015 after spending six years as a bank examiner with the Federal Deposit Insurance Corporation. The Baker Group has been endorsed since 2010.



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EDUCATION SPOTLIGHT

ADVANCED COMPLIANCE COLLEGE

A total of **55 people** representing **36 banks** traveled to the coast to participate in our Advanced Compliance College. This week-long event was led by faculty members **Rebekah Leonard, Julia A. Gutierrez** and **Elizabeth K. Madlem**. In addition to the faculty, attendees also heard from a regulatory panel featuring **Pam Sweeney**, senior compliance officer from the FDIC's Montgomery Field Office; **Bob Moran**, portfolio senior examiner, Federal Reserve; **Stacey Manuel-Johnson**, portfolio senior examiner, Federal Reserve; and, **Tiffani Stillwell**, national bank examiner and consumer compliance lead expert support, OCC.



ADVANCED LENDING INSTITUTE

A group of **26 people** representing **19 banks** from all over the state traveled south in October for our week-long Advanced Compliance College held at the Lodge at Gulf State Park in Gulf Shores! Led by David Kemp and Mike Allen, attendees were able to go on a field trip to a working construction site to put learning into action.





WOMEN IN LEADERSHIP CONFERENCE

Nearly 80 women attended our first-ever **Women In Leadership Conference** in Montgomery in August. The event kicked off with a welcome reception on Tuesday evening and continued with a full day of sessions on Wednesday. Addressing the group was **Gov. Kay Ivey** who shared her story of how she became a banker in Mobile and launched the state's first financial literacy campaign. In addition to the governor, guests also were inspired by other speakers including **Nikita Pearson** with the FDIC who traveled from Washington, D.C. to be at the event.



PERSONNEL

Bank Independent welcomes **Ashlyn Biggers** to the team as the new community engagement representative for the Huntsville and Madison counties. Before joining the bank, Biggers co-founded her own business, The Vessel, and also served as the production manager, marketing associate and a project and design manager at Holtz Leather Company.



Ashlyn Biggers

First Bank of Alabama announced several personnel changes. In Wedowee, **Nikki Freeman** was promoted from teller to a financial specialist. **Kaylie Kimble** was promoted from teller to the lead teller position. **Tiara Bailey**, lead teller in Wedowee, also moved to the Ashland branch. **Wendy Maxwell** transferred as a teller from Talladega to Ashland. In Talladega, **Stefani Riggs** was promoted from a teller to accounts payable/purchasing. **Megan Johnson** was promoted from teller to training and development specialist. **Debbie Tyson** was promoted from financial specialist to the branch manager. In the bank's other coverage areas, Branch Manager **Rebekah Singleton** moved from Heflin to Oxford. **Megan Hunt**, a teller at the Heflin branch, was promoted to financial specialist 1. **Teran Cooper**, was promoted to branch manager in Munford having previously served as a financial specialist in Talladega.

First Southern State Bank in Stevenson announced **Scott Kirk** as its new president effective July 1 after the announcement



Scott Kirk



Jack Lovelady

that **Jack Lovelady** would retire in the first quarter of 2024. Upon Lovelady's retirement, Kirk will also assume the role of CEO. Kirk has more than 30 years of experience in the banking industry having joined the bank in 1999 as vice president and branch manager of the Rainsville office. He began his banking career at the Bank of Powell where he held numerous positions including bookkeeping, teller, loan department, call report and yard maintenance and custodial services. He left the banking industry for a couple of years to work at Snead State Community College in Boaz and later returned to banking with Horizon Bank before joining First Southern State Bank. He was promoted to executive vice president and elected to the board of directors in 2016.

NobleBank & Trust in Anniston congratulates **Trey Pilkington** on his promotion to senior vice president and senior lending officer. Pilkington joined the bank in 2016 and has nine years of banking experience. He began his banking career as a credit analyst and later became a relationship manager.

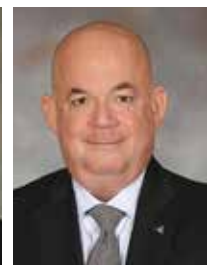


Trey Pilkington

Regions Bank congratulates **Anna Brackin** on being appointed as the new chief compliance officer and welcomes **Gary Walton** as the business unit chief risk officer



Anna Brackin



Gary Walton

for Regions' consumer banking and wealth management divisions. As chief compliance officer, Brackin will lead an experienced team of risk management professionals who support the entire bank and its customer base. Areas of

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focus include building on Regions' foundation of thorough compliance programs, consistently ensuring a prudent regulatory risk framework, and helping protect Regions and its customers from financial loss or harm. She joined the bank in 2020 having previously held leadership roles in the Risk Management, Operations, and Wholesale Banking division at SunTrust Bank for 12 years. In his role supporting Regions' Consumer Banking and Wealth Management groups, Walton will work closely with business leaders and their teams to consistently ensure risk management is at the heart of everyday strategies and decision-making. Walton comes to Regions from Union Bank, where he served as chief credit officer and executive risk officer. His 34-year banking career also includes risk management roles at SunTrust, InfiLink and Bank of America.

Regions Financial Corp

announced **Russell**

Zusi will serve as chief

risk officer effective

Jan. 2, 2024 following

the retirement of **Matt**

Lusco. Zusi joins Regions

from Bank of America,

where he has spent nearly 20 years in risk management

and finance roles, leading to his most recent position as co-

head of global compliance and operational risk and global

technology and operations chief risk officer. In this role, Zusi

was responsible for overseeing the company's strategy,

governance, and execution of the compliance and operational

risk program. He prioritized comprehensive risk-management

coverage and a culture of effectively managing risks, including

ensuring a prudent control environment while supporting

the company's growth strategy. He also maintained strong

relationships with key regulators and supervisory institutions



Russell Zusi



Matt Lusco

worldwide, the bank's senior leadership team, governance committees and the board of directors.

ServisFirst Bank headquartered in

Birmingham congratulates two employees on their recent promotions in Huntsville.

Margaret Riethmaier was promoted to first vice president, regional branch officer for the ServisFirst Bank Huntsville region.

Riethmaier has been an integral part of the ServisFirst Huntsville team since July 2017, when she joined as branch operations manager. With over two decades of experience, her career path has included roles such as branch sales manager, investment banker, financial center leader, small business consultant and branch operations manager. **Kasey Helms** has been promoted

to first vice president, private banking officer for ServisFirst Bank Huntsville. In this elevated role, she will maintain her commitment to cultivating new business opportunities and effectively managing the personal and business needs of the bank's valued private banking clientele. Helms joined the

bank in 2014 and has undertaken various pivotal roles within the organization, including loan assistant in private banking, private banking officer, assistant vice president, and vice president.



Margaret Riethmaier



Kasey Helms

Southern States Bank

welcomes **Neal Kelley** as

the business/commercial branch manager for the Birmingham office as well

as **Branden Axtell** as

the marketing and public relations director.



Neal Kelley



Branden Axtell



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Sweet Water State Bank welcomes **Charles Garrett Gaston** as a new loan officer in Demopolis.



Charles Gaston

State Bank & Trust in Winfield congratulates **April Estes**, chief compliance officer, on completing the Community Banker University's Certified Community Bank Compliance Officer Program earning the professional designation of Certified Community Bank Compliance Officer. This program is offered by the Independent Community Bankers of America. To earn certification, Estes attended the ICBA Compliance Institute and successfully completed five certification examinations covering the fundamental concepts of banking regulations and applications.

United Bank announced several staffing changes including the addition of **Jamie Lipham** and **Leah Vick**, and the promotion of **Kendell Lewis**. Lipham joins the team as

executive vice president and chief operating officer. With over 35 years of experience in the banking and finance industries, Lipham has proven performance in developing and executing effective strategies in retail and wealth banking. Vick has joined the team as executive vice president and chief risk and compliance officer. Leah has more than 25 years of experience in banking with an emphasis on compliance practices and risk assessment. Lewis has been promoted to executive vice president and chief technology and innovation officer having previously served as operations administration officer. Lewis has over 10 years of experience in banking and a deep-rooted passion for all things FinTech.



Jamie Lipham



Leah Vick



Kendell Lewis



ServisFirst Bank headquartered in Birmingham announced the addition of several new, local, and top-ranked regional bank hires to its Montgomery office. With an extensive background in the banking industry, these new team members are set to enhance the bank's commitment to excellence and customer service. The new team of veteran bankers includes:

- **Caryn Cope Hughes**, executive vice president, market president Montgomery
- **J. Dean Peevy**, senior vice president, commercial banking officer
- **Charles G. Hardy Jr.**, vice president, commercial banking officer
- **Elizabeth C. DuBard**, private banking officer

ABA *HALF CENTURY CLUB* *Celebrating those who have been in the banking industry for 50 years or more!*



Congratulations to **Bruce Trammell** with **United Bank** in **Atmore** on being recognized for 50 years of service to the banking industry! An Auburn University graduate, Trammell's first job in banking was at The National Bank of Georgia in Atlanta. He then moved to the Bank of Atmore which merged with Peoples Bank to become United Bank. His work focused on legal recoveries, charge offs and providing invaluable knowledge during bank exams. Most recently, he has started working with Town-Country United Bank leading their collection and recovery efforts. Shown in the photo from left are: **ABA President and CEO Scott Latham**, **Trammell**, and **United Bank President and CEO Mike Vincent**.

Congratulations to **Robert Earl Stewart** with **First Federal Bank** in **Tuscaloosa** on reaching the milestone of having served the banking industry for 50 years! Dr. Stewart joined the bank's advisory board in 1973. In addition to being a member of the board, he also served as its chairman for three years. He currently serves as chairman of the internal audit committee. In addition to his service to the bank, Dr. Stewart also enjoyed a 53-year career at Troy University as the university's athletic director as well as a professor of finance in the Sorrell College of Business. During his tenure as athletic director from 1974-1991, the Trojans won 10 NCAA Division II Championships, 66 conference championships, and 8 all-sports. Shown in the photo from the left are **First Federal Bank President and CEO Charlie Wolbach**, **Stewart** and **ABA President & CEO Scott Latham**.



Congratulations to **Reed Alexander** with **Union State Bank** in **Pell City**! Alexander is the bank's chairman and CEO. The bank celebrated Alexander's 50 years of service to the banking industry earlier this year and congratulates him on reaching this milestone.

Shown in the photo from left are ABA Director of Member Engagement **Beth Oliver** and Union State Bank Chairman and CEO **Reed Alexander**.



EMPLOYEE NEWS OF INTEREST

Congratulations to **Jared Waldrop** with **Troy Bank & Trust** on being selected as one of the Independent Community Bankers of America 40 Under 40 2023 Community Bank Leaders!

Regions Bank headquartered in Birmingham congratulates two of its employees for being honored by *American Banker* magazine. **Kate Danella**, head of Regions' Consumer Banking Group, has again been honored by *American Banker* magazine as one of the "25 Most Powerful Women in Banking."



Kate Danella

This is the fifth consecutive year *American Banker* has included Danella in its various rankings of the industry's most influential and top-performing women leaders. This year's honorees are featured in the *American Banker's* October 2023 issue. Danella became head of Consumer Banking at Regions in May 2022 after serving as chief strategy and client experience officer. She joined the company as wealth strategy and effectiveness executive, later leading Private Wealth Management and serving as head of Strategic Planning and Consumer Bank Products and Origination Partnerships. Before Regions, Danella held leadership roles for 13 years in sales, strategy, client services, and marketing for Capital Group Companies. The bank also congratulates

Dr. Chun Schiros, senior vice president and head of Enterprise Data Science for Regions, on being named to *American Bankers* 2023 Most Powerful Women in Banking: Next list. The distinction honors high-achieving women 40 years of age and under who have successfully executed major internal projects, initiated



Dr. Chun Schiros

meaningful change within their banks, and are helping shape the future of the financial services industry. Schiros is the only data scientist in the banking industry to receive the recognition this year. Schiros joined Regions in 2014 and currently leads Enterprise Data Science, where she oversees the development and execution of data science and Artificial Intelligence (AI) strategies. She manages multiple data science teams focused on building large-scale AI solutions using machine learning and statistical techniques. The goal of her work is to provide recommendations and innovative solutions that are purposeful, trustworthy and efficient for bankers to meet customer needs. Before assuming her current role in 2021, Schiros held a number of positions at Regions, including data science manager supporting corporate banking and wealth management and model risk management and validation manager. Prior to joining Regions, she served as a research scientist at UAB Medicine.

DIRECTOR NEWS

NobleBank & Trust welcomes **Robby Brown** to its board of directors. Brown comes to the board as owner and president of Brown Construction and Development for over 20 years. Brown brings with him a vast knowledge in commercial real estate development. Brown is also the mayor of Heflin.



Robby Brown

Regions Financial Corp announced **Alison Rand** has been appointed to the boards of Regions Financial Corp. and its subsidiary, Regions Bank. Her term began Oct. 1. An experienced corporate executive, Rand has served as executive vice president and chief financial officer for Primerica



Alison Rand



newsline

STATEWIDE ROUND UP

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for 23 years. Based in metro Atlanta, Primerica delivers a range of financial products and services centered on the needs of middle-income households in the United States and Canada. As a member of Primerica's executive team, Rand was an integral part of the company's initial public offering in 2010 and continued to help grow the company by concentrating on investor relations, strategic planning, capital management, product development and financial reporting and analysis. In her CFO role, Rand is responsible for the management of Primerica's finances, optimizing capital, driving innovation through product development and casting a long-term strategic vision. In addition, she oversees all aspects of Primerica's finance and accounting functions, treasury, capital management, tax, investor relations and more. Rand serves as a key spokesperson with the investor and analyst communities.

DIRECTOR NEWS

ServisFirst Bank welcomes **Lance Covan** to its Mobile Board of Directors. Covan is the founder of Bon Secour Capital Holdings in Mobile. Bon Secour Capital Holdings is a private investment fund founded in 2010 to acquire, operate and grow established businesses in the southeast. Covan currently serves as the CEO and chairman of the Board of Mitternight Industries, a company focused on designing, engineering, manufacturing, and constructing process code equipment for Fortune 500 customers around the world. Covan is also chairman of Al-Fla Plastics, a wholesale/retail distributor of acrylics, plastics, FRP, grating, piping, and structural materials on the Alabama Gulf Coast. Prior to returning to Mobile, Covan served as the president and chief executive officer of the New York Foundation for Leadership at The King's College in New York City.

Covan moved to New York City from Tuscaloosa where he served as the director of athletic development for the University of Alabama's Athletic Department. In his role there, Covan's primary responsibility was to work towards securing \$200 million in funding for facility enhancements and seeding the Crimson Tide Foundation.

RETIREMENTS

Jack Lovelady recently announced his intention to retire during the first quarter of 2024 from **First Southern State Bank** in Stevenson. He will continue to serve on the bank's board of directors. Lovelady began his career at the First National Bank of Birmingham (AmSouth Bank) in 1982.

Throughout his tenure at First Southern, he has held various positions including bookkeeper, teller, and loan officer before rising through the ranks to be named president and CEO in 2016. Under his leadership, the bank grew to \$772 million in assets, added new ATMs, and new branch locations in new communities through a merger and acquisition in which First Southern was the acquiring entity. He is a second-generation banker behind his father, **Bunn Lovelady**, who also held the president position until his retirement in 2004 after a 45-year career with First Southern.



Jack Lovelady

Gwen Braden has retired from **United Bank** after 18 years of hard work and honorable service to not only the bank but also its customers. Braden had over 40 years in the banking industry and spent the last 18 years as the executive vice president and chief operating officer where she oversaw several different departments and ensured customer satisfaction.



Gwen Braden



SMARTBANK EXPANDS WEALTH MANAGEMENT SERVICES

SmartBank welcomes a team of experienced wealth advisors as it continues to grow its presence in south Alabama through a strategic partnership with Klosky & Associates, led by **John Klosky**, financial advisor and certified financial planner, and Closson & Associates Financial Services, led by **Chris Closson**, also a financial advisor. Klosky and Closson will continue providing wealth management services under their current office name and at the same location. Klosky and Closson each have approximately 30 years' experience as financial advisors and have assets under management of \$200 million as of April 2023. Klosky and Closson will bring their wealth of experience and open significant opportunities for SmartBank's clients to take advantage of the resources and experience of this office. Additionally, many of their clients will have access to SmartBank's private, mortgage, and commercial banking solutions, led by **Jeff Williams**, regional president, and accomplished team members **Emily Jernigan**, **Marsha Cobb**, and **Susan Wilkins**.



John Klosky



Chris Closson

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BANK BUILDING NEWS

GROUND BREAKINGS • NEW FACILITIES • GRAND OPENINGS

Bank Independent Celebrates Hampton Cove Sales Office



Bank Independent headquartered in Sheffield has opened a new location in Hampton Cove in Huntsville. The grand opening was celebrated with an open house and ribbon cutting on Sept. 22. The bank is located at 410 Sutton Road, Suite A. It is the the bank's third location to open in Huntsville and fourth in Madison County. **Miranda Nichols** serves as the sales manager for the office while **Crystal Green** is the sales officer.

Peoples Bank of Alabama Celebrates Grand Opening

The Blount-Oneonta Chamber of Commerce was honored to assist **Peoples Bank of Alabama** cut the ribbon on its new Locust Fork branch building on Aug. 22. Peoples Bank has been in Locust Fork for 19 years and is happy to continue serving in such a dynamic and growing community. The Locust Fork branch is the first of a newly designed "branch of the future" hybrid design that leverages traditional in-person banking with increased use of technology. The Locust Fork Peoples Bank is located at 2900 State Highway 79.



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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, retirements, and obituaries. Feel free to send high resolution photos with your news items! Information is accepted all year long. **Questions?** Email Shelley at shildebrand@alabama.bank.



Troy Bank & Trust Breaks Ground for New Office



Troy Bank & Trust celebrated its new facility in Auburn at Cary Creek with a ground breaking ceremony.

ASSOCIATE MEMBER NEWS

Catherine Holden has joined **John M. Floyd & Associates** as a regional director to support the company's southeastern market. Holden resides in the Florida panhandle and brings a wealth of knowledge and experience to JMFA.



Catherine Holden

Quantalytix, a provider of cloud-based Enterprise Bank Management (EBM) software for financial institutions, announced that the company's CEO, **Christopher Aliotta**, has been appointed to the Forbes Council, an invitation-only professional organization for top executives and entrepreneurs to come together to share knowledge and resources in order to help people thrive.

Mauldin & Jenkins, a leading assurance and advisory firm, is proud to announce that it has been named one of **INSIDE Public Accounting's** Top 100 Firms for 2023. Coming in at number 65, the firm climbed four spots ahead of the previous year's ranking of the most successful public accounting firms. An esteemed industry benchmark, the IPA Top 100 Firms are annually ranked by U.S. net revenue and are compiled after analyzing the responses of 600 firms surveyed across the nation.

Saltmarsh, Cleaveland & Gund announced that the firm was named as one of Accounting Today's 2023 Best Firms to Work For and a Top 200 U.S. Accounting Firm by **INSIDE Public Accounting**. Accounting Today's 18th annual recognition surveys employees from their perspective and examines an accounting firm's practices, programs and benefits. It showcases firms that stand out from the norm and provide outstanding quality workplaces for their employees.



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AWARDS & HONORS

BANK RECOGNITION FOR SERVICE, SUCCESS & CULTURE

Bank Independent Named to Newsweek's List of the Top 100 Most Loved Workplaces for 2023

Newsweek announced its annual rankings for the Top 100 Most Loved Workplaces® list, and **Bank Independent** was ranked 33rd. This was the second consecutive year that Bank Independent made the list after ranking 36th in 2022. The 2023 Top 100 Most Loved Workplaces® are the result of a collaboration with the Best Practice Institute (BPI), a leadership development and benchmark research company. The results were determined after surveying more than two million employees from businesses with workforces varying in size from 50 to more than 10,000. The list recognizes companies that put respect, caring, and appreciation for their employees at the center of their business model.

In addition to the honor from *Newsweek*, the bank also announced that it earned certification as a Most Loved Workplace®, backed by Best Practice Institute (BPI) research and analysis. Most Loved Workplace® validation provides the most comprehensive look at workplace sentiment for organizations today. This is the second consecutive

year that Bank Independent has been awarded this recognition.

“The care of our team members has always been at the center of our organization since our founding,” **Penny Camp**, chief people officer at Bank Independent, said. “As we continue to grow, we remain committed to upholding our values and nurturing the culture established by our founders and leaders. Looking ahead, we will maintain our focus on our team members to create a workplace that is enjoyable and where they feel appreciated.”

Bank Independent has been certified as a certified Most Loved Workplace® because of its commitment to providing a positive culture and engaging environment for employees. It centers around the vision and mission of the bank to be the bank of choice of the communities the bank serves and to make a positive difference in people's lives.

First Metro Bank Rated Best Performing Community Bank in North Alabama

S&P Global Market Intelligence, a financial information and analytics company, recently released a report of

the 50 Best Performing Banks of 2022 in the Southeast under \$10 billion in assets. **First Metro Bank**, a community bank based in Muscle Shoals, was ranked 15th.

“An accolade of this caliber that analyzes our performance and state rankings is one of the greatest honors First Metro Bank has received, solidifying our distinction as one of the strongest banks in the Southeast,” **Rodney Howard**, president and CEO, said. “This would not have been possible without the soundness and wisdom of our board of directors, the hard work and dedication of our employees, and the patronage and loyalty of our customers.”

S&P Global Market Intelligence launched the first rankings report in 2011 to assess the performance of community banks and credit unions. The division ranks institutions based on returns, growth, and efficiency but places a premium on balance sheet strength and risk profile.

First Metro Bank was founded in 1988, operating in a mobile unit on Avalon Avenue in Muscle Shoals with nine employees. Thirty-five years later, the bank employs 144 people in North Alabama with 11 locations throughout Colbert, Franklin, Lauderdale, and Limestone Counties.



Bank Independent Holds Annual School Share Drive

The 10th annual **Bank Independent** School Share drive conducted from June 26 through July 14 contributed a total of \$3,769.84 in cash and an additional 22,996 school supply items to local partner organizations through the “\$5 Helps Carry the Cost” campaign. Donations were accepted at all locations of Bank Independent, by PayPal and through four scheduled “Stuff the Bus” collection events.

“We are grateful to all those who donated supplies and funds during this year’s drive,” said **Rick Wardlaw**, CEO of Bank Independent. “Without the support of our incredible communities, we would not be able to make the

same positive impact on the lives of teachers and students in North Alabama.”

Over the last nine years, the Bank Independent School Share drive has generated a financial impact of over \$277,234.38 across the seven-county footprint. All school supplies and cash donations are distributed through local organizations in each market, including Committee on Church Cooperation in Decatur, Sidney’s Safe! Foundation, the Department of Human Resources in Franklin, Lawrence and Limestone Counties, and Free 2 Teach in Madison.

“The support we receive from our

customers and team members gets better each year,” Bank Independent Community Engagement Leader **Hallie Mauldin** said. “This is such an important drive because it allows our teachers and students to get the school year off to a great start.”

School Share is part of Bank Independent’s Helping Hands program, which also includes employee volunteer efforts, donations, and sponsorships. Other Share drives include Toy Share to collect toys for children during the holiday season, Shelter Share to benefit animal shelters, and Food Share to collect non-perishable food items.

Regions Foundation Awards Grant for Student Workforce Readiness

The **Regions Foundation**, a nonprofit funded primarily by **Regions Bank**, announced a \$15,000 grant to Jobs for Alabama’s Graduates (JAG) to support students across Alabama preparing to enter the workforce.

“The Regions Foundation is committed to funding programs that provide hope and opportunity, helping people overcome barriers and achieve success,” said **Marta Self**, executive director of the Regions Foundation. “JAG is empowering students by addressing challenges and equipping them for brighter futures. The Regions Foundation is honored to support this work because we see the impact JAG is making by helping the students of today prepare for the jobs of tomorrow.”

The Regions Foundation grant will support JAG’s Youth Workforce Development program, including the 2024 JAG State Career Development Conference. Grant funding will help offset the cost for nearly 1,000 students across Alabama to attend the state conference in Birmingham, where they will be able to participate in leadership and career workshops, academic competitions and more.

Additionally, Regions Foundation funding will expand access for students in the Youth Development program offering academic support, career development, job-readiness training, job-shadowing opportunities, mentoring, and one-on-one coaching from JAG specialists. JAG works with employers, community

organizations, and other stakeholders across Alabama to help students secure opportunities such as internships, apprenticeships, full-time jobs and more. The state’s JAG program is managed by the Alabama State Department of Education.

Since 2020, the Regions Foundation has provided \$45,000 to JAG Alabama. That commitment is part of more than \$450,000 in funding the Regions Foundation has provided to the national JAG affiliate, Jobs for America’s Graduates. JAG Alabama currently operates 47 programs across the state and serves over 1,600 students. In 2022, the Alabama program had a 99% graduation rate of students in the program.

BOARD BRIEFS

How Banks Can Stay on Top of Emerging A.I. Risks and Regulations

by Drew Patty, Phelps Dunbar

The convergence of big data, computing power and generative A.I. algorithms is already having major impacts on the banking industry. Financial institutions can stay ahead of evolving regulations by reviewing their products and operations and implementing best practices now.

A.I. Is Changing the Way Banks Do Business

Artificial intelligence involves machine functions that emulate human process and communication. Learning systems improve performance over time using training and experiences. New regulations surrounding the banking industry and its use of these new technologies require fairness, reliability and transparency from institutions employing them. Banks should be aware of deceptive advertising, unfair competition, copyright and privacy issues, and false information that may result from the use of generative A.I.

Generative A.I. can easily output new data and “train” new data through generative adversarial networks (GANs). A large language model (LLM) analyzes human language patterns to easily predict words and review large quantities of unlabeled text to quickly sift through data. This type of AI can make several banking business functions more efficient, including:

- Customer service
- Fraud detection and prevention
- Investing and portfolio services
- Loan applications
- Mortgage processing
- Retirement planning

Recent developments in A.I. offer benefits to banks, but they’re not without risk. Risks to consumers can include poor data quality resulting from incomplete data or the release of unauthorized information, as well as a lack of transparency. The use of A.I. in financial services also may violate regulatory anti-discrimination obligations without human oversight or the option to override data.

The Rise of A.I. Regulations

On March 31, 2021, the U.S. Department of the Treasury released a notice outlining the use of A.I. by financial institutions and the appropriate protocols for managing the technology to follow laws and regulations and protect consumers. These guidelines were the first in a series of regulations, followed by requirements for making credit decisions based on complex algorithms and quality control standards for automated valuation models, which were released in June 2023.

Top Tips for Banks Using AI

Banks can exercise the following options to protect consumer data and comply with federal regulations while realizing the opportunities that A.I. offers:

- **Conduct frequent risk assessments** - Routine testing and monitoring of the choices A.I. tools are making gives your institution the chance to step in and further train the tools, as well as correct any issues. Focus on establishing protocols for data quality diligence, examining the mitigation framework, examining the pathways that direct the technologies’ decision-making, and assessing the output’s “explainability” – the ability to explain its decisions in a way that

makes sense. You should also review the content of consumer notices of adverse decisions against applicable regulatory requirements for such notices.

- **Create an A.I. governance framework** – Many of the risks that come with using A.I. involve a lack of human oversight. In addition to developing an A.I. incident response plan, it's a good idea to update policies and procedures for every area of operations the use of A.I. could affect, including:
 - Business development
 - Compliance reporting
 - Data security
 - Management and staff training
 - Vendor management
 - Consumer Notices of Adverse Decisions

Banks can find valuable resources on compliance requirements in the NIST Trustworthy & Responsible AI Resource Center, NIST AI Risk

Management Framework, and Interagency Guidance on Third-Party Relationships: Risk Management.

A.I. and machine learning tools will continue to evolve, and so will the risks and regulations associated with them. A solid game plan can help banks reap the rewards of A.I. while managing any potential pitfalls.

Drew Patty balances his legal advice with commercial solutions to help clients in the medical, energy, insurance, financial and manufacturing sectors move their businesses forward. His background in biochemistry enables him to understand scientific nomenclature, research endeavors, chemists' work processes, and the relationships between experiments, results, patent applications, product manufacturing, distribution and service.



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NOVEMBER

- 14 **SECURITY TRAINING**
Guarding Assets and People:
Innovations in Bank Security
Prattville
- 15 **Mortgage Compliance**
Deep Dive
Prattville
- 16 **TRID Breakdown: Deep Dive**
into the LE and CD
Prattville
- 28 **Learn How to Use ALVIN:**
New Titling System
Virtual Live Event via Zoom

DECEMBER

- 6 **Learn How to Use ALVIN:**
New Titling System
Virtual Live Event via Zoom
- 6 **Power Prospecting**
Birmingham

NOVEMBER

- 13 Strategies for Succession Planning and Talent Management (1:30 pm)
- 13 Commercial Loan Documentation: Ensuring Collateral Attachment & Perfection (1:30 pm)
- 14 Flood Insurance Compliance Requirements All Day Streaming (9 am)
- 14 Compliance Management System (CMS) Essentials (10 am)
- 14 10 Common Myths on Regulation CC (1:30 pm)
- 15 HR Basics for Supervisors (10 am)
- 15 Understanding the Role of the Notary Public (10 am)
- 15 Coaching Tellers to Excellence (1:30 pm)
- 16 Marketing and Advertising Compliance All Day Streaming (9 am)
- 16 Cybersecurity Mindset - How to Move from Reactive to Proactive (10 am)
- 16 Countdown to Beneficial Ownership - Policy, Procedures and Process (1:30 pm)
- 17 Dealing with Appraisals: Regulations and Requirements (10 am)
- 21 1071 Small Business Data Collection and Submission: Where Are We Now? (10 am)
- 21 BSA/AML: Marijuana & Hemp (10 am)
- 21 Outsourced Third Party Relationship Management: Developing a Compliant Program (1:30 pm)
- 28 Wire Transfers: Staying Compliant and Avoiding Fraud Loss (10 am)
- 28 BSA Preventing Financial Crimes - Red Flag Staff Training (1:30 pm)
- 29 Assessing Your Commercial Borrower's Insurance Coverage (10 am)
- 29 Consumer Real Estate Loans (1:30 pm)
- 30 Ability to Repay, Qualified Mortgage, High Cost & Higher-Priced Mortgage Loans (10 am)
- 30 Being Strategic with Base Compensation for Non-Executive Positions (1:30 pm)

DECEMBER

- 1 Most Common TRID Issues (10 am)
- 4 Commercial & Business Lending Basics for Support Personnel (1:30 pm)
- 5 Bi-Monthly Compliance Briefing - December (10 am)
- 5 10 Common Errors on Fiduciary Accounts (1:30 pm)
- 6 Regulation E: Errors & Disputes (10 am)
- 6 Creating Exceptional Customer Experiences (1:30 pm)
- 7 Assessing Environmental Risks in Commercial Real Estate Lending (10 am)
- 7 Business Accounts with New Beneficial Ownership Rules (1:30 pm)
- 8 Creating an Effective Onboarding Curriculum (10 am)
- 12 2023 CRA Review and Update (10 am)
- 12 Beneficial Ownership Rules - Training for Your Staff (10 am)

QUESTIONS?

Contact **Elizabeth Bailey**
who serves as vice president
of professional development!
She can be reached by email at
ebailey@alabama.bank or by
calling (251) 510-3593.



ALABAMA BANKERS ASSOCIATION

CALENDAR OF *events*

2023

DECEMBER 14-15

Bank Counsel Conference

hosted in conjunction with the
Louisiana Bankers Association

The Westin
New Orleans, La.

2024

MARCH 12-13

Credit Conference

Valley Hotel
Homewood

JUNE 2-5

131st Annual Convention & Trade Show

Four Seasons Hotel
Nashville, Tenn.

JULY 11-13

B2L Summer Leadership Conference

The Henderson Beach Resort & Spa
Destin, Fla.

AUGUST 1-3

CEO, Bank Exec & Directors' Conference

The Grand Hotel
Point Clear

SEPTEMBER 16-18

DC Fly-In

Willard Intercontinental Hotel
Washington, D.C.

SEPTEMBER 18-19

The IGNITE Experience

The Westin
Huntsville

OCTOBER 20-25

Alabama Banking School

Renaissance Montgomery Hotel
Montgomery

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