

PB Bancshares, Inc. | \$8.25 Million 10NC5 F2F Subordinated Notes

Regulation D Private Placement of Subordinated Notes

\$8,250,000

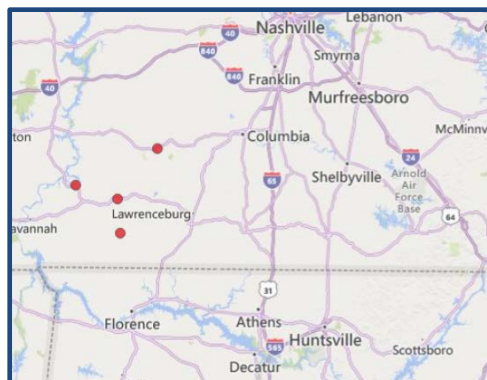
10 Year, Non-call 5

6.5% Subordinated Notes



Sole Placement Agent

October 7, 2022



Issuance Rationale

- Proceeds will be used to support growth and general corporate purposes.
- 10 year, non-call 5 fixed to floating subordinated debt at attractive coupon.

Transaction Highlights

- Established in 1890, Peoples Bank has been committed to serving the communities of southwest TN.
- Seasoned and invested management team – Insiders and ESOP own ~80% of the Company.
- Above peer profitability history results with a history of attractive earnings growth.
- Strong funding strategy – High levels of non-maturity deposits and transaction accounts.
- Well-positioned for current rate environment – Liquid balance sheet and limited securities portfolio.
- Positive credit picture – Disciplined underwriting standards and measured loss content.
- A diversified loan portfolio with attractive yield – Provides optionality and flexibility.

Balance Sheet (000's)	2018Y	2019Y	2020Y	2021Y	06/22 YTD
Total Assets	\$214,025	\$206,441	\$221,767	\$259,288	\$285,896
Total Loans	\$159,546	\$159,342	\$164,553	\$200,897	\$220,151
Total Deposits	\$184,508	\$172,379	\$196,352	\$233,334	\$254,138
Leverage Ratio	8.5%	9.5%	10.1%	9.6%	9.3%
Operating Metrics	2018Y	2019Y	2020Y	2021Y	06/22 YTD
ROAA	0.90%	0.91%	1.07%	1.25%	1.34%
ROAE	10.7%	10.2%	11.1%	13.0%	14.8%
Net Interest Margin	4.72%	4.56%	4.70%	4.96%	4.74%
Efficiency Ratio	67.0%	64.3%	62.0%	59.8%	59.9%
NPLs / Total Loans	4.16%	1.71%	1.42%	0.06%	0.59%
NCOs / Avg Loans	0.29%	0.45%	0.24%	0.15%	0.01%

Source: S&P Capital IQ BHC regulatory data

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