

2020 IN REVIEW: EXCEEDING EXPECTATIONS

"The magical mystery tour is waiting to take you away." If ever there were a song to announce a new year, this Beatles classic should have been it for 2020. We've seen a myriad of major events in 2020, beginning with COVID-19.

The pandemic threw a wrench into many projects, including the grand opening we planned for our new full-service bank location in West Allis. Despite the shut-down, we opened our West Allis bank, and through October raised \$14.5 million in deposits so far serving customers in southeastern Wisconsin.

Our efforts on assisting both retail and commercial customers throughout the pandemic displayed our desire to help customers weather uncertain times. Our commercial banking team processed a large number of Paycheck Protection Program (PPP) loans to support continued payroll for 12,000 employees at local small businesses. Our loan growth from PPP loans originated was the 2nd highest percentage of publicly traded Wisconsin banks.

Our mortgage team continues to amaze me. With lower interest rates this year, they've processed new home purchases and refinancing of existing loans through September at a rate 2.4 times greater than last year, at record levels. They've closed over \$200 million in residential mortgages through the first nine months of 2020 alone.

With interest rates still very low, many homeowners can still benefit from a refinance of their existing mortgage.

The pandemic has proven we made a wise choice in upgrading our digital bank platforms in 2019. Customers are managing their banking more at home, but our digital platforms including our BankPeoples app are completing thousands of transactions every day. Customers can also setup virtual appointments with a banker by visiting bankpeoples.com.

As mentioned earlier in the year, 2020 saw Peoples reach \$1 billion in total assets. What an important milestone for Peoples, and one that happened in the middle of the pandemic. During 2020, we increased Peoples State Bank's financial strength through strong loan loss reserve provisioning and increased equity capital, growing these a combined \$14.6 million, for total capital and reserves of over \$120 million at this time.

We've accomplished great things together in 2020. Thank you to all our customers! And thank you to all our employees! Let's hope the requirement for social distancing fades into history during 2021 as we return to supporting one another, with a little less magical mystery than 2020!

- *Scott* Scott M. Cattanach
Peoples State Bank
President & CEO

BOOK AN APPOINTMENT

We are excited to announce that you can now book an appointment with a banker from our website. You can choose to set up your appointment for an in person or a virtual meeting. To get started, simply click on the "Book an Appointment" button on our website located next to the Digital Banking Login, and from there select your nearest location. If you have difficulty setting up a specific time, we also have a link for you to request a custom schedule.



EMPLOYEES GIVE BACK

PICTURED ABOVE

Employees built 150 breakfast food kits for area food pantries during the Smack Hunger event with United Way of Marathon County.

Best Banks to Work For

For the second straight year, Peoples State Bank has been named as one of the Best Banks to Work For in 2020 by American Banker magazine and Best Companies Group. This year's #55 ranking is 14 spots better than in 2019.



"We're honored once again to be named as one of the best banks to work for in the United States," said Scott Cattanach, president and CEO of Peoples State Bank. "Our team of high-performing employees bring passion, dedication, and integrity to work every day—even during the pandemic—which shows the positive impact they have on our customers."

Part of the ranking system is based on an employee survey, where employees offered comments.

"Even in trying times like COVID, the bank takes precautions for protecting the employees. They will buy lunch for employees who are working in the office and tend to look after everyone."

"The staff is great to work with and it becomes your work family. We have fun events that employees can participate in

and they encourage employees to volunteer in their communities."

"We are a family of caring individuals who help around our communities and help each other succeed."

In ranking Peoples 55th in the nation, American Banker noted the bank's lunch-and-learn sessions and employee assistance program, and engagement activities which have been critically important during the pandemic.

"Our focus has always been on helping our employees achieve their best in a team atmosphere, and now more than ever providing more flexibility in their work hours given the challenges of the current environment," said Donna Staples, Peoples State Bank's senior vice president – human resources. "COVID-19 spurred us to double-down on our efforts, ensuring the health and safety of our employees, and in turn for our customers."

American Banker took special note of Peoples employee volunteer hours, which tallied 8,677 hours in 2019. Every employee volunteered in one or more activities during and outside the workday. That's just under 50 hours on average per employee to support the communities in which they work and live.

FACT VS. FICTION

Fiction: I can only invest my IRA contributions in traditional assets that my advisor offers.

Fact: Although traditional and Roth IRAs are restricted to assets that IRA custodians offer (e.g., stocks, bonds, mutual funds, exchange-traded funds), a self-directed IRA allows you more flexibility in where you can invest. These include precious metals, real estate, debt instruments, digital currencies, and businesses. There are many rules and regulations surrounding these types of investments, and it's important to have a thorough understanding of the risks before moving forward. They could be a great way to further diversify your portfolio if used as part of a well-rounded retirement strategy.

Find more Financial Facts vs. Fiction at www.peoplesinvest.com

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2021 HSA and IRA Savings

Health Savings Accounts (HSAs) for individuals and families covered by high deductible health plans have higher contribution limits in 2021. Most retirement account contribution limits remain unchanged in 2021.

2021 maximum HSA contribution limits are as follows:

Single Coverage – \$3,600 (up \$50 over 2020)

Family Coverage – \$7,200 (up \$100 over 2020)

Catch-up contributions of \$1,000 for eligible individuals who are 55 plus are allowed.

2021 maximum retirement contribution limits are as follows:

401(k) or 403(b) – \$19,500
(no change from 2020)

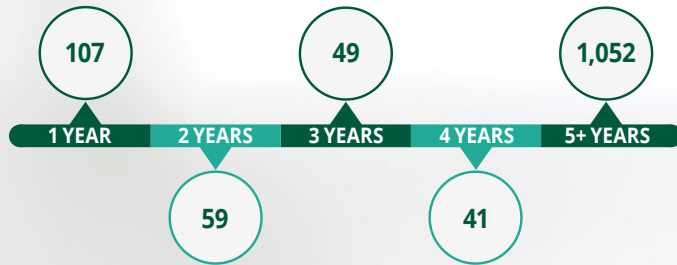
Individual Retirement Accounts (IRAs) – \$6,000
(\$7,000 if you're age 50 or older) - no change from 2020

Our Customers Say It Best

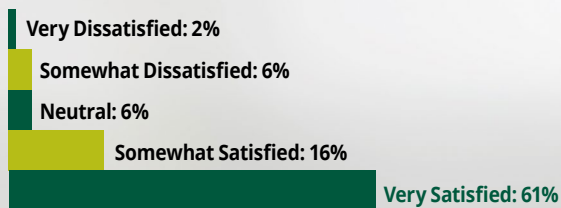
This year you all ranked us as a 4.45 out of 5!

We are incredibly proud to continue to serve you to the high standards that you have come to expect. We will continue to keep improving our service to best serve you.

How long have you had an account at Peoples?



Please rank your experience using our digital products such as our Mobile App, Online Banking, and Bill Pay



"Everyone that I have ever had personal experience with, have been awesome! Tim Sanderson, Val Dreger, Manager Amy at Eagle River, and Gary and Andy at Eagle River.....they have all been just excellent with any and all issues that I may have."

"Personal service, staff care about me personally and have helped complete some not so often encountered transactions requiring foreign transactions, all staff are friendly, efficient and knowledgeable."

"A lot of electronic access products where I can do a lot of things by myself. The people are also fantastic! Heather Martell has been a cheerleader for us since we bought our business. I appreciate that about her!"

PREPARING FOR THE END OF INTERNET EXPLORER

Beginning January 1, 2021, Microsoft will no longer provide updates to their Internet Explorer browser. What does that mean? You'll still be able to use it to "surf" the internet. However, Microsoft won't provide updates to Internet Explorer (IE). As websites become more complex, you may encounter issues with some websites, videos, or other sections of websites while using IE.

As computer software gets older and older, it takes more and more to keep it secure. Writing patches over an extended period is often riskier & costlier than coming up with a new version. At some point, the cost of keeping a legacy program up to date exceeds the decision to retire it.

If you use Internet Explorer, please start using Chrome, Edge, or Safari on a Windows based computer. You'll want to do the following:

1. Change your default browser to Chrome or Edge or Safari
2. Move over your Favorites from IE to your new browser
3. Check out your desktop and see if you have any shortcuts that you have there that have the Internet Explorer logo (if you switch your default browser you should be set!)

If you use a Mac, no need to look for Internet Explorer, as you're likely using Safari or Chrome. And If you use the Bank Peoples app on your tablet or your phone, you also don't need to worry about the loss of functionality.

Our Bank Peoples Online Banking suite maximizes the security features in the current releases of most supported browsers, so we don't know the functionality hiccups that might occur should you continue to use Internet Explorer. When our Online Banking platform becomes incompatible with Internet Explorer, we will try to prompt you with a message indicating that you are using an incompatible and out of date browser and to use a newer, supported browser.

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Want to promote your business in PeoplesTalk?
Email us at etalk@bankpeoples.com



■ Military Care Package Drive Another Success

Peoples State Bank customers, employees, and the general public were generous again in 2020 for the annual Peoples military care package drive. More than 7,500 items and \$618 in cash were dropped off at eight Peoples State Bank locations through north and central Wisconsin.

The donations were given to the Rhinelander Military Support Group, which creates care packages to send to active military members from Wisconsin who are stationed overseas, and to veterans throughout Wisconsin who need a bit of assistance.

NO BAKE WREATH TREATS

DIRECTIONS

1. Place marshmallows and butter in a microwave safe bowl; microwave, uncovered, on high until butter is melted and marshmallows are puffed, about 45 seconds. Tint with green food coloring. Stir in cornflakes.
2. On a waxed paper lined baking sheet, divide mixture into 8 portions. With buttered hands, working quickly, shape each portion into a 3 in. wreath. Decorate immediately with M&M's, pressing to adhere. Let stand until set.

Recipe by A Taste of Home on tasteofhome.com



INGREDIENTS

- 20 large marshmallows
- 2 tablespoons butter
- Green food coloring
- 3 cups cornflakes
- Red M&M's minis (about 2 tablespoons)