



2020

ANNUAL REPORT



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Letter from our CEO

To our Shareholders, Customers & Friends

2020 presented many challenges to contend with; particularly, Peoples State Bank observed closely the ripple effect of our nation's economic response to Covid-19 – primarily, in the focus of interest rates, economic stimulus, and the Paycheck Protection Program (PPP).

Financially, we weathered these tests well and remain in a strong, defensive posture even though our Total Assets grew almost \$100 million during the year. This unprecedented growth would typically indicate an acquisition or robust lending environment; however, asset growth in 2020 can be directly attributed to government stimulus programs in response to the Covid-19 pandemic. Our staff and infrastructure were tested to accommodate Economic Impact Payments (EIP) for our customers. Additionally, amid uncertainty, we were aggressive in providing PPP (Payroll Protection Plan) loans for local businesses – generating over \$32 million in the first round of the program. This past year also brought a dramatic decrease in interest rates – which created waves of refinancing in all loan categories. We are hopeful these conditions will contribute to real benefits for our local communities in this coming year.

The past year also presented non-financial challenges and changes. In April, after many months of planning, we undertook a major conversion to a new core software system. Unfortunately, our conversion date coincided with the first “Safer at Home” orders and distribution of EIP benefits which intensified an already burdensome task and temporarily disrupted the banking routines of our customers. With all that behind us now, we are confident this new core platform will greatly enhance our ability to better serve our customers well into the future.

At year-end, Mark Forsythe retired after over 38 years of service to Peoples State Bank – the last 13 of which as President and CEO. Mark oversaw a period of tremendous growth and prosperity at our Bank; although, he'll be remembered primarily for his genuine concern for the well-being (financial and otherwise) of his customers and colleagues. Even though Mark will remain active on the Board of Directors, we will miss his daily presence in the Bank.

Also, in December, Frank Weeks was honored with *Director Emeritus* status. Frank joined our Board of Directors in 2003 and his business acumen and guidance have been tremendous aids to our success in those intervening years. Frank's insight and innovative way of thinking helped develop strategies and efficiencies that we continue to utilize and his continued service as advisor and consultant to the Board will be invaluable.

Though we enter 2021 with uncertain economic conditions, we are confident that our strong financial position and our commitment to this market area make us uniquely able to capitalize on opportunities that will support our customers during the coming year – and for many years ahead.



Brennen Clark, President

Board of Directors



Thomas F. Farrell, Chairman, *Retired President, Peoples State Bank*

Franklin A. Weeks, *Director Emeritus , Design Homes, Inc.*

Darby D. Suckow, *Co-Owner, United-Suckow Dairy Supply, Inc.*

H. Brooke Grinde, *Livestock Nutritionist, Vita Plus Corporation*

Garith W. Steiner, *CEO, Crossing Rivers Health*

James Hutchison, *Prairie Industries, Inc., Nu-Pak, Inc*

Mark W. Forsythe, *Retired President, Peoples State Bank*

Joining our board in 2020:

**Brennen Clark, *President and
CEO, Peoples State Bank***



Joining Our Team

Liza Conner



Logan Coulter



Hannah Kanis



Emily Mahan



Kristin Burke



Shannon Harvey



Jeff Johnson



Daniel Glass



Sondra Ostheimer



Randi Domeier



Sara Thein



Elizabeth Kelkamp



Community Commitment

Peoples State Bank's slogan is "Community Minded... Just Like You." Similar to years past, in 2020, Peoples State Bank stayed true to that slogan by donating, sponsoring and supporting community fundraisers, events and businesses. To protect our community against COVID-19, many of the events we normally volunteer at were cancelled. But, at Peoples State Bank we still found ways to safely encourage and support our community.

Community Sponsorships
and Donations

\$223,650

Small Business PPP Loan
Amount (first round)

\$31,640,000



Employee Involvement

In 2020 through “Jeans Day Fridays”, Peoples State Bank employees raised funds for different causes such as Breast Cancer Awareness, American Heart Association, Strong and Abel, and to help our communities with storm relief efforts. Our employees also serve many community organizations, boards, and events including:

Amy Tway	Guttenberg Chamber of Commerce // Clayton Ridge Dollars for Scholars Committee	Lisa Finch	Clayton County Womenade
Audra Hallberg	Mar-Mac Dollars For Scholars Committee	Mary Jo Johnsrude	Crawford County Dairy Promoters
Bernadine Mezera	Boscobel Chamber of Commerce Board	Sheri Bowar	Driftless Development Inc. Committee - Housing Study // Redevelopment Authority of Prairie du Chien // Revolving Loan Committee for Prairie du Chien // Prairie du Chien Chamber of Commerce
Cindy Heffern	Allamakee Scholarship Foundation (formerly Dollars for Scholars) // Allamakee-Clayton Electric Coop // Friends of Yellow River State Forest	Tammy Kinley	Utilities board for McGregor, Iowa
Cody Kirschbaum	Financial Education for ag students // Fennimore Ag Promotional Committee	Tom Vondrum	Cassville Economic Development Committee // Mississippi River Parkway Commission // Grant Regional Health Center
Darcy Cline	Clayton County Womenade	Tom Augustyn	Guttenberg Economic & Industrial Development Corporation
Diane Bowe	Potosi Revolving Loan Fund // Potosi-Tennyson Chamber // Connect Community WEDC	Jan Waller	Boscobel InHealth Community Wellness Clinic // Prairie du Chien Housing Committee
Garith Steiner	Bethel Home Foundation Investment Committee	Michael Higgins	Crawford Community Fund // Crossing Rivers Health // Crawford County Crime Stoppers // Prairie du Chien School Board, Finance Committee
Kari Kronberg	Futures of Prairie du Chien // Eastman Clerk/Treasurer	Rick Benson	Lancaster Library, Financing Your Business program // Grant Regional Health Care Foundation
Kay Buck	Chassettes (formerly Chaseburg Lioness Club) // Viroqua chamber Main Street-Economic Restructuring Committee // Vernon Economic Development Association // Western Technical College Community Advisory Committee-Western Community Panel // Vernon Women's Alliance	Amanda Abing	Fennimore Chamber of Commerce
Mara Hird	Wauzeka Steuben School Board // Discovery on Dousman Childcare Board // Personal Finance @Wauzeka Steuben School // Wauzeka Economic Development Committee	Daniel Glass	Lancaster Area Chamber of Commerce // Fennimore Area Chamber of Commerce // Schreiner Memorial Library Board of Trustees // Lancaster Community Fund Advisory Board
		Kristin Burke	Howard County Community Foundation

Financial Education

Understanding your finances is important at any age. That's why we are in our communities sharing financial concepts through several different avenues, focusing on teenagers and young adults. While in-classroom opportunities couldn't happen this year, we still helped in our schools by providing 3rd grade dictionaries in some classrooms, doing remote videos, and providing the EverFi program to local schools at no cost.



Students Provided with
Free Financial Education
through EverFi:

219

Products & Services

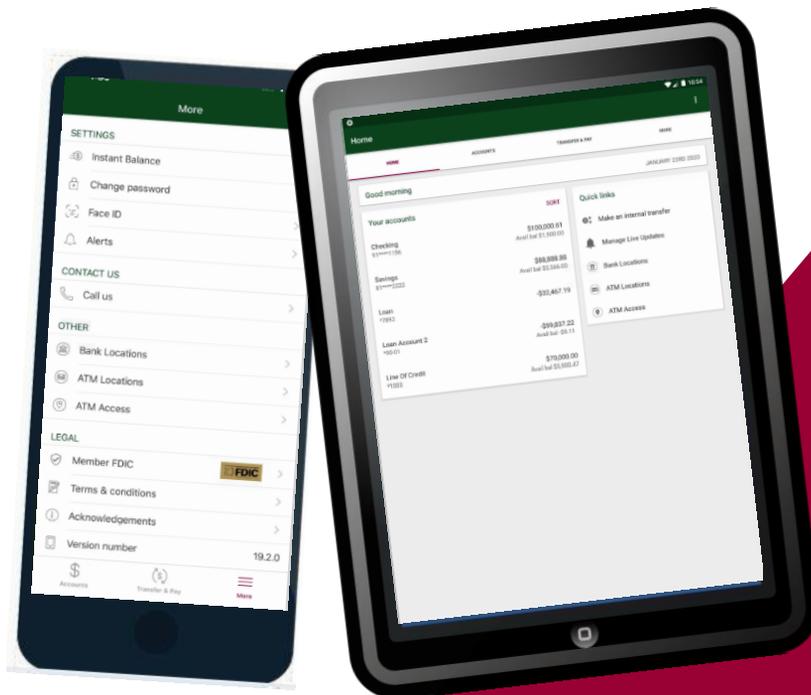


We got an
UPGRADE!



April 18-20, 2020

To better assist our customers and after months of planning, we upgraded core processors. Behind the scenes, this meant everything from how we process a deposit to creating statements, and so much more needed to be re-learned by our staff. In the long run, these changes will help us serve you better. For our customers, this meant a new online banking program and mobile app!

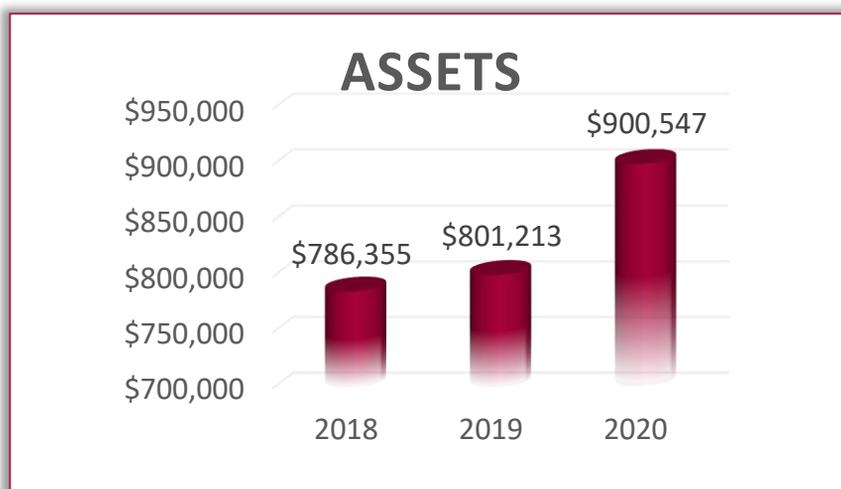


Assets & Earnings

Financially, we weathered the tests 2020 sent our way well and remain in a strong, defensive posture even though our Total Assets grew almost \$100 million during the year. This unprecedented growth would typically indicate an acquisition or robust lending environment; however, asset growth in 2020 can be directly attributed to government stimulus programs in response to the Covid-19 pandemic.

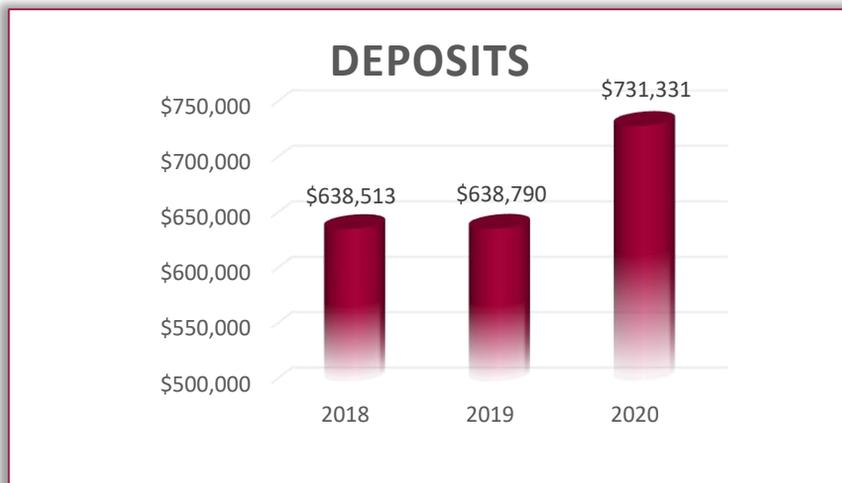
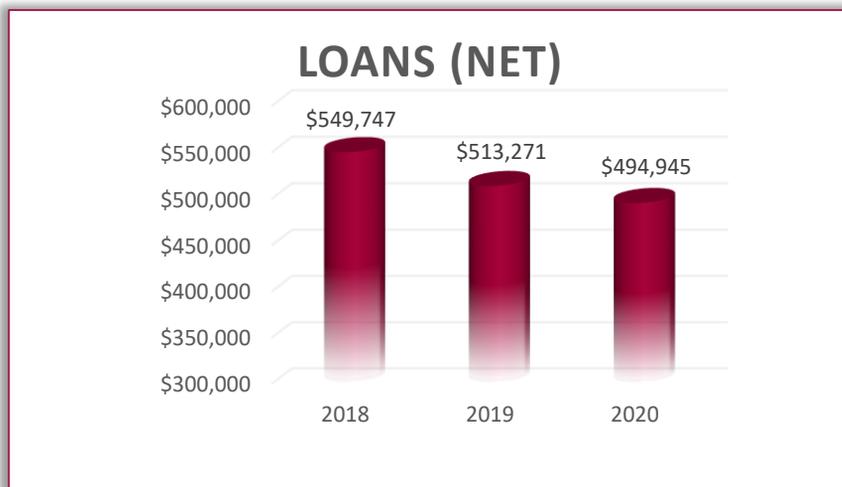
Net profit for the year ended at approximately

\$8.7 million.



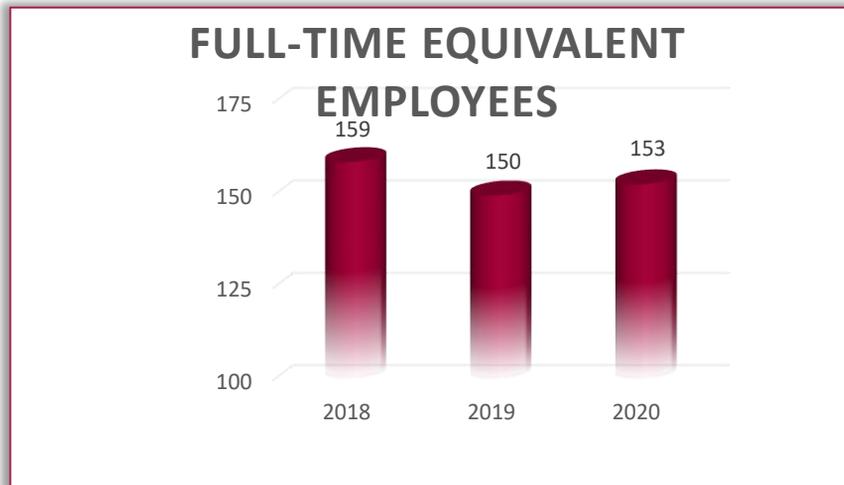
Loans & Deposits

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Capital & Employees

We thank our employees for their excellent service to our customers.



“I just want you to know what a GREAT staff you have. I applied for a PPP loan today and I was assisted by Kay Buck from your Viroqua office. She is a wonderful person who made the entire process quick and easy. Such a JOY to work with her. Thank you,” -Donnie

“Mara and Kathy at Wauzeka go above for personal service” - Margaret

“Lori at the Patch Grove office is amazing!! We have banked with Lori since joining PSB over 25 years ago and she has always went above and beyond for us and all of her customers. She has guided us through opening our IRAs, changing our personal accounts to business accounts and many other challenges that we threw at her...she never skipped a beat! Lori was also very helpful when we opened accounts for our kids and continues to help them with their financial needs. We have recently started doing more banking via the internet but I will continue to do my personal banking with Lori.” -Anonymous



This concludes Peoples State Bank's

2020

ANNUAL REPORT

Bagley • Bloomington
Boscobel • Dickeyville

Eastman • Fennimore • Glen
Haven • Guttenberg • Harpers
Ferry • Lancaster • Mt Hope
Patch Grove • Potosi • Prairie
du Chien (*Downtown & Riverside
Square*) • Seneca Soldiers Grove
• Viroqua (*Downtown & Vernon
Square*) • Wauzeka



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