

**COMMUNITY RE-INVESTMENT POLICY STATEMENT  
OF  
THE FIRST TRUST & SAVINGS BANK OF WATSEKA, ILLINOIS**

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## INTRODUCTION TO THE FIRST TRUST AND SAVINGS BANK OF WATSEKA, ILLINOIS

### COMMUNITY RE-INVESTMENT ACT STATEMENT

The First Trust & Savings Bank of Watseka, Illinois (Bank) was chartered as a State Bank in 1909. Its purpose then, as it is now is to serve the credit needs of our community as well as to serve as a depository for funds of the citizens (corporate, business, governmental and individuals) of this community.

This statement has been prepared pursuant to the Community Re-investment Act of 1977 and is in several different parts as is required by this act. The following maps outlines the area in which our Bank does almost all of its lending. This does not mean that we do not make some loans out of the area because on occasion we do.

It is the policy of our Bank, as it has been in the past, to lend to those borrowers that we deem to be credit worthy without discriminating as to race, color, age, sex, marital or familial status, religion, national origin, handicap, receipt of public assistance, or the good faith exercise of rights under the Federal Consumer Credit Protection Act; nor is there any particular geographical area in the community that we serve in which we will not make loans. Loans are made when funds are available, primarily on the basis of the credit worthiness as well as the character of the applicant, including low and moderate-income areas and individuals and small business and small farming lending.

On the following pages, you will find the maps and description setting forth the area that we regard as our effective lending area. These pages are 2 and 2A of our statement. Page 3 describes a list of all the types of loans that we make to our customers. We do not possess expertise in every and all types of credit and, accordingly, limit ourselves to the types of credit that we are knowledgeable in and which we perceive to meet the overall needs of our community. Pages 4 and 5 defines public file information and sets forth a Notice, which is required to be posted. Pages 6-9 contains a brief description of the philosophies and purposes guiding the destiny of our Bank as well as a brief description of some of our activities to ascertain and meet the credit needs of our community.

The First Trust and Savings Bank of Watseka, Illinois cannot be all things to all people. It must comply with the laws, rules and regulations to which we are subject. Finally, our Bank believes that a well-diversified portfolio of loans is advantageous to all of our customers as well as to our stockholders

Neil Schippert, President

(See Exhibit 2A for Map Delineating Community)

## **DELINEATION OF COMMUNITY**

Our community consists of Tract Codes  
of the 2020 Census Tract

## **DESCRIPTION OF COMMUNITY**

The effective lending area on the following maps consists of Iroquois County  
and

Tract Code #126 of Kankakee County (as the community of Chebanse,  
located 3 miles from our Clifton Banking Center, is divided with  
approximately one-half of it in Iroquois County and the other  
half in Kankakee County).

## SPECIFIC TYPES OF LOANS

### I. Real Estate Loans

- A. One to four family unit mortgages
  - 1. Conventional
  - 2. FHLB MPF program
  - 3. USDA Rural Development
  - 4. Construction-Permanent mortgage
- B. Multi-family residential mortgages
- C. Commercial mortgages
- D. Farm real estate mortgages
  - 1. Conventional
  - 2. FARMER MAC
- E. Home equity loans (Closed and Open End)

### II. Consumer Installment Loans

- A. New and used vehicle loans
- B. New and used mobile homes
- C. New and used recreational vehicles
- D. Personal loan – secured and unsecured
- E. Home improvement loans
- F. Equipment loans
- G. New and used motorcycle loans
- H. New and used boat loans

### III. Business Loans

- A. Working capital and Operating loans
- B. Equipment loans and leasing
- C. Property improvements
- D. SBA loans
- E. USDA Rural Development

### IV. Agricultural Loans

- A. Livestock
- B. New and used machinery
- C. Operating loans
- D. Agri-business loans of all types
- E. Ag Invest loans
- F. FSA Guaranteed loans
- G. Leases – equipment and buildings
- H. Beginning farmer loans

### V. Miscellaneous

- A. Various local securities such as tax anticipation, warrants, local revenue bonds and general obligation bonds

All of the above loans are subject to the terms and conditions of the Loan Policy, which has been adopted by the Board of Directors of The First Trust and Savings Bank of Watseka, Illinois.

## **CRA**

The Federal Community Re-Investment Act (CRA) requires the Federal Reserve Board (Board) to evaluate our performance in helping to meet the credit needs of this community and to take this evaluation into account when the Board decides on certain applications submitted by us. Beginning in 2025, the Illinois Department of Financial and Professional Regulation (IDFPR) Division of Banking will begin conducting joint CRA examinations with federal examiners.

### **CRA Disclosure Statements**

The joint regulatory agencies will annually prepare for each MSA and the non-MSA portion of each state an aggregate disclosure statement of small business and small farm lending by all institutions subject to CRA reporting.

These aggregate disclosure statements will be made available by the agencies to the public at central locations.

### **CRA Public File**

The First Trust & Savings Bank of Watseka, Illinois (Bank) will maintain its central CRA public file in the main office at; 120 E. Walnut St., Watseka, Illinois, 60970. This public file will include the following information:

- All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the Bank's performance in helping to meet community credit needs and any response to the comments by the Bank. (If neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the Bank or publication of which would violate specific provisions of law.)
- A copy of the public section of our Bank's most recent CRA performance evaluation prepared by our supervisory agency. This will be placed in the public file within 30 business days after its receipt from the agency.
- A list of the Bank's branches, their street addresses, and geographies.
- A list of branches opened or closed by the Bank during the current year and each of the prior two calendar years, their street addresses, and geographies.
- A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the Bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. In addition, at our option, the Bank may include information regarding the availability of alternative systems for delivering retail-banking services (e.g., ATMs, ATMs not owned or operated by or exclusively for the Bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs.)
- A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list.
- Any other information the Bank chooses
- The Bank's loan-to-deposit ratio for each quarter of the prior calendar year and, at our option, additional data on our loan-to-deposit ratio.

The Bank will make the above information available to the public for inspection upon request and at no cost at the main office. As such it is important that these files not contain any comments or responses that reflect adversely upon the good name or reputation of any person other than the Bank or any publications, which would violate the law.

In addition, a copy of the public section of the Bank's most recent CRA performance evaluation and a list of services provided by the branch will be available to the public for inspection upon request and at no cost at each branch office. Upon request, all of the information in the public file relating to the assessment area in which a branch is located will be provided within five calendar days at no cost.

Copies of the information in the Bank's public file will be made available upon request. A reasonable fee (not to exceed the cost of coping and mailing, if applicable) may be charged for this service.

Except as noted above, all information in the Bank's CRA public file will be updated on an annual basis to be current as of April 1<sup>st</sup> of each year.

### **CRA Public Notice**

Our Bank will inform the public about the Community Reinvestment Act by posting the appropriate CRA notice in the lobby of each of our offices.

DETERMINATION OF CREDIT NEEDS  
AND DESCRIPTIONS OF CURRENT EFFORTS

The long-range plan of The First Trust & Savings Bank of Watseka, Illinois (Bank), which is reviewed and approved by the Board of Directors annually, describes the specific mission of the Bank along with the philosophy of the Bank. Accordingly, they are set forth in this statement as a general guideline to the efforts of the Director, Officers and Staff of the Bank.

MISSION STATEMENT

“Our mission as a locally owned and operated financial institution is to create customer satisfaction and trust, thereby enhancing shareholder value through a team of professionals committed to product and service excellence.”

PHILOSOPHY

We believe in conducting our business so that:

- A. We serve our customers efficiently, fairly, honestly, courteously and helpfully.
- B. We give our employee opportunities to advance their banking careers and by providing excellent compensation and benefits.
- C. We provide our shareholders a reasonable profit and, therefore, a reasonable return on their investment.
- D. We serve the community in which we operate by being a community-oriented bank, a good corporate citizen and by encouraging our employees to be active in community affairs through their participation in charitable, religious and civic organizations.
- E. We maintain a strong capital structure to protect the depositors of this Bank.
- F. We maintain a reasonable degree of liquidity in the form of essentially non-risk investments and to maintain a balance portfolio in the various types of assets. We have established awareness in the community as a strong, stable and conservative bank, which serves the needs of our community.
- G. We are competitive in most services offered by other financial institutions; subject, however, to the rules and regulations promulgated by the various regulatory authorities and subject further to the profitability of the Bank, offer such services. Also, those services follow the policies established by the Board. We believe that good, honest competition under equitable rules and laws is beneficial to all parties and strive to see that such conditions exist.

### OUR PROMISES

1. Acknowledge the customer's presence immediately.
2. Stand up and greet the customer with enthusiasm and a smile.
3. Determine and use the customer's name.
4. Give the customer your full attention.
5. Ask questions and listen to determine customer needs.
6. Know our products and make suggestions.
7. Make customers comfortable by escorting or calling ahead to the next banker.
8. Say THANK YOU with sincerity.
9. Answer phone on first ring, greet, and identify the bank. ("Good Morning, The First Trust & Savings Bank"). Upon receiving a transferred call, greet and identify yourself. (Hello, this is...)
10. Respond to customer requests and phone calls within agreed upon time frames.
11. Dress and act professionally; keep your work area neat.
12. Respect your co-workers and work as a TEAM to provide our customers with outstanding service.

### OUR VALUES

- We put our customers first
- We are professionals
- We respect each other
- We work as one team
- We are committed to excellence and continuous improvement

### OUR VISION

"Helping People Succeed."

## ASCERTAINMENT OF CREDIT NEEDS

The First Trust and Savings Bank of Watseka, Illinois (Bank) makes an active effort to know the people in local organizations concerned with community development and the needs of low-and-moderate-income people. Further, we will supplement these regular channels at any time that we receive an indication that a community group has a concern about or request of our Bank. Our policy is to agree to any reasonable request to meet with such organizations at a time and place convenient to that requesting organization. We will also endeavor to make a representative of management available whenever requested by a group that appears to represent a legitimate segment of our community. Our stance will be as open, accessible, and flexible as possible.

Our Bank further believes that service to the communities that we serve does not end with the lending function. In addition to loan services, the Bank, its employees, officers, and directors participate or have participated in community-based development corporations, local clubs and organizations, church and community groups, and also provide financial counseling to small businesses, farmers, and consumers. The Bank also reviews declined loan applications, supports area schools through curriculum development, participates in government insured, guaranteed or subsidized loan programs. We donate funds to community groups and local charities and invest in local municipal bonds and loans.

The Bank provides officers to speak to the school system several times each year on practical credit and deposit requirements.

The Bank through its employees, officers, and directors support various service and civic organizations as member, directors, office holders and contributors.

Attached is a substantial list of groups and organizations that we support through service and contributions.

Bank Associations	Prairieview Lutheran Home and Foundation
CBAI	Shewami Country Club
ICBA	St. Jude Children's Hospital
American Legion	The ARC of Iroquois County
American Red Cross	Trustee to:
Central Unit #4 Scholarship Committee	Reynolds-Barwick Trust Scholarships
City of Watseka Planning Commission	Mary Helen Roberts Trust Grants
City of Watseka Revolving Loan Fund Comm.	Lavina Young Trust Grants
Clifton and Watseka VFW	Frank Smith Trust Grants
Clifton Businessman Association	Unit #9 Academic Foundation
Clifton Food Pantry	United Way of Iroquois County
Clifton Youth Leagues	Various Area Churches
Cub, Boy and Girl Scouts	Various Area School Post Proms & Yearbooks
Iroquois Public Health Elder Abuse	Village of Clifton Zoning Commission
Iroquois County 4 –H Club	WCHS Alumni Association
Iroquois County Local FFAs	WCHS Inspiration Award Committee
Iroquois County Fair Association	WCHS Jazz Band
Iroquois County Historical Society	WCHS Show Choir and Marching Band
Iroquois County Long Term Recovery Comm	Watseka and Clifton Lions Club
Iroquois County Republican Women	Watseka Area Chamber of Commerce
Iroquois County Revolving Loan Fund Comm	Watseka Elks Club
Iroquois County Sheriff Scholarship Fund	Watseka Family Festival
Iroquois County Soil and Water Conservation	Watseka Food Pantry
Iroquois County Volunteer Services	Watseka High School Band Boosters
Iroquois Economic Development Association	Watseka Kiwanis Club
Iroquois Memorial Development Council	Watseka Library Board
Kankakee Community College Foundation	Watseka Little League and Pony League
Knight of Columbus	Watseka Park District
Local Community Celebrations and Events	Watseka Warrior and Central Booster Clubs
Milford Sheldon Little League	Watseka Youth Leagues

The First Trust and Savings Bank of Watseka, Illinois, through its Board of Directors, has offered its support to ensure community banking remains viable in the State of Illinois by the involvement of its Holding Company Chairman, as a Past President of the Community Bankers Association of Illinois, and Co-Chairman of various committees of Independent Community Bankers of America.

The Bank has consistently in past years co-operated with the credit needs of our service area in various programs and will continue to do so. These programs are designed to provide credit needs to farmers, homeowners, consumers and small businessmen in our designated community, where otherwise credit may be denied. Through these programs, we have helped young farmers start and present farmers remain in agriculture. We have helped businesses start and have helped present businesses continue to operate. We have helped first-time homeowners and have also helped with their home improvements when their needs expanded. We have provided funds for education, transportation needs and other items necessary for consumers to enhance their standard of living.