

**STRATEGIC PLANNING POLICY
&
MISSION STATEMENT**

October 16, 2023

No changes.

Stacy Moore, President

STRATEGIC PLANNING POLICY MANAGEMENT SUMMARY

The financial service industry has changed rapidly in recent years and will undoubtedly continue to experience rapid changes in the foreseeable future. Our bank's ability to recognize, evaluate, and respond to those changes will determine our continued effectiveness in serving the needs of our customers, stockholders, employees, and help achieve our goal of remaining an independent community bank.

The products and services that we offer must be continually evaluated in terms of customer needs, our ability to provide those services, and our ability to price those products and services in a competitive and profitable manner.

In formulating our strategic plan, great care has been taken to assess a variety of factors that affect the bank. The impact of externals such as the economy, competition, and regulations that are beyond our control were evaluated. Internals such as ownership of the bank, staff, fixed assets, pricing, and capital were considered. Identification of strengths and weaknesses was used in an attempt to compile possible areas of improvement. A consideration of perceived opportunities and threats also provide valuable insight into the action that needs to be employed in the bank's future.

This document summarizes the work that has been done in the evaluation process. It delineates our plans and how we intend to accomplish those plans.

The final stage of this process is the implementation of the plan. It is critical to our success that we successfully communicate a full understanding of this plan to each officer, director, and employee. The rewards of this experience should be of benefit to all involved.

Reviewed & approved by Board of Directors 10/15/2019
Reviewed & approved by Board of Directors 10/13/2020
Reviewed & approved by Board of Directors 10/12/2021
Reviewed & approved by Board of Directors 10/17/2022
Reviewed & approved by Board of Directors 10/16/2023

THE PEOPLES STATE BANK OF NEWTON
Newton, Illinois

Mission Statement

The mission of The Peoples State Bank is to provide high quality financial services to individuals, businesses, and organizations. As a responsible corporate citizen, the bank can assist the community in the development of its available resources and help provide economic growth. The economic stimulus provided by the bank will be mutually rewarding to its customers, its stockholders and employees. This mission can only be accomplished by the realization that certain philosophical criteria must be established.

CUSTOMERS - We could not exist if it were not for our customers. Our attitude should be one that **WE MUST EARN THE RIGHT TO DO BUSINESS WITH OUR CUSTOMERS**. The attitude that the customer always comes first is the one that should always prevail.

STOCKHOLDERS - We believe in maximizing earnings on investment for our stockholders. Since The Peoples State Bank is principally locally owned and locally managed, there are many positive effects resulting from strong earnings. Strong profits provide for a healthy financial condition, adequate capital for expansion, additional employment, funding for civic projects, and in general, improves the bank's capacity to contribute to a healthier economy for the market that it serves.

EMPLOYEES/MANAGEMENT/DIRECTORS - We can only adequately serve the needs of our customers if we have a staff that is highly motivated, well trained and well directed. This attitude and the quality of service that our people provide will continue to separate us from our competition.

INDEPENDENT OWNERSHIP - We are confident that remaining an independent community bank is the proper course to best serve our customers, gain the best return for stockholders, and provide the best working environment for our employees. As more competitors in our area merge with large out of area banks, the opportunities of a locally controlled institution are greatly magnified.