



To Our New Friends and Customers,

Hello, my name is Bart Colwell, and I am President of The Hometown Savings Bank ("THSB"). Mark Garrett, President of First Savings Bank ("FSB") and I are pleased to announce that the merger between FSB and THSB was finalized on November 1, 2023, and we at THSB are grateful that you are now customers of our bank. On behalf of our staff, I want to welcome you to THSB!

THSB was established in Terre Haute more than 150 years ago for the purpose of providing quality banking services to people who lived along the Indiana/Illinois border. Offering excellent service to customers in all the locations in which we are now located is a mission we have never wavered from during our 150-year history and mirrors the mission of First Savings Bank, which was established in 1880 as the Danville Building Association.

Mark Garrett, now Senior Vice President of THSB, and I want to take a few moments to tell you a bit about the merger and what you can expect from THSB.

How will the merger impact my banking relationship with FSB?

That is likely the question that is uppermost on your mind and we have good news for you. Your banking relationship will stay the same, with the same local, friendly staff you are accustomed to. Your account numbers will not change, your automatic debits and credits will take place as usual, the bank's ABA Routing and Transit number will remain the same (it is now owned by THSB), and you may use the same checks you have on hand; however, when you reorder the first time after the merger, the checks will be imprinted with the THSB logo. You may use your existing debit cards for a period of time, though you will receive new debit cards with the THSB logo soon after the merger transaction is complete.

You will be able to call the same local phone number you call now to speak with the staff. The FSB website will be renamed THSB, but your online banking access will remain the same as it is now.

What customer advantages are there to the merger?

You will have a wider selection of loan and deposit products to choose from.

In addition to the fixed rate mortgages that FSB now offers, additional loan products will include:

~Adjustable-Rate Mortgages

~Auto Loans

~Home Equity Loans

~Commercial Loans

Additional deposit account offerings will include remote deposit capture, Health Savings Accounts, Christmas Club Accounts, and a variety of interest-bearing accounts. THSB also offers a Community Plus Checking Account to not-for-profit organizations, with no monthly service fee.

THSB offers a range of depository services for businesses, including Small Business Checking, remote deposit capture, and ACH origination. Our selection of commercial deposit accounts and commercial loans will allow FSB to meet the needs of the business community. We appreciate that small businesses are the lifeblood of the communities in which we operate.

Expanded electronic banking capabilities will accompany the additional product offerings.

Agency accounts can be opened with the THSB Trust Department, and with a subsequent agency agreement, the Trust Department, on behalf of a customer can purchase U.S. Treasury bills and bonds, open money market accounts, and purchase equities.

THSB has been looking for strategic ways to expand its footprint as a community bank. The opportunity to merge FSB into THSB allows THSB to enter a new market (Vermilion County) and bring products and services that FSB has previously not had access to.

How does FSB benefit?

As banking becomes more complex, the small staff of six employees struggles to keep up with the operating burdens, regulatory requirements, and regulatory compliance expectations that are part of modern banking. THSB has a significantly larger operation (approximately \$425 million to \$450 million in assets on any given day) with 100 employees staffing its branches, loan department, bookkeeping/operations, and IT department. Automated systems are in place for many of the processes the FSB staff performs manually. Those systems will allow our staff in Danville to focus more on customer service and grow the branch by offering new products that THSB will bring to FSB.

THSB will bring the resources to allow the FSB staff to become more engaged in Danville and the Vermillion County community. THSB will provide a marketing budget for sponsorships, membership dues in local community organizations, and help sponsor community events that fit in with its mission as a community bank.

Why merge FSB into THSB, with FSB becoming a branch of THSB?

FSB is realizing significantly increased costs for compliance, tracking, and reporting imposed on all banks by regulatory agencies. In addition, there are increasing costs of adopting new technology (including digital banking and online product offerings) for the convenience of

our customers, plus the additional costs of adding cybersecurity measures to go along with the expanded use of digital and online banking.

The ability of FSB to absorb those expenses and remain competitive becomes more challenging each year. Spreading those costs between both organizations makes the burden easier to carry as economies of scale are realized.

Who is The Hometown Savings Bank?

THSB was chartered in 1869 as Terre Haute Savings Bank and has been a part of the fabric of the Terre Haute community since its formation. THSB changed its name to The Hometown Savings Bank in early 2022 to be more reflective of its mission as a community bank that provides hometown services to the various communities in which it operates. THSB has 5 locations in Terre Haute, and one location each in Brazil, Riley, and West Terre Haute. In addition, the bank has an extensive “eBranch” (7 people) that accepts customer calls made to the main switchboard, with each person taking the call “owning” it until the matter is resolved or until it needs escalated (i.e. to a loan officer).

From a culture standpoint, THSB’s operating philosophy is aligned with FSB as both banks follow their shared mission, which is to be a hometown community bank. As such, we invest in the communities in which we operate and provide community banking services to our customers.

Thank you for being a customer of THSB!

If you would like more information, please contact Senior Vice President Mark Garrett at (217) 446-3854 or me at (812)244-5134.

Sincerely,
The Hometown Savings Bank



Mark Garrett,
Senior Vice President



J. Bart Colwell
President