



A Letter from our President, Jeff Hammes

Considering the recent news surrounding Silicon Valley Bank and Signature Bank, New York, I wanted to reach out to you with some facts and information on recent events in the banking industry, and talk to you about the strength, viability and resiliency of community banks.

The FDIC on Friday morning, March 10, 2023, announced the closure of Silicon Valley Bank (SVB) in Santa Clara, Calif., and said the agency created the Deposit Insurance National Bank of Santa Clara to protect insured depositors. SVB had \$213 billion in assets as of Dec. 31 and was the 16th largest bank in the country at the time of its closure. SVB experienced rapid asset growth of 215% between year-end 2019 and 2022.

On Sunday, March 12, 2023, the Treasury Department, FDIC, and Federal Reserve issued a joint statement on additional developments. The FDIC will complete its resolution of Silicon Valley Bank in a manner that fully protects all depositors. A similar systemic risk exception will apply to Signature Bank of New York, which was closed Sunday by the New York Department of Financial Services. The FDIC said it will operate Signature Bridge Bank as it markets the institution to potential bidders. As of Dec. 31, 2022, Signature Bank had approximately \$110.36 billion in total assets and \$88.59 billion in total deposits.

Both banks had nearly 90% of their deposits un-insured by F.D.I.C. insurance. However, the agencies said all depositors will be made whole, shareholders and certain unsecured debtholders will not be protected, no losses will be borne by taxpayers, and any losses to the Deposit Insurance Fund to support uninsured depositors will be recovered by a special assessment on banks. The Federal Reserve Board separately announced that it will make available additional funding to eligible depository institutions to help ensure banks can meet the needs of all their depositors.

Community banks operate under an entirely different business model than the nation's largest banks, one that is based locally and emphasizes building relationships and long-term trust.

Safety and soundness are priorities of community banks. As a small business ourselves, Peoples Bank takes pride in serving the unique needs of our customers and communities. We are in it for the long haul to serve the needs of all of you that count on us for financial stability and prosperity. Our staff live in the local communities we serve, and this unique access to local bankers is what makes community banks like us different and an asset to those we serve.

So, with all of this in mind, I want to assure you of something: We're here. For you. Here are some important details behind this assurance:

- As a community bank, Peoples Bank of Kankakee County remains well-capitalized and well-positioned to continue to serve our customers and community. We were chartered 61 years ago and expect to serve this community for generations to come.
- Unlike the two banks that failed this week, Peoples Bank has a very small portion of its deposits (less than 10%) that are not F.D.I.C. insured, helping to create a very stable deposit base.
- Our conservative banking practices over the years afford us plentiful access to liquidity should we ever need it.
- As a community bank customer, you have access to our experienced team, and we stand ready to assist you at all times with any of your questions or concerns.
- As a community bank, we take pride in our relationship-based business model focused on building long-term trust with you, our customer. After all, we live in your community too, and your success is our success.
- Nobody has ever lost a dime of FDIC-insured deposits up to \$250,000. If you have questions about whether additional insurance coverage is needed, we are ready and prepared to assist you in identifying whether additional insurance coverage is necessary and ensuring your deposit needs are met.
- If you have questions about your FDIC coverage, or would like to learn more about FDIC insurance and how it works, we encourage you to access the following resources or give us a call directly at 815-936-7600:
 - [Understanding Deposit Insurance.](#)
 - [FDIC Deposit Insurance FAQs.](#)
 - [FDIC Calculators.](#)

Please reach out to me or any of the bankers at our 3 offices. We look forward to serving you today and well into the future.

Sincerely,

Jeff Hammes
President