

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

SPRINGFIELD, ILLINOIS

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| _____ |) | |
| In the Matter of |) | |
| |) | |
| WABASH SAVINGS BANK |) | CONSENT ORDER |
| MOUNT CARMEL, ILLINOIS |) | FDIC-22-0080B |
| |) | 2022-DB-Sup1 |
| (Insured State Nonmember Bank) |) | |
| _____ |) | |

Wabash Savings Bank, Mount Carmel, Illinois, (“Bank”), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law or regulation alleged to have been committed by the Bank, and of its right to a hearing on the charges under 12 U.S.C. § 1818(b), and under 38 Ill. Adm. Code Part 392, regarding hearings before the Illinois Department of Financial and Professional Regulation, Division of Banking (“Division”), and having waived those rights, entered into a STIPULATION TO THE ISSUANCE OF A CONSENT ORDER (“STIPULATION”) with representatives of the Federal Deposit Insurance Corporation (“FDIC”) and the Division, dated September 9, 2022, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices and violations of law, rule, or regulation, the Bank consented to the issuance of this CONSENT ORDER (“ORDER”) by the FDIC and the Division.

The FDIC and the Division have determined to accept the STIPULATION.

Having also determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and section 48(6) of the Illinois Banking Act, 205 ILCS 5/48(6), have been satisfied, the FDIC and the Division HEREBY ORDER that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, take affirmative action as follows:

STRATEGIC PLAN

1. Within 90 days from the effective date of this ORDER, the Bank shall amend the Strategic Plan to include an assessment of the Bank's long-term operational needs. In addition to assessing long-term needs, management must develop achievable goals to improve the financial condition of the Bank. A formal feedback or tracking system shall be implemented to allow the Board of Directors to monitor management performance and progress toward achieving strategic goals.

CAPITAL PLAN

2. Within 90 days from the effective date of this ORDER, the Bank shall amend its existing Capital Plan to include procedures for seeking, planning, and finalizing a merger if capital ratios breach the plan's 8 percent Tier 1 Leverage threshold. The plan shall include procedures for due diligence, agreements including confidentiality, contacts for accountants or attorneys, notification for stakeholders or necessary parties, as well as requests for regulatory approval. The plan shall also include the Bank's responsible parties and timeframes for identifying and contacting potential merger partners.

PROFIT PLANNING

3. Within 90 days from the effective date of this ORDER, the Board shall expand profit planning to include a long-term budget, with a minimum of three years of projections, to

determine the effect net losses have on the capital position. The budgeting process shall include historical and estimated performance to model earnings projections.

INFORMATION TECHNOLOGY

4. Within 30 days from the effective date of this ORDER, the Bank shall assess which computers have unsupported operating systems, and either require system updates or if supported systems are not compatible with the current hardware then replace the existing hardware. Further, management must ensure that the patch management process is effective and patches are routinely applied. The bank shall ensure all computers on the network utilize supported software and routinely receive all necessary updates.

5. Within 90 days from the effective date of this ORDER, the Bank shall provide for a full-scope, independent IT audit.

6. Within 90 days from the effective date of this ORDER, the Bank shall correct the remaining IT deficiencies listed in the Report.

DISASTER RECOVERY AND BUSINESS CONTINUITY PLAN

7. Within 90 days from the effective date of this ORDER, the Bank shall test the disaster recovery and business continuity plan. Management shall provide the results of this test to the Board of Directors for review.

PROGRESS REPORTS

8. Within 30 days from the end of the calendar quarter in which this ORDER is issued, and within thirty (30) days after the end of each successive calendar quarter thereafter, progress reports covering each provision of this ORDER shall be submitted to the Regional Director and the Director, until notification by the supervisory authority that reports need no longer be submitted. The Bank's Board of Directors shall review all reports prior to submission and note their considerations in the minutes.

CLOSING PARAGRAPHS

The effective date of this ORDER shall be the date of its issuance by the FDIC and the Division.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

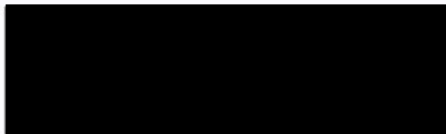
The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC or the Division.

Pursuant to delegated authority.

Dated: September 29, 2022.



Michelle Ogren
Acting Deputy Regional Director
Chicago Regional Office
Federal Deposit Insurance
Corporation



Chasse Rehwinkel
Director, Division of Banking
Illinois Department of Financial
and Professional Regulation