



April 19, 2023

To our valued clients:

Over the past few weeks, we have all learned much about issues at specific banks. Every day, discussions in the media have centered around questions regarding bank liquidity, bank capital ratios, unrealized investment losses, and shrinking deposit bases. In response to these specific bank problems, I wrote to you about the strong condition of our bank and our conservative approach to risk management.

At the end of our first quarter, despite significant market turmoil, I am pleased to say that we have posted one of the best quarterly financial performances in our history. The bank's liquidity remains substantial and is held at the Federal Reserve. Our conservative investment policies have resulted in negligible unrealized investment losses and our exposure to volatile interest-rate sensitive investments is minimal. Our record-high capital ratios remain well in excess of regulatory requirements. Finally, thanks to all of you, our deposits remain stable compared with our previous year-end levels.

To our long-time clients, thank you for the continued faith you have shown in our bank. Together we can navigate this uncertain environment safely. To our newest depositors who have come to us from other banks, welcome to an institution that believes its number one responsibility is the prudent stewardship of your financial assets. Our approach to managing risk and lending money remains disciplined and consistent. This, combined with our unrelenting focus on serving the needs of our clients, has been the foundation of how we conduct our business.

As always, feel free to speak to us about questions or concerns you may have. Our aim is to be a strong, reliable financial partner for you, your families and your businesses.

Best regards,

David W. Tralka
President, CEO