



March 13, 2023

Customers and Shareholders

The events of this past weekend (two bank failures) have caused a furor in the media. Rather than tell you “not to worry”, we want to give you the facts and let you decide whether Trinity Bank is safe and/or immune to the panic that may or may not be circulating in the US. The banks that failed over the weekend did not have asset (loans and securities) quality problems. They had taken on too much Interest Rate Risk. With the Federal Reserve rapidly increasing interest rates, the value of their securities portfolio dropped significantly. Therefore, those banks could not sell their securities (to fund deposit withdrawals) without incurring a loss greater than their Capital Base.

As of March 10:

1. Trinity Bank had \$50,000,000 in Capital – Total Assets minus Total Liabilities
2. Trinity Bank had \$402,000,000 in deposits
3. Trinity Bank had \$37,500,000 in readily available funds at the Federal Reserve
4. If Trinity sold its entire securities portfolio (based on the latest numbers available – 2-28-23), the Loss on the Sale of the Securities would be less than 15% of Capital and would provide \$140,000,000 in liquidity to fund deposit withdrawals

Therefore, Trinity could cover \$177,500,000 in deposit withdrawals (over 40% of Total Deposits) and still be in a healthy situation. The withdrawal demands that caused the two banks to fail were significantly less than 40%.

In addition, the Federal Reserve Bank has made available effective immediately to ALL banks a Bank Term Funding Program that will offer loans up to one year to banks that pledge collateral. We do not anticipate ever needing that source of funding.

From the day we opened our doors 20 years ago, Trinity Bank has intentionally and purposely taken a conservative approach to our growth and expansion for three important reasons, ***your success***, the ***safety of your deposits***, and the ***future of the bank*** for you and our employees. Our Chairman, COO and Founding Board Members lived through and remember the financial institution disaster in the late 1980s, and made the commitment of “protecting your assets and staying in business under all circumstances” a top priority and one that we are proud of.

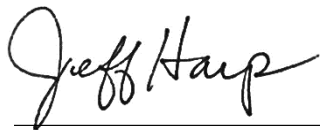


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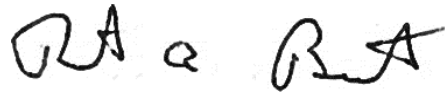
Trinity Bank was built for times like these. We are going to be in business and available for any relationships that value Safety and Soundness.

If you have any questions or want to discuss anything, please call one of the members of our management team. We will be happy to talk to you. All of our financial information is available on our website under Investor Information.

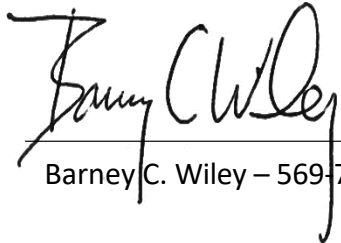
Sincerely,



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