



## “Trinity Bank was Built for Times Like These.”

We are pleased to begin this brief monthly update to inform you about your bank's safety and to address the recent confusion in the banking world. We will continue to keep you updated monthly.

**Liquidity** – As of 03/31/2023 cash at the Federal Reserve Bank or “**Overnight Money**” has remained level at \$37,300,000.

In addition, we could sell \$72,000,000 in securities with **NO** reduction in Capital or impact to Net Income.

Therefore, we could create liquidity (to fund deposit withdrawals) of \$109,300,000 with no impact to Capital or Net Income. This would represent over 25% of our total deposits.

**Additional Liquidity** – We could sell our entire bond portfolio, at current prices, to generate an additional \$71,700,000 in liquidity. This would create \$181,000,000 in liquidity.

The sale would generate only a (\$3,680,000) reduction in the bank’s Capital and Net Income. In this worst-case scenario, **the bank would remain solidly profitable and be well above the minimum capital requirements.**

**Capital** dropped slightly as we declared an \$883,000 dividend (our 23<sup>rd</sup> consecutive semiannual increase) and made a one-time provision in conjunction with the required conversion to the new method of calculating our Reserve for Loan Losses (CECL) – both in the last week of March. The provision to the Loan Loss Reserve did **NOT** impact Net Income.

**Deposits** have remained steady at \$403,000,000.

*The numbers above and in the chart below include results as of 02/28/2023 and 03/31/2023*

<i>(000's)</i>	<b>February 28, 2023</b>	<b>March 31, 2023</b>
Overnight Money	\$ 37,500	\$ 37,300
Liquidity	\$ 177,500	\$ 181,000
Reduction In Capital	\$ (6,203)	\$ (3,680)
Capital	\$ 49,819	\$ 48,574
Deposits	\$ 402,000	\$ 403,000

**Trinity Bank is built for difficult times, and we’ve seen them before.** But unlike some banks, we are well positioned for them and anticipate picking up new relationships as other banks withdraw from the market or tighten their lending standards.