

TRINITY BANK WAS BUILT FOR TIMES LIKE THESE

May 4, 2023

We want to keep you informed of your bank's liquidity, capital and deposits with the recent upheaval in the banking world. We will continue to keep you updated monthly during this turbulent time.

The numbers presented in the comments and chart below include results as of 02/28/2023, 03/31/2023 and 04/30/2023:

Liquidity – As of 04/30/2023 cash at the Federal Reserve Bank or "**Overnight Money**" was \$22,500,000. This is a decline from last month. However, we consistently see a decline in deposits during the month of April due to federal income tax payments made by our customers. In addition, we could sell \$63,300,000 in securities with **NO** reduction in Capital or impact to Net Income.

Therefore, we could create liquidity (to fund deposit withdrawals) of \$85,800,000 with no impact to Capital or Net Income. This would represent over 21% of our total deposits.

Additional Liquidity – We could sell our entire bond portfolio, at current prices, to generate an additional \$73,300,000 in liquidity.

The sale would generate only a (\$4,099,000) reduction in the bank's Net Income. In this worst-case scenario, the bank would remain profitable and well above the minimum capital requirements.

We also have access to \$22,500,000 in the form of two lines of credit we maintain with other financial institutions that have never been utilized. This would create total liquidity of \$181,600,000. This would represent over 46% of our total deposits.

Additionally, there are two government liquidity programs that have been made available to banks. We have **not** utilized either of these programs.

Capital increased due to the unaudited \$655,000 net income we produced in April.

Deposits were \$392,000,000 as of 04/30/2023. As previously mentioned, this slight decrease (2.72%) is attributable to the anticipated federal income tax payments our customers made in April. This decline is in line with historical April deposit declines.

(000's)	<u>February 28, 2023</u>	<u>March 31, 2023</u>	<u>April 30, 2023</u>
Overnight Money	\$ 37,500	\$ 37,300	\$ 22,500
Liquidity	\$ 200,000	\$ 203,500	\$ 181,600
Reduction in Net Income	\$ (6,203)	\$ (3,680)	\$ (4,099)
Capital	\$ 49,819	\$ 48,574	\$ 49,144
Deposits	\$ 402,000	\$ 403,000	\$ 392,000