

To: Mutual Federal Customers
From: Dean Weinert, President
Date: March 14, 2023
Re: Banking Industry Current Events

With the news of last week's sudden collapse of Silicon Valley Bank (SVB) in California and the subsequent closure of Signature Bank in New York on Sunday—both due to liquidity concerns after extensive deposit withdrawals—we wanted to take the opportunity to provide insight and clarity to this situation and instill confidence in the strength and stability of Mutual Federal, a division of First Bank Richmond.

Understanding Recent Closures

While neither SVB nor Signature had any known asset quality or earnings issues, both banks' deposit bases were funded by more volatile depositors—leaving them more susceptible to the drastic consequences that occurred. Mutual Federal's most loyal customers are comprised of local families and businesses which provide a very stable foundation for our business.

Mutual Federal's Continued Security

For more than 100 years our focus at Mutual Federal has been on offering convenient products and services to customers and businesses while emphasizing credit quality over asset growth. We are a community bank, focused on small businesses and diverse industries within the communities we serve. We have always prioritized safety and soundness and our risk management processes have resulted in strong capital and liquidity positions. **That focus will remain our focus for many more years.**

Preventing Further Closures

In an effort to help ease growing consumer concerns, on Sunday the broader banking system was reinforced by a supplemental liquidity resource managed by the Federal Reserve, U.S. Treasury and FDIC. **We hope this added security measure prevents any further deterioration of the faith in our country's banking system and bolsters consumer confidence.** You can be confident that Mutual Federal is committed to providing deposit strength, ensuring your funds are available to you when you need them.

If you have any further questions or concerns, please don't hesitate to reach out to us by calling 937-498-1195. Thank you for your partnership and for choosing Mutual Federal, a division of First Bank Richmond.

Sincerely,



Dean Weinert
President