



Dear 1<sup>st</sup> Bank Yuma Customer:

As you certainly have heard, the past few days have been stressful and highly eventful in the banking world. Two large banks, Silicon Valley Bank and Signature Bank have failed and were taken over by the FDIC. Yesterday, the Department of the Treasury and federal banking agencies, announced steps they are taking to protect all depositors of these banks, including those that are over the \$250,000 FDIC insurance amount. These actions will help mitigate the risk related to these failures to alleviate the concern that this would spread to the whole banking system.

Both of these large banks had a business model that proved to be highly unstable, especially in the current rising interest rate environment. In the past few years these banks experienced extremely high growth rates, and had concentrations of large, uninsured deposits from clients in the technology and crypto-currency world.

1<sup>st</sup> Bank Yuma is a local community bank serving local businesses in Yuma and Santa Cruz County. Our customers are local small businesses and individuals and have much smaller account balances on average than either of these big banks. We have strong liquidity, access to alternate sources of liquidity, our loan portfolio remains strong, and our returns add to our capital levels monthly.

1<sup>st</sup> Bank Yuma has operated in a safe and sound manner for over 21 years. We will continue to focus on operating the bank to remain successful and independent for the next 21+ years. Thank you for being a 1<sup>st</sup> Bank customer, we appreciate you. Rest assured that 1<sup>st</sup> Bank Yuma has and will continue to be a stable, healthy and growing community bank.

Sincerely,

Wayne Gale  
President & CEO  
1<sup>st</sup> Bank Yuma