



# FOUNDATION ONE BANK

Your concerns are very important to us.

Due to the recent news of Silicon Valley Bank (SVB) and Signature Bank we want to assure you that nothing has changed at Foundation One Bank. We continue to focus on offering exceptional, personal service along with quality products and services. We would like to summarize the events and explain how Foundation One Bank is positioned for continued success.

Unfortunately, in the cases of (SVB) and Signature Bank they grew too fast, and they could not catch up to their obligations to be able to continue to lend and support withdrawals due to their lack of liquidity. They operated with a significant timing mismatch in long-term assets and short-term liabilities in a rising rate environment. As liquidity needs grew for their clients, SVB was forced to liquidate longer-term investments at significant market losses to meet these immediate demands. This, combined with the resultant negative hit to their capital, led to a crisis in confidence regarding the bank's ultimate solvency and created the classic 'run on the bank' scenario.

Here at Foundation One Bank, we have many different avenues of liquidity if there is a need. Fortunately for Foundation One Bank, we continue to invest wisely. We have an investment:asset ratio of over 10% and have laddered our investments strategically to be able to hedge withdrawals. We have very strong capital and liquidity positions, along with disciplined asset liability management actions. We regularly conduct stress tests such as CCAR and liquidity stresses.

Our #1 priority is our customers and the Policies we make put our customers first. In fact, our Investment Objective from our Investment, Funds Management, and Liquidity Policy reads, "to maximize the safety of deposits and preserve the capital accounts of the Bank."

We understand without our customers, we would not have a Bank. Thank you for your continued business and support.



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