



- ✓ No depositor of Silicon Valley Bank or Signature Bank lost a dollar whether above or below \$250,000.
- ✓ Bank of Ann Arbor is the fifth largest bank headquartered in Michigan. Strong local community bank.
- ✓ Capital exceeding \$360 million.
- ✓ Bank is well capitalized under every FDIC classification.
- ✓ A highly diversified portfolio of clients, both consumer and business.
- ✓ Bank offers both CDARS and ICS deposit products that are fully insured deposit options.
- ✓ Diversified loan portfolio with no loan concentration concerns. Zero exposure to the digital currency sector.
- ✓ Credit quality metrics remain excellent.
- ✓ Net income in 2022 of \$45 million (projecting similar earnings in 2023) provides strong coverage at 1.7X of the current unrealized loss in the investment portfolio.
- ✓ The Bank remained profitable during the financial crisis of 2008-2009 and the 2020 pandemic.
- ✓ Bank of Ann Arbor's investment portfolio represents 10.8% of total assets, well below all US banks at 25% and Michigan Banks at 19%.
- ✓ Bank of Ann Arbor has a conservative investment portfolio. Bank of Ann Arbor has a Hold to Maturity (HTM) loss in investment securities of 4.8% of capital compared to 98.1% for Silicon Valley Bank, 47.8% for Bank of America and 25.4% for Wells Fargo.
- ✓ Price volatility of the Banks \$334 million investment portfolio mirrors the same volatility as a 5-year US Treasury.
- ✓ Over \$125 million in cash flow from the investment portfolio over the next 3 years.
- ✓ Average life of the investment portfolio is 5 years.
- ✓ Bank of Ann Arbor has no off-balance sheet derivative exposure.
- ✓ Bank of Ann Arbor is asset sensitive which means the Bank benefits from an increase in interest rates.
- ✓ Bank has borrowing capacity of over \$600 million at the Federal Home Loan Bank of Indianapolis (FHLBI) and over \$143 million at the Federal Reserve.
- ✓ Additional overnight borrowing lines of \$48 million.
- ✓ Bank of Ann Arbor has over \$250 million in overnight funds deposited at the Federal Reserve. On balance sheet liquidity and other available sources of liquidity is a strength.