



*The Community's Bank Since 1889*

**J. Jay Anderson**  
President and Chief Executive Officer

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Dear Valued Client:

I have done a tremendous amount of research over the last week regarding the uncertainty in the financial markets. As part of our ongoing commitment to being your Trusted Bank, we recognize the importance of ensuring the Pittsfield Cooperative Bank is a financially strong and stable place to bank.

To that end, we employ sound business practices, avoiding the excessive leverage that adversely affected many firms during the financial crisis more than a decade ago. As made evident then, and by the recent failure of Silicon Valley Bank and Signature Bank, absolute size is not an indication of financial strength.

At The Coop, we believe it is important to have balance and strength in our capital, liquidity, and operations. With respect to these measures:

1. **The Coop continues to maintain a strong capital position.** The following ratios as of February 28, 2023, illustrate our financial strength. The Coop has a Tier 1 risk-based capital ratio of 13.17%, which is over two times the required level. Additionally, The Coop has a net capital ratio of 12.82% which is again over two times the required level. Lastly, our net capital position of 12.82% is after allocating for all unrealized losses on our investment portfolio.
2. **The Coop's liquidity is robust.** In addition to our well-diversified deposit base, we have access to available and unused liquidity of nearly \$170 million. This means we could lose 52% of the Bank's deposits and remain solvent.
3. **Fully Insured Deposits.** Importantly, The Coop is a member of the Depositor Insurance Fund (DIF). All DIF member banks are also members of the FDIC. Each depositor of the Coop is insured by the FDIC to at least \$250,000. All deposits above the FDIC insurance amount are insured by the DIF.

The combination of FDIC and DIF insurance provides customers of the Coop with full deposit insurance on all of their deposit accounts. No depositor has ever lost a penny in a bank insured by both the FDIC and DIF.

With respect to recent events, we believe they were the result of poor business decisions at individual institutions, as opposed to a systemic issue impacting everyone.

Our conservative approach has helped The Coop achieve sound and prudent results since 1887, over 135 years of both good and difficult times. The end result is a Bank that is well positioned to continue the steadfast principle of "*safeguarding the money of others as if it were your own*".

Thank you for your continued trust and for allowing us to assist you in pursuing your financial goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Jay Carlson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.