



March 22, 2023

Dear KS Bank Customers and Friends:

KS Bank is in its 99th year of proudly serving you, our customers. KS Bank today is safe and sound, stable and strong! Our Board of Directors, employees, and management live, work and play right here with you. We have our customers and communities best interest at heart! When you bank with KS Bank, we take local deposits and make local loans in each community we serve, while managing the risk so that we can remain safe and sound in any environment.

In the last ten days or so, there has been a lot of media coverage about Silicon Valley Bank, Signature Bank, and First Republic Bank. All of the aforementioned banks are “large” banks and pose a systemic risk to the banking system. In my opinion, this proves that “bigger is not always better” and should give you more confidence in your local community bank because you know us.

How does KS Bank differ from these institutions? Please note the following points of differentiation.

- **Asset Diversity** – KS Bank serves customers like you across our five-county footprint. Our customer base includes many businesses of all different sizes across various industries as well as many local individuals who bank with our institution. With this diverse mix of customers, our loans and deposits are also diverse and limit our exposure and our risk to any one singular industry. This is in stark comparison to Silicon Valley Bank and Signature Bank, which were reported to be heavily invested in cryptocurrency, niche tech markets, and tech start-ups.
- **Capital and Liquidity** - KS Bank has been and continues to be well capitalized according to regulatory standards. Our liquidity meets all the regulatory guidelines, and we have strong secondary sources of liquidity to meet the bank’s needs. In addition, your bank remains profitable.
- **Investments** – KS Bank’s investment portfolio makes up approximately 18% of our balance sheet, thus minimizing our balance sheet risk. Our investments have a relatively short duration, and the portfolio is available for liquidity purposes should the need arise.
- **Regulatory Oversight** - KS Bank is regulated by the FDIC and the North Carolina Commissioner of Banks. KS Bank is in good standing with both agencies.

Your confidence in our Bank is always at the top of mind and never taken for granted! We are grateful for the TRUST you place in us each and every day to manage your financial assets. Our pledge to you is to continue, just as we have for over 99 years, to manage them well.

If you should have questions, we invite you to reach out to your local branch office or your relationship manager. In addition, please feel free to reach out to me directly at 919-938-3101.

Thank you for banking with KS Bank!

Earl W. Worley Jr.
President/CEO

Kenly (919) 284-1017	Selma (919) 965-6351	Wilson (252) 291-7283	Clayton (919) 550-0200	Goldsboro (919) 736-1000
Smithfield (919) 938-3119	Garner (919) 773-2640	Wendell (919) 365-0771	Four Oaks (919) 963-2112	Dunn Loan Office (910) 304-1665