

**Triad Business Bank (OTC Pink – “TBBC”) Announces Unaudited Fourth Quarter Results**

Triad Business Bank (the “Bank”) began operations in March of 2020 with a vision to reinvest local wealth back into the Triad’s business community. In less than two years, the reality is that the Bank is fulfilling its vision. The Bank hired 47 highly talented and diverse employees and rapidly expanded to \$373 million in assets. In the fourth quarter, core loans outstanding increased \$35.5 million, or 27%. Importantly, the Bank’s growth in operating revenue has continued to outpace expenses. Within seven quarters, we have almost reached pre-provision, pre-tax profitability. Our operating loss in the fourth quarter totaled \$88,000. Excluding securities gains, the fourth quarter reflected an improvement of \$285,000 from the third quarter of 2021.

“We are proud of the Bank’s early accomplishments, and we believe the Bank is well positioned to achieve profitability in 2022 while continuing to be an economic catalyst for growth in our community,” commented CEO Ramsey K. Hamadi. Hamadi continued, “the Bank should benefit from a rising interest rate environment. As a result of recent announcements by the Federal Reserve, we are already beginning to experience the positive impact of rising interest rates. Interest income is expected to rise faster than interest expense as interest rates rise. We anticipate that not only will cash flow increase as our existing balance sheet reprices with greater spreads, but that newly generated assets and liabilities will also have higher margins as well. In the outlook section of this release, we provide a qualitative and quantitative disclosure on the Bank’s interest rate risk profile.”

Highlights of the Bank’s fourth quarter results including comparisons to the third quarter of 2021:

**Fourth Quarter Balance Sheet Highlights:**

- Core loans increased \$35.5 million to \$167.7 million, or 27%
- Demand deposits increased \$10.5 million to \$101.0 million, or 12%
- Deposits increased \$17.8 million to \$305.3 million, or 6%
- Allowance for loan losses increased \$449,000 to \$2.1 million, or 1.25% of core loans
- No classified, nonperforming or past due assets reported
- New loan pipeline remains robust at \$140 million
- Regulatory total risk-based capital increased modestly to \$60.2 million

**Fourth Quarter Income Statement Highlights:**

- Pre-provision loss increased to \$88,000 in the fourth quarter compared to a loss of \$23,000 in the third quarter due to a reduction in securities gains of \$350,000 from the third quarter
- Net Interest income increased 17% to \$2.1 million for the quarter
- Noninterest expense increased 5% from the third quarter due primarily to increased personnel and FDIC insurance costs

**Fourth Quarter Results**

The Bank reported a net loss of \$537,000, or \$0.08 per share, in the fourth quarter of 2021 compared to \$319,000, or \$0.05 per share, for the third quarter. However, when considering results before the provision for loan losses, the fourth quarter operating loss totaled \$88,000, compared to an operating

loss of \$23,000 in the third quarter. Excluding securities gains of \$21,000 for the fourth quarter and \$371,000 in the previous quarter, the pre-provision operating loss was lower by \$285,000 from the third quarter.

The Bank's primary source of income is the spread between the interest it earns on loans and investments and pays on deposits. Net interest income was \$2.1 million in the fourth quarter compared to \$1.8 million in the third quarter. The Bank's net interest margin declined from 2.46% in the third quarter to 2.36% in the fourth quarter. In the third quarter, the Bank benefitted from a loan prepayment fee of \$169,000 which improved the quarterly net interest margin. The Bank's core net interest margin is rising as cash flow from investments are converted into loan balances. The Bank continues to benefit from residual Paycheck Protection Program (PPP) revenue, although declining as a percentage of interest income. In the fourth quarter, PPP revenue totaled \$367,000, representing 15% of total interest income down from 37% of interest income in the second quarter of 2021. The Bank segregates PPP loans from all other loans in its financial statements and refers to all other loans as core loans. In the fourth quarter, the average balance of core loans increased to \$152.5 million from \$117.8 million in the third quarter. The weighted average yield on core loans decreased to 3.55% in the fourth quarter from 4.10% in the third quarter due principally to the \$169,000 prepayment fee recognized in the third quarter. The Bank applies a disciplined pricing model that it believes will yield consistent results over time. In recent months interest rates have been rising at various points on the yield curve, which is resulting in higher rates on newer originated loans.

Total assets increased \$7.3 million to \$373.0 million at December 31, 2021. During the fourth quarter, cash balances declined by \$34.4 million as excess cash and cash flow was used to fund the \$35.5 million increase in loan balances and \$16.8 million increase in investment securities. Deposit balances increased \$17.8 million for the fourth quarter. Shareholders' equity declined \$1.3 million during the fourth quarter to \$57.0 million at December 31, 2021. Changes in the market value of securities resulted in a \$940,000 decline in accumulated other comprehensive income ("AOCI").

### **Regulatory Capital**

The Bank's regulatory capital, which is the primary measure that allows for bank growth, increased during the fourth quarter with total risk-based capital increasing by a modest \$45,000 to \$60.2 million. Total risk-based capital consists of tier 1 capital and tier 2 capital. The Bank's tier 1 capital is largely a measure of the bank's GAAP equity but eliminates certain volatile elements such as AOCI on the changes in value of investments. The Bank's tier 1 capital declined \$404,000 from \$58.5 million at September 30, 2021 to \$58.1 million at the end of the fourth quarter, but due to the provision for loan losses, tier 2 capital increased by \$449,000. Tier 1 and tier 2 capital ratios are measured as ratios against total assets and risk-weighted assets. For the Bank to be able to grow, the Bank must maintain capital ratios that meet a "well" capitalized standard under regulatory guidelines. Following is a summary of the Bank's total capital to risk-weighted assets, tier 1 capital to risk-weighted assets and tier 1 capital to average assets in comparison with the regulatory guidelines:

## Capital and Capital Ratios

	Quarter Ended	
	12/31/2021	
	Amount	Ratio
<b>Actual</b>		
(dollars in thousands)		
Total Capital (to risk-weighted assets)	\$ 60,243	21.40%
Tier 1 Capital (to risk-weighted assets)	\$ 58,142	20.65%
Tier 1 Capital (to average assets)	\$ 58,142	16.25%

### Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions

(dollars in thousands)

Total Capital (to risk-weighted assets)	\$ 28,000	10.00%
Tier 1 Capital (to risk-weighted assets)	\$ 23,000	8.00%
Tier 1 Capital (to average assets)	\$ 18,000	5.00%

## Loans, Investment Securities and Deposits

The Bank's core loans increased \$35.5 million, or 27%, during the fourth quarter to \$167.7 million compared to \$132.1 million at September 30, 2021. While not included in loans outstanding, the Bank also increased its unfunded loan commitments by \$13.2 million to \$86.7 million, bringing total core loans outstanding and unfunded commitments to \$254.4 million. At December 31, 2021, 50% of the Bank's outstanding core loan portfolio was composed of Commercial and Industrial ("C&I") loans:

### Loan Diversification

<u>Loan Category</u>	<u>12/31/2021</u>	<u>Composition</u>
Other Construction & Land Development	\$ 28,504,154	
Non-Owner Occupied Commercial Real Estate	55,326,614	
<b>Total Commercial Real Estate</b>	<b>83,830,768</b>	<b>50%</b>
Owner Occupied Real Estate	27,837,257	
C&I	55,652,197	
<b>Total C&amp;I</b>	<b>83,489,453</b>	<b>50%</b>
<b>Other Revolving Loans</b>	<b>337,249</b>	<b>0%</b>
Total	<u>\$ 167,657,470</u>	

The average balance of investment securities increased \$44.5 million in the fourth quarter to an average of \$140.5 million. Interest income on investment securities was \$751,000 in the fourth quarter, a \$203,000 increase from the third quarter. The yield on the portfolio declined from 2.27% for the third quarter of 2021 to 2.12% for the fourth quarter. Total investment securities were \$149.6 million at December 31, 2021, an increase of \$16.8 million from the balance at September 30, 2021. The decline in yield on the investment portfolio was due primarily to the purchase of short duration mortgage-backed

agency securities that were purchased to maintain strong liquidity levels while minimizing interest rate risk in a potentially rising rate environment. The investment portfolio for earnings and cash flow considerations is based upon the risk profile of the balance sheet.

Total deposits increased 6% to \$305.3 million at December 31, 2021 from \$287.5 million at September 30, 2021. Noninterest-bearing demand deposit accounts increased 12% to \$101.0 million in the fourth quarter. Noninterest-bearing deposits are driven by business customers who manage their core operating accounts through the Bank's treasury systems. During 2021, the Bank added 65 new treasury customers for a total of 141 treasury relationships. The balance of core deposits includes interest-bearing checking, savings and money market account balances which increased \$9.6 million to \$198.6 million at December 31, 2021. Time deposits decreased \$2.3 million and totaled \$5.7 million at December 31, 2021.

### **Reduced PPP Fee Reliance**

In the fourth quarter, the SBA made \$11.1 million of principal forgiveness payments on the Bank's PPP loan portfolio compared to \$17.6 million in the third quarter. At December 31, 2021, PPP loans totaled \$11.6 million. During the fourth quarter, the Bank realized \$367,000 of interest and fees on the PPP portfolio, an increase of \$18,000 from the prior quarter. At December 31, 2021, the Bank had \$316,000 remaining in unrealized PPP fees (\$256,000 net of unrealized costs). Since inception of the PPP program, the Bank has originated 458 PPP loans totaling over \$139 million. PPP revenue as a percentage of total interest income declined from 16% in the third quarter to 15% in the fourth quarter. The growth in core earnings of the Bank continues to reduce the Bank's reliance on PPP revenue.

### **Noninterest Expense**

Noninterest expense was \$2.4 million in the fourth quarter, an increase of \$105,000 or 5% compared to the prior quarter. The increase in expense was due primarily to increased compensation expense and FDIC insurance expense. The increase in compensation expense related to personnel additions. During the fourth quarter, the total number of employees increased 7% to 47 at December 31, 2021. The growth in compensation and FDIC insurance costs is in line with the Bank's continued growth and future growth opportunities.

### **Credit Risk**

The Bank had no nonperforming assets and reported no criticized or substandard assets at December 31, 2021. The Bank's loan portfolio has been underwritten with an eye on the impact COVID-19 is having on cash flows of prospective businesses. Many of these businesses are prospering in the current environment and have either stable or expanding revenues.

### **Deferred Tax Asset and AOCI (Non-GAAP Measures)**

The Bank's GAAP tangible book value declined from \$8.83 at September 30, 2021 to \$8.63 at December 31, 2021. On a non-GAAP basis, excluding AOCI and the impairment on the deferred tax asset (two reductions in capital the bank anticipates it will recover over time), adjusted tangible book value was \$9.07 at December 31, 2021 compared to \$9.08 at September 30, 2021.

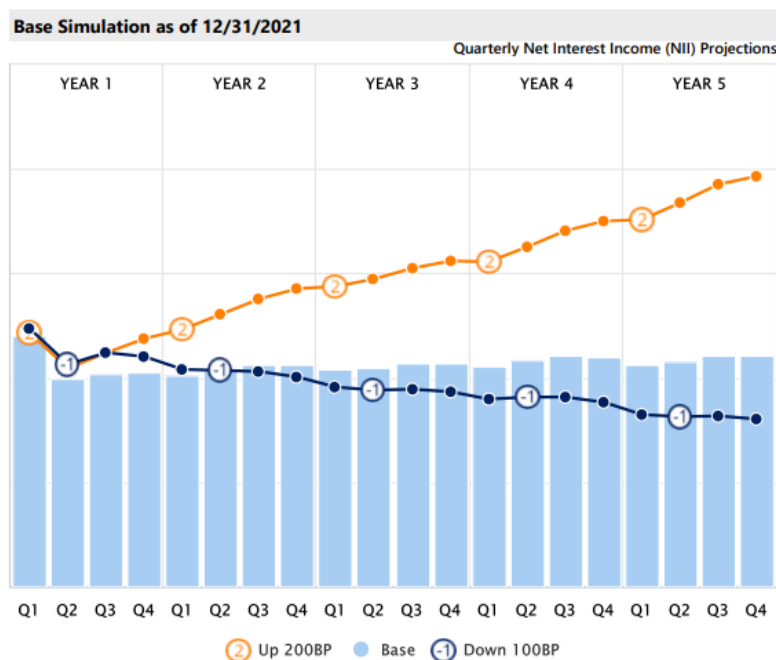
The organization and startup costs incurred during the Bank's organizational period and net operating losses the first twenty-one months of operations have created a deferred tax asset of \$1.7 million. This asset is currently fully impaired and will be carried at \$0 until sufficient, verifiable evidence exists to

demonstrate that the deferred tax asset will more likely than not be realized. At that time, the valuation allowance will be reversed.

The change in value of the Bank’s investment securities that are held for sale is recorded as an unrealized value as a component of equity. If the investment securities perform as agreed, the value of the securities will always return to the face value at maturity. Measuring the market value changes of the securities portfolio without considering the market value changes of the Bank’s deposits and loan portfolio gives an incomplete presentation of value. Therefore, as a non-GAAP measure, the Bank eliminates the AOCI to reflect an adjusted tangible book value. At December 31, 2021, AOCI was a loss of \$1.2 million.

## Outlook

As stated, the Bank expects to be a net beneficiary of a rising interest rate environment. With recent announcements by the Federal Reserve, we are beginning to experience the positive impact of rising interest rates. Because of changes in the yield curve, our newly originated loans are starting with higher rates than loans originated six months earlier. The Bank uses a third-party consulting company to help manage these changes in interest rate risk. While the Bank maintains an awareness of changes in value through these asset liability management tools, the Bank primarily manages interest rate risk by performing earnings simulations to consider changes in net interest income based upon changes in the interest rate environment. The following chart illustrates that in a rising interest rate environment net interest income should increase as the Bank’s assets and liabilities reprice.



The above chart reflects simulated net interest revenue results for the Bank as of December 31, 2021. The model is built to measure interest rate risk in the Bank’s balance sheet at a moment in time; therefore, no growth in loans or deposits are considered. Assets and liabilities that mature are renewed into like interest rate instruments. The bars measure what the anticipated net interest income will be in the future based upon no changes in interest rate conditions. The light line above reflects net interest income in a plus 200 basis point interest rate environment and the dark line reflects simulated net interest income in a down 100 basis points, whereby any interest rate indexes are adjusted down by 100 basis points, but not to fall below 0%. In a rising rate environment, management anticipates in an up 2% rate environment,

net interest income is expected to increase 3% to 5% over the next year compared to a static interest rate environment. The longer the Bank remains in a higher interest rate environment, the greater the Bank's margins should be.

### **About Triad Business Bank**

With three co-equal offices located in Winston-Salem, High Point and Greensboro, Triad Business Bank focuses on meeting the needs of small to midsize businesses and their owners by providing loans, treasury management and private banking, all with a high level of personal attention and best-in-class technology. For more information, visit [www.triadbusinessbank.com](http://www.triadbusinessbank.com)

### **Forward Looking Language**

*This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Triad Business Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of Triad Business Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Triad Business Bank undertakes no obligation to update any forward-looking statements.*

**Triad Business Bank**

Balance Sheet (Unaudited)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b>Assets</b>					
Cash & Due from Banks	\$ 38,743,278	\$ 73,134,972	\$ 48,089,006	\$ 22,158,909	\$ 41,162,012
Securities	149,560,211	132,753,497	65,049,332	59,398,336	26,065,622
Federal Funds Sold	-	-	-	-	-
PPP Loans	11,605,363	22,675,019	40,276,095	83,016,045	78,173,460
Core Loans	167,657,470	132,115,788	108,315,230	95,143,122	73,083,871
Allowance for loan loss	(2,101,115)	(1,651,905)	(1,354,915)	(1,190,350)	(910,079)
<b>Loans net</b>	<b>177,161,718</b>	<b>153,138,902</b>	<b>147,236,410</b>	<b>176,968,817</b>	<b>150,347,252</b>
Other Assets	7,516,522	6,622,029	6,102,655	6,055,185	3,528,292
<b>Total Assets</b>	<b>\$ 372,981,729</b>	<b>\$ 365,649,400</b>	<b>\$ 266,477,403</b>	<b>\$ 264,581,247</b>	<b>\$ 221,103,178</b>
<b>Liabilities</b>					
Demand Deposits	\$ 100,963,064	\$ 90,450,329	\$ 57,493,414	\$ 55,978,388	\$ 27,409,213
Interest-bearing NOW	42,820,018	23,921,946	21,626,263	21,956,030	19,067,897
Interest-bearing Savings & MMA	155,805,422	165,103,780	122,161,899	101,058,331	98,446,048
Time Deposits	5,731,398	8,040,235	8,027,714	8,818,530	3,806,611
<b>Total Deposits</b>	<b>305,319,902</b>	<b>287,516,290</b>	<b>209,309,289</b>	<b>187,811,279</b>	<b>148,729,769</b>
Other Borrowings	8,033,689	17,318,266	10,756,485	20,685,620	24,946,988
Fed Funds Purchased	-	-	-	9,346,000	-
Other Liabilities	2,651,588	2,493,999	2,204,446	2,523,649	2,569,615
<b>Total Liabilities</b>	<b>316,005,179</b>	<b>307,328,555</b>	<b>222,270,220</b>	<b>220,366,548</b>	<b>176,246,372</b>
<b>Shareholders' Equity</b>					
Common Stock	65,112,537	64,980,329	49,881,777	49,822,062	49,730,750
Accumulated Deficit	(6,970,816)	(6,434,054)	(6,114,560)	(5,801,946)	(5,404,682)
AOCI	(1,165,171)	(225,430)	439,965	194,583	530,738
<b>Total Shareholders' Equity</b>	<b>56,976,550</b>	<b>58,320,845</b>	<b>44,207,183</b>	<b>44,214,699</b>	<b>44,856,806</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 372,981,729</b>	<b>\$ 365,649,400</b>	<b>\$ 266,477,403</b>	<b>\$ 264,581,247</b>	<b>\$ 221,103,178</b>
Shares Outstanding	6,602,984	6,602,984	5,102,984	5,102,984	5,102,984
Tangible Book Value per Share	\$ 8.63	\$ 8.83	\$ 8.66	\$ 8.66	\$ 8.79

Triad Business Bank

Income Statement (Unaudited)	For three months ended December 31, 2021	For three months ended September 30, 2021	For three months ended June 30, 2021	For three months ended March 31, 2021	For three months ended December 31, 2020
<b>Interest Income</b>					
Interest & Fees on PPP Loans	\$ 367,328	\$ 348,946	\$ 819,102	\$ 745,907	\$ 881,063
Interest & Fees on Core Loans	1,366,047	1,218,791	948,447	727,116	577,864
Interest & Dividend Income on Securities	751,493	548,462	419,317	254,383	155,893
Interest Income on Balances Due from Banks	19,281	18,364	8,017	8,354	9,428
Other Interest Income	11,068	11,094	10,404	4,548	440
<b>Total Interest Income</b>	<b>2,515,217</b>	<b>2,145,657</b>	<b>2,205,287</b>	<b>1,740,308</b>	<b>1,624,688</b>
<b>Interest Expense</b>					
Interest on NOW Deposits	49,219	42,289	43,225	53,207	20,350
Interest on Savings & MMA Deposits	285,101	222,766	197,613	183,260	272,626
Interest on Time Deposits	10,930	13,692	13,692	12,369	5,373
Interest on Fed Funds Purchased	-	-	422	-	-
Interest on Borrowings	12,565	16,434	24,320	18,525	41,947
Other Interest Expense	10,036	10,082	9,917	4,139	-
<b>Total Interest Expense</b>	<b>367,851</b>	<b>305,263</b>	<b>289,189</b>	<b>271,500</b>	<b>340,296</b>
<b>Net Interest Income</b>	<b>2,147,366</b>	<b>1,840,394</b>	<b>1,916,098</b>	<b>1,468,808</b>	<b>1,284,392</b>
Provision for Loan Losses	449,210	296,990	164,565	280,271	281,708
<b>Net Interest Income After Provision for LL</b>	<b>1,698,156</b>	<b>1,543,404</b>	<b>1,751,533</b>	<b>1,188,537</b>	<b>1,002,684</b>
<b>Total Noninterest Income</b>	<b>114,725</b>	<b>32,104</b>	<b>36,882</b>	<b>87,062</b>	<b>19,290</b>
<b>Total Gain(Loss) on Securities</b>	<b>20,684</b>	<b>370,750</b>	<b>70,525</b>	<b>108,488</b>	<b>-</b>
<b>Noninterest Expense</b>					
Salaries & Benefits	1,573,671	1,517,840	1,475,650	1,152,497	1,087,939
Premises & Equipment	119,100	120,048	118,819	114,060	139,222
Total Other Noninterest Expense	677,557	627,865	577,084	514,794	522,652
<b>Total Noninterest Expense</b>	<b>2,370,328</b>	<b>2,265,753</b>	<b>2,171,553</b>	<b>1,781,351</b>	<b>1,749,813</b>
<b>Loss before Income Tax</b>	<b>(536,763)</b>	<b>(319,495)</b>	<b>(312,613)</b>	<b>(397,264)</b>	<b>(727,839)</b>
<b>Income Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Loss</b>	<b>\$ (536,763)</b>	<b>\$ (319,495)</b>	<b>\$ (312,613)</b>	<b>\$ (397,264)</b>	<b>\$ (727,839)</b>
Net Loss per Share					
Basic & Diluted	\$ (0.08)	\$ (0.05)	\$ (0.06)	\$ (0.08)	\$ (0.14)
Weighted Average Shares Outstanding					
Basic & Diluted	6,602,984	6,064,941	5,102,984	5,102,984	5,102,984
Pre-Provision, Pre-Tax Loss	\$ (87,553)	\$ (22,505)	\$ (148,048)	\$ (116,993)	\$ (446,131)



**Triad Business Bank****Non-GAAP Measures (Unaudited)****Tangible Book Value**

	Actual <u>12/31/2021</u>	Non-GAAP <u>12/31/2021</u>
Total Shareholders' Equity	\$ 56,976,550	\$ 56,976,550
Eliminate Deferred Tax Asset Valuation Allowance	-	1,729,519
Eliminate Accumulated Other Comprehensive Loss	-	1,165,171
Adjusted Shareholders' Equity	<u>\$ 56,976,550</u>	<u>\$ 59,871,240</u>

Shares Outstanding	6,602,984	6,602,984
Tangible Book Value Per Share	\$ 8.63	\$ 9.07

Effect of Non-GAAP Measures on Tangible Book Value \$ 0.44

During the start-up phase of the Bank, a valuation allowance was created which fully impairs the deferred tax asset. When sufficient, verifiable evidence exists demonstrating that the deferred tax asset will more likely than not be realized, the valuation allowance will be eliminated. This Non-GAAP measure is shown to disclose the effect on tangible book value per share at December 31, 2021 had there been no valuation allowance at that date.

Changes in the market value of available-for-sale securities are reflected in accumulated other comprehensive income. Since the securities value will return to face value at maturity if the securities perform as agreed and since the market value of loans and deposits are not likewise treated, accumulated other comprehensive income has been eliminated in this Non-GAAP measure.

**Pre-Provision Loss**

	Qtr Ended <u>12/31/2021</u>	Qtr Ended <u>9/30/2021</u>	Qtr Ended <u>6/30/2021</u>
Loss Before Income Tax	\$ (536,763)	\$ (319,495)	\$ (312,613)
Provision For Loan Losses	449,210	296,990	164,565
Pre-Provision Loss Before Income Tax (Non-GAAP)	<u>\$ (87,553)</u>	<u>\$ (22,505)</u>	<u>\$ (148,048)</u>

The pre-provision loss is a measure of operating performance exclusive of potential losses from lending and investing activity.

Triad Business Bank

Key Ratios & Other Information (Unaudited)

	Quarter Ended 12/31/2021			Quarter Ended 9/30/2021			Quarter Ended 6/30/2021		
	Balance	Interest Income/ Expense	Yield/ Rate	Balance	Interest Income/ Expense	Yield/ Rate	Balance	Interest Income/ Expense	Yield/ Rate
<b>Yield On Average Loans</b>									
Average PPP Loans	\$ 16,324,782	\$ 367,328	8.927%	\$ 30,976,950	\$ 348,946	4.469%	\$ 71,843,132	\$ 819,102	4.570%
Average Core Loans	152,532,487	1,366,047	3.553%	117,826,020	1,218,791	4.104%	98,314,011	948,447	3.870%
<b>Yield on Average Investment Securities</b>	\$ 140,528,403	\$ 751,493	2.122%	\$ 96,025,414	\$ 548,462	2.266%	\$ 60,854,121	\$ 419,317	2.760%
<b>Cost of Average Interest-bearing Liabilities</b>	\$ 216,709,743	\$ 367,851	0.673%	\$ 179,677,948	\$ 305,263	0.674%	\$ 166,381,245	\$ 289,189	0.700%
<b>Net Interest Margin</b>									
Interest Income		\$ 2,515,217			\$ 2,145,657			\$ 2,205,287	
Interest Expense		367,851			305,263			289,189	
Average Earnings Assets	\$ 360,372,664			\$ 296,562,554			\$ 265,280,242		
<b>Net Interest Income &amp; Net Interest Margin</b>		2,147,366	2.364%		1,840,394	2.462%		1,916,098	2.897%
<b>Loan to Asset Ratio</b>									
Loan Balance	\$ 179,262,833			\$ 154,790,807			\$ 148,591,325		
Total Assets	372,981,729		48.062%	365,649,400		42.333%	266,477,403		55.761%
<b>Leverage Ratio</b>									
Tier 1 Capital	\$ 58,141,721			\$ 58,546,275			\$ 43,767,218		
Avg Total Assets	369,837,690			301,575,704			270,740,371		
Avg FRB Borrowings	12,049,791		16.250%	18,628,302		20.692%	27,872,010		18.021%
<b>Unfunded Commitments</b>	\$ 86,746,649			\$ 73,508,450			\$ 66,350,046		

**Triad Business Bank****Capital and Capital Ratios (Unaudited)**

	Quarter Ended 12/31/2021		Quarter Ended 9/30/2021		Quarter Ended 6/30/2021		Quarter Ended 3/31/2021		Quarter Ended 12/31/2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Actual</b> (dollars in thousands)										
Total Capital (to risk-weighted assets)	\$ 60,243	21.40%	\$ 60,198	24.99%	\$ 45,122	24.68%	\$ 45,210	27.80%	\$ 45,236	40.17%
Tier 1 Capital (to risk-weighted assets)	\$ 58,142	20.65%	\$ 58,546	24.30%	\$ 43,767	23.94%	\$ 44,020	27.06%	\$ 44,326	39.36%
Tier 1 Capital (to average assets)	\$ 58,142	16.25%	\$ 58,546	20.69%	\$ 43,767	18.02%	\$ 44,020	20.06%	\$ 44,326	26.45%
<b>Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions</b> (dollars in thousands)										
Total Capital (to risk-weighted assets)	\$ 28,000	10.00%	\$ 24,000	10.00%	\$ 18,000	10.00%	\$ 16,000	10.00%	\$ 11,000	10.00%
Tier 1 Capital (to risk-weighted assets)	\$ 23,000	8.00%	\$ 19,000	8.00%	\$ 15,000	8.00%	\$ 13,000	8.00%	\$ 9,000	8.00%
Tier 1 Capital (to average assets)	\$ 18,000	5.00%	\$ 14,000	5.00%	\$ 12,000	5.00%	\$ 11,000	5.00%	\$ 8,000	5.00%