



To Our Valued Customers:

We are writing to you today following the collapse of Silicon Valley Bank and Signature Bank. Over this past weekend, the media coverage sent shockwaves throughout the banking industry. As details continue to unfold outlining the potential missteps taken by these financial institutions, we would like to underscore the strong relationships Westfield Bank maintains with the communities we serve, amongst our depositors and borrowers, and with our bank regulators. We would also like to reinforce the safety and stability of *Westfield Bank*, reflected in the continued strength of our capital and liquidity.

Our business model, similar to that of many local community banks across the country, supports a diverse and wide range of borrowers, depositors, non-profits, municipalities and businesses. Since 1853, *Westfield Bank* has weathered world wars, depressions, the 2008 financial crises and, most recently, the COVID-19 pandemic.

We would like to note the key differences between *Westfield Bank* and the banks making headlines this week.

Diversification. *Westfield Bank* proudly serves customers in our Massachusetts and Connecticut markets. Our customer base includes many local consumers, non-profits, municipalities as well as businesses of all sizes across various industries. This diverse mix of loans and deposits provides less exposure to risk when compared to banks that focus primarily on niche markets, such as start-ups, venture capital groups or cryptocurrency. *Westfield Bank* has stayed clear of these high-risk ventures that affected Silicon Valley Bank and Signature Bank. The biggest difference between Silicon Valley Bank and Signature Bank, and community banks such as *Westfield Bank* was their lack of diversification and their focus on high-risk profiles.

Investments. While all banks have investments, we maintain an investment portfolio that runs between 11% and 15% of our total assets, which minimizes the risk on our balance sheet. Again, this is a very different approach than the investment portfolio that Silicon Valley Bank was forced to sell, which comprised nearly 60% of its total assets.

Capital. Our capital remains strong. *Westfield Bank* has always exceeded capital requirements and is considered to be “well-capitalized” as defined by the regulators. Our capital base can support our well-diversified balance sheet.

Liquidity. Our liquidity remains strong. If there was ever a need, *Westfield Bank* maintains strong sources of liquidity. In addition to our well-diversified deposit base, *Westfield Bank* continues to have access to over \$400 million of available, unused borrowing capacity at the Federal Home Loan Bank and the Federal Reserve Bank as well as other available sources.

Westfield Bank is pleased to share a copy of its recently released 2022 Annual Report (10-K), which can be found at <https://wneb.q4ir.com/financials/sec-filings/default.aspx>

If you are a depositor concerned about FDIC coverage, we have products that can be utilized to provide expanded coverage. If you have questions about FDIC coverage limits and requirements, please visit the FDIC’s website or call toll-free at 877.ASK.FDIC. Please feel free to reach out to your Branch Manager, Relationship Manager or Commercial Lender and ask us how we can help.

With a 170-year history of operating a strong and stable community bank, *Westfield Bank* never takes for granted the confidence our customers place in us. Our success is based on your success, ensuring that we will always make decisions with your well-being in mind. The banking system is sound, and community banks will continue to be the backbone of our local economy and business community.

Sincerely,

Handwritten signature of James C. Hagan in black ink.

James C. Hagan
President and Chief Executive Officer

Handwritten signature of Guida R. Sajdak in black ink.

Guida R. Sajdak
Executive Vice President and Chief Financial Officer

Handwritten signature of Kevin O'Connor in black ink.

Kevin O'Connor
Executive Vice President and Chief Banking Officer

Handwritten signature of Allen J. Miles, III in black ink.

Allen J. Miles, III
Executive Vice President and Chief Lender