



Service, Stewardship and Security

Date: March 21, 2022

RE: Letter of Recommendation for Dale Kluga

To whom this may concern:

Providence Bank & Trust acquired Cobra Capital in 2016 to add a national commercial equipment finance service to the bank's commercial product offerings. Dale Kluga founded Cobra in 2000 and was its sole owner. Contemporaneous with the acquisition, Dale was hired and entered into a 7-year employment agreement to manage the Cobra operation as a division of the bank. Cobra was later rebranded to Providence Equipment Finance in 2018 to align its national identity with the Providence Bank & Trust local brand.

Dale successfully completed his 7-year employment contract with PBT having generated a strong return on investment over the 5 years ended 2021. Nearly all of PEF's legacy portfolio was sold off non-recourse and was successfully funded through Dale's network of outside portfolio investors. The PEF division reported an average annual pre-tax ROA of 22.3% over the same timeline and he has managed the entire operation incurring a low average .17% loss rate per year.

Dale is a knowledgeable and experienced banking and equipment finance expert. He also commands broad insight across many industries which serves his credit judgment well. Dale clearly demonstrated the ability to effectively manage the origination, underwriting, funding, and servicing functions for PEF while simultaneously producing excellent credit quality and above market, premium returns. I had significant confidence and trust in Dale's ability to successfully manage our bank's first national finance business.

Dale was a highly valuable and trusted member of our team, and we wish him the best in his future endeavors.

Sincerely,

A handwritten signature in black ink that reads 'Steven G. VanDrunen'.

Steven G. VanDrunen

President & CEO

Providence Bank & Trust

