



Annual Meeting of Shareholders

Thomas S. Stumb

Chairman & Chief Executive Officer

Derrick A. Jones

President

Austin S. Branstetter

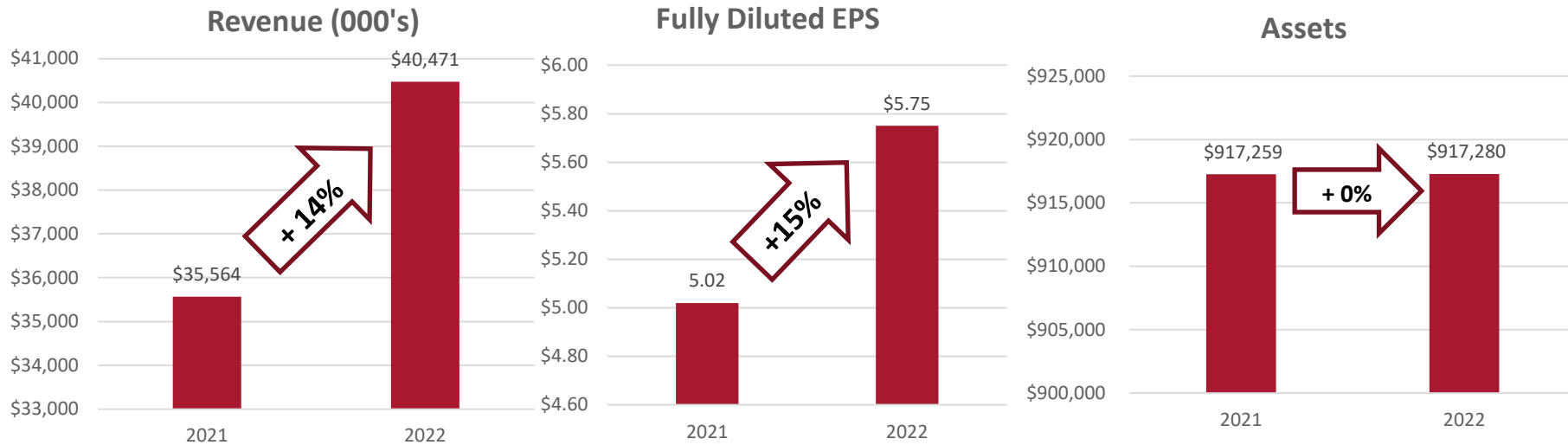
Chief Financial Officer

May 17, 2023



TRUXTON TRUST
A PRIVATE BANK

2022 Financial Highlights



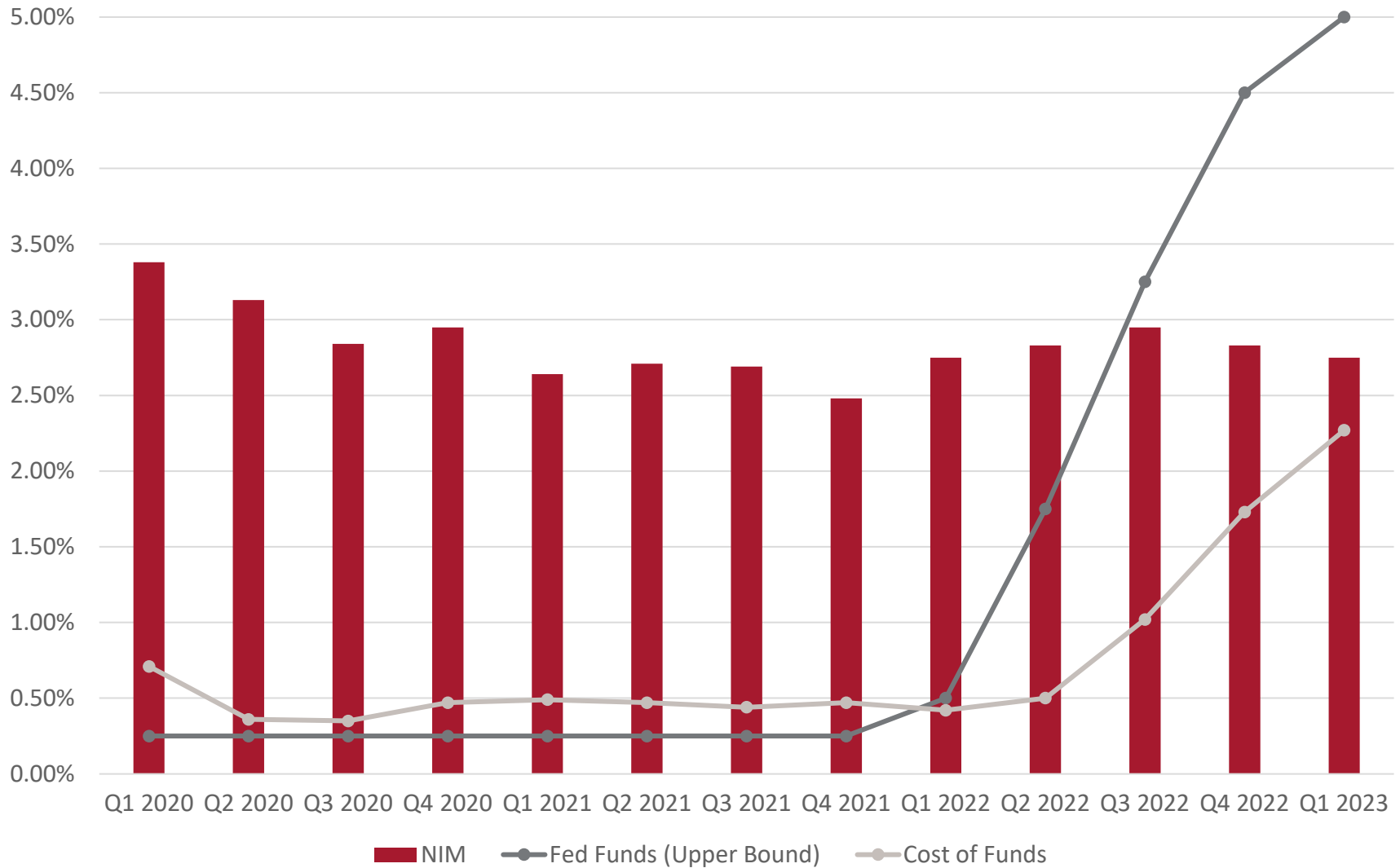
- Fully diluted EPS increased 15% in 2022
- ROAE rose to an all time high of 22.9% in 2022
- Balance composition shifted significantly driven by loan growth but total assets changed little
- Dividends paid were \$2.36 per share in 2022, inclusive of \$1.00 special dividend
- "Bank" Tier 1 Leverage Ratio was 9.7% at year end 2022
- Efficiency Ratio for 2022 was 48.29%

Growth is Continuing in 2023

- Truxton Trust continues to experience growth in the new year but at a more moderate pace
- Net income increased 1.5% in Q1 2023 compared to Q1 2022

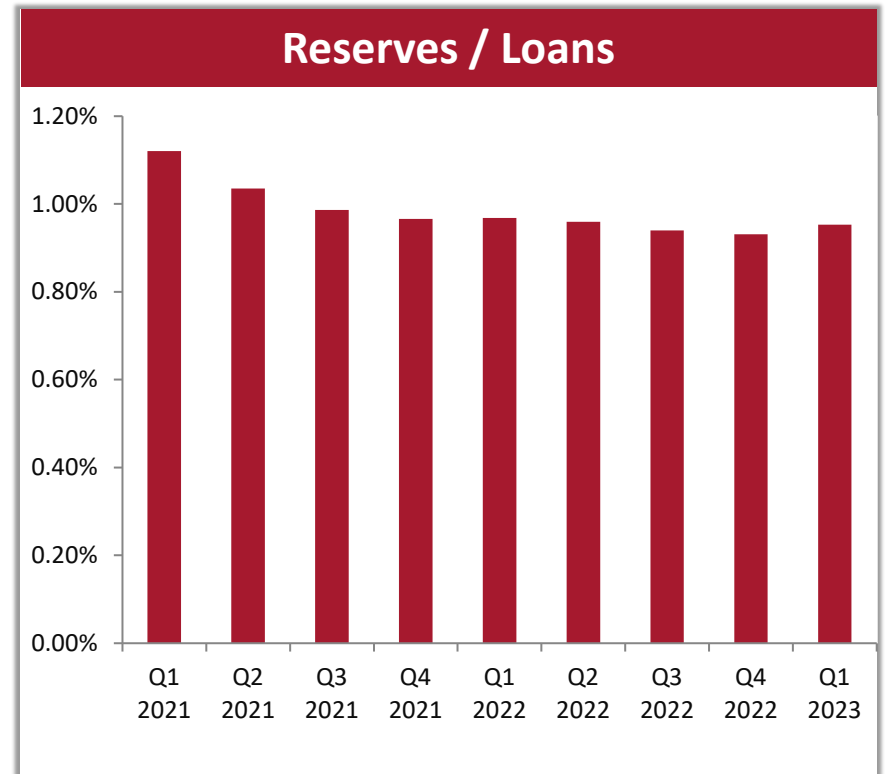
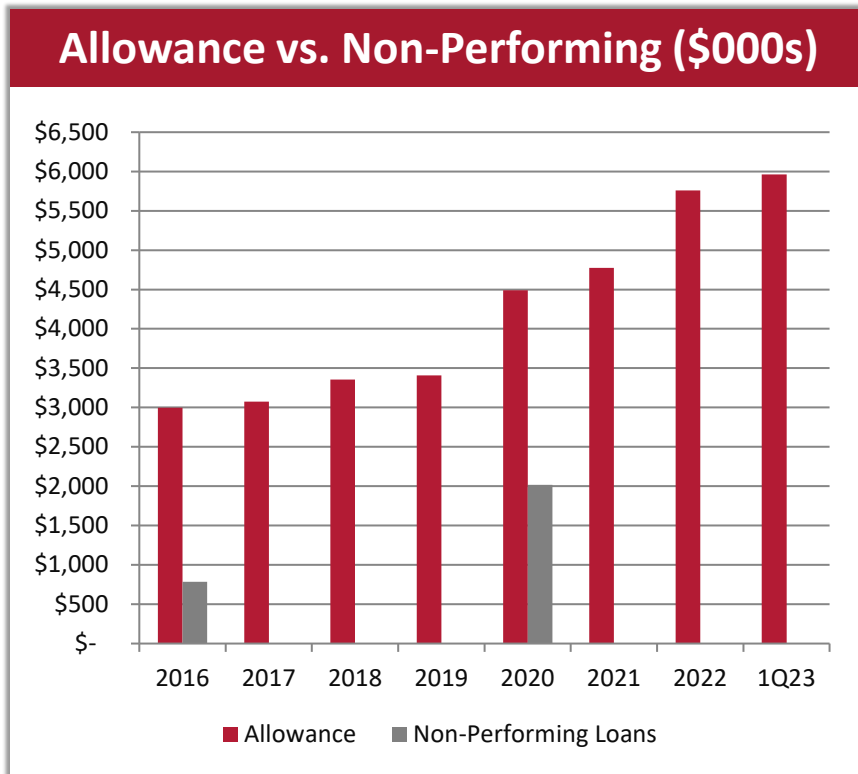
(\$000s)	Quarter Ended March 31		
	2023	2022	% Change
Income Summary			
Net Interest Income	\$6,107	\$5,592	9%
Provision for Loan Losses	\$59	\$105	(44%)
Non-Interest Income	\$4,508	\$4,356	3%
Non-Interest Expense	\$5,314	\$4,818	10%
Earnings Before Taxes	\$5,242	\$5,025	19%
Income Tax Expense	\$951	\$798	19%
Net Income	\$4,291	\$4,227	2%
Balance Sheet			
Assets	\$921,894	\$875,164	5%
Loans	\$625,626	\$504,235	24%
Deposits	\$771,499	\$778,053	(1%)
Stockholders' Equity	\$74,788	\$75,169	(1%)
Asset Quality			
Allowance for Loan Losses	\$5,961	\$4,881	22%
Allowance to Gross Loans	0.95%	0.97%	(2%)

NIM Challenged by Dynamic Environment

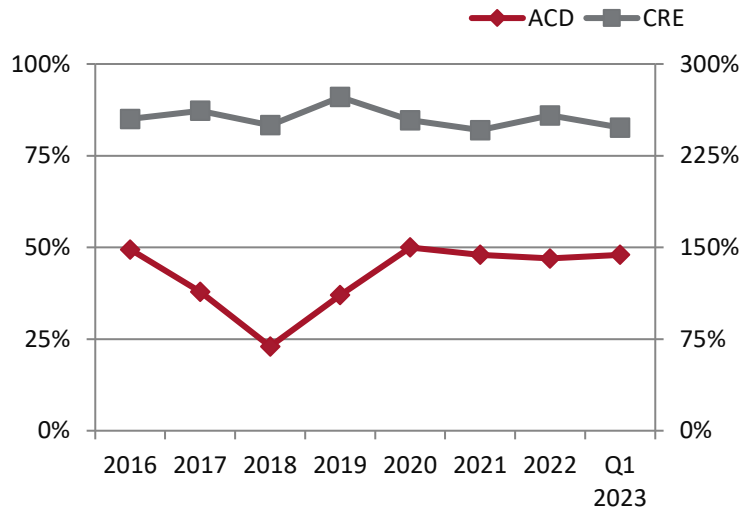


Safe and Reliable Credit Quality

- 30 days+ past due: total \$29,717.14
- Non-performing assets (NPAs): \$0
- No "Other Real Estate Owned"



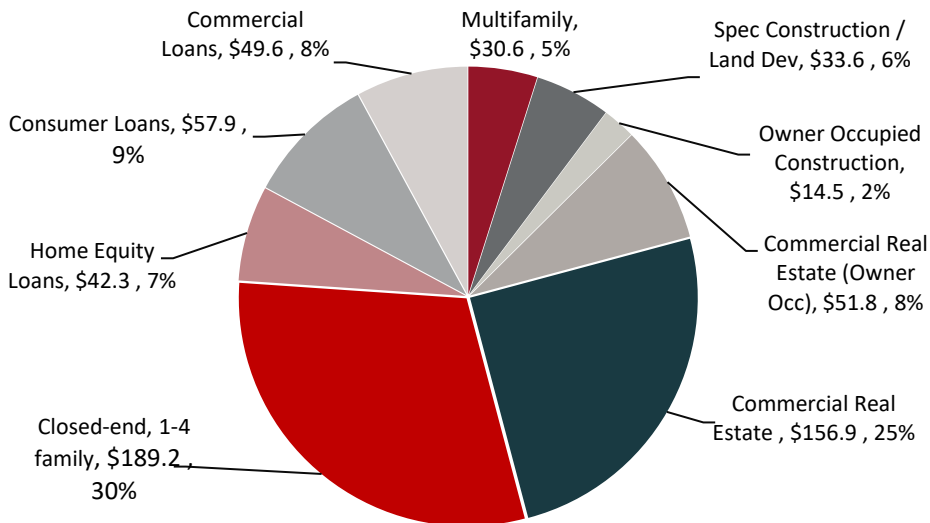
We Have Conservative, Diversified Loans



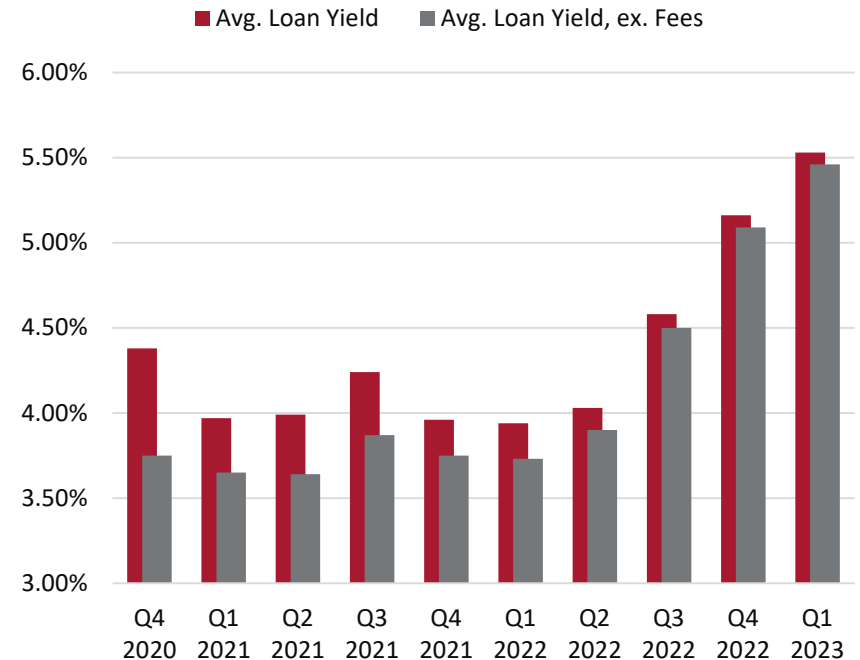
- Commercial Real Estate Concentration, and Development loans were 248% of capital at quarter end
- Average loan yield rose due to continued loan growth, loan repricing, and floaters reflecting the rate hikes

Truxton Trust

Total Loans March 31, 2023: \$626.5 million
(in \$millions; excluding PPP)

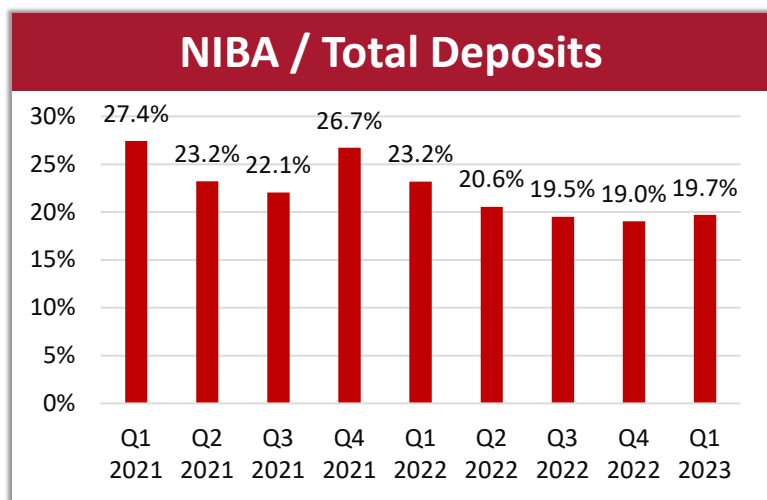
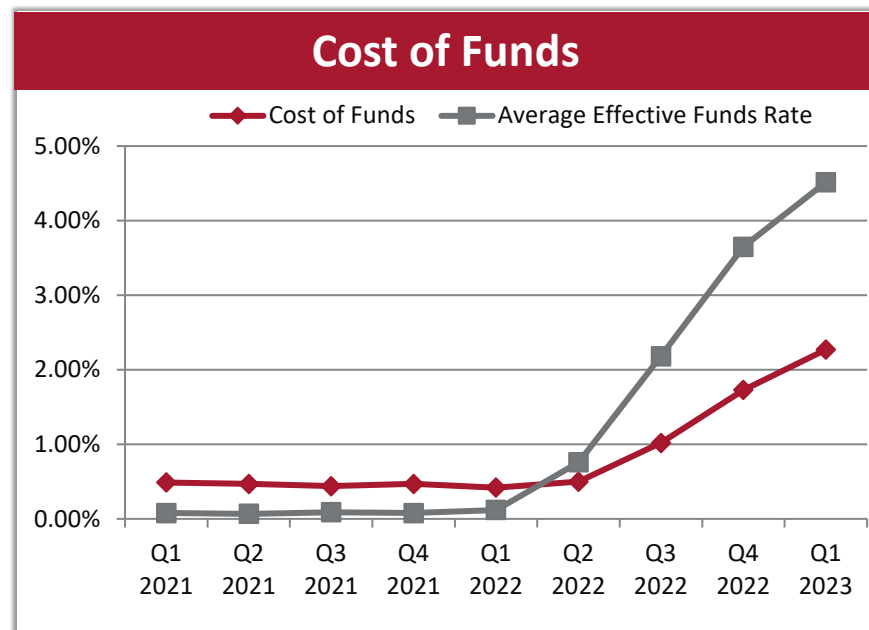
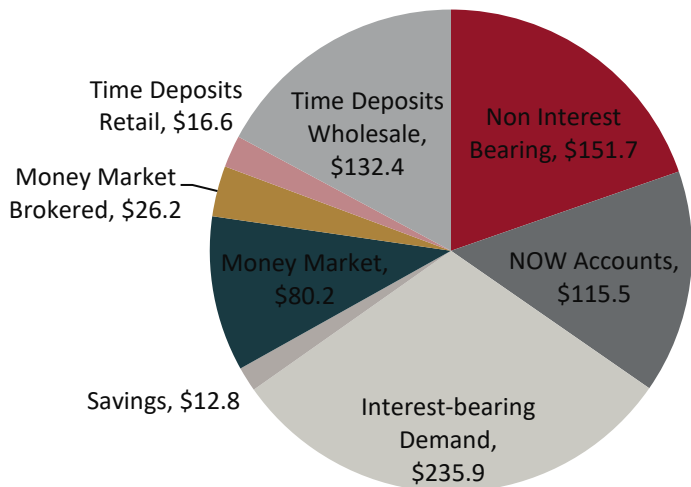


Average Loan Yield



Deposits

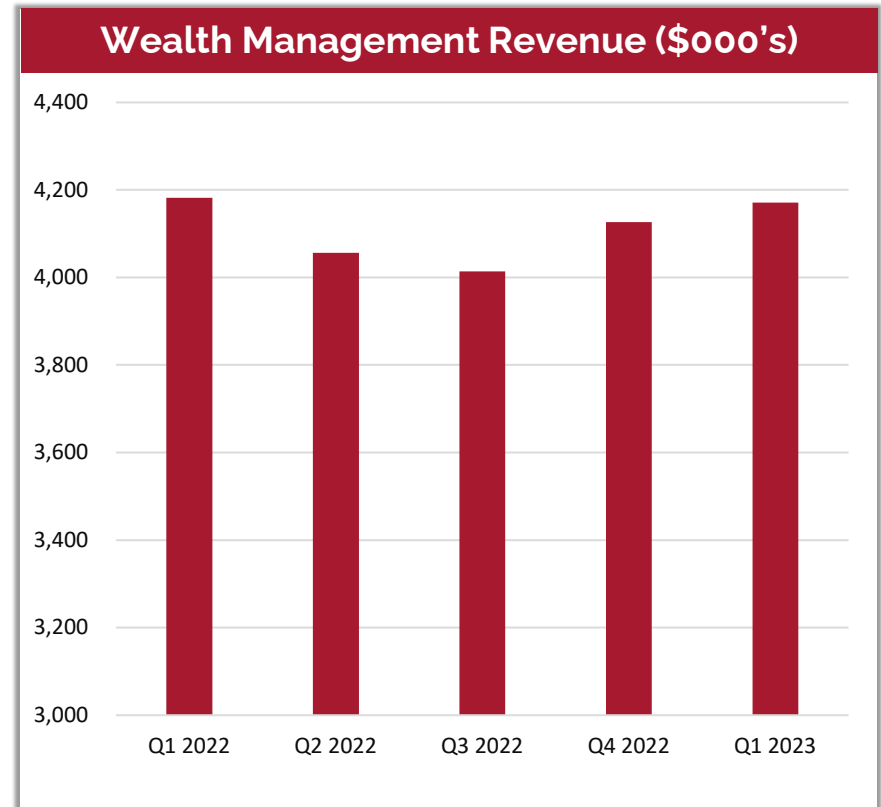
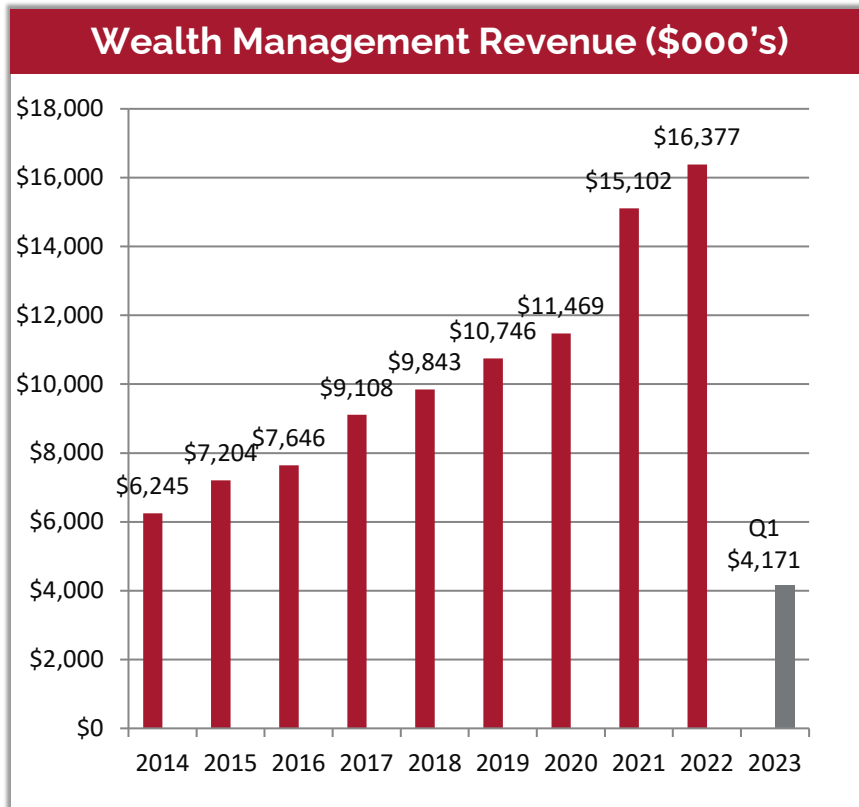
Deposit Mix as of March 31, 2023 (MM)



- Non-interest bearing account (NIBA) balances are under pressure but increasingly valuable as rates have risen
- Wholesale and brokered deposits have become a larger part of the funding mix, increasing overall deposit cost and beta
- Even without continued rate hikes, deposit cost pressure is expected to remain a headwind

Wealth Management Growth Continues

- Wealth management services constituted 40% of net revenue in Q1 2023
- Wealth management services represented 93% of total non-interest income in Q1 2023
- Wealth management revenue declined <1% in Q1 2023 compared to Q1 2022 despite significant market declines over the past year.



Wealth Management Growth Continues

(\$MM)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Starting Trust AUM	\$1,513.8	\$1,484.1	\$1,423.6	\$1,365.5	\$1,455.7
New Accounts	\$33.5	\$89.7	\$11.4	\$3.4	\$14.3
Account Additions	\$14.3	\$36.3	\$5.4	\$17.6	\$9.8
Distributions	(\$15.7)	(\$29.0)	(\$5.4)	(\$26.0)	(\$23.8)
Loss of Accounts	(\$4.9)	\$0.0	\$0.0	(\$2.5)	(\$12.3)
Change in Market Value	(\$56.9)	(\$157.5)	(\$69.5)	\$97.8	\$23.9
End of Period Trust AUM	\$1,484.1	\$1,423.6	\$1,365.5	\$1,455.7	\$1,467.5

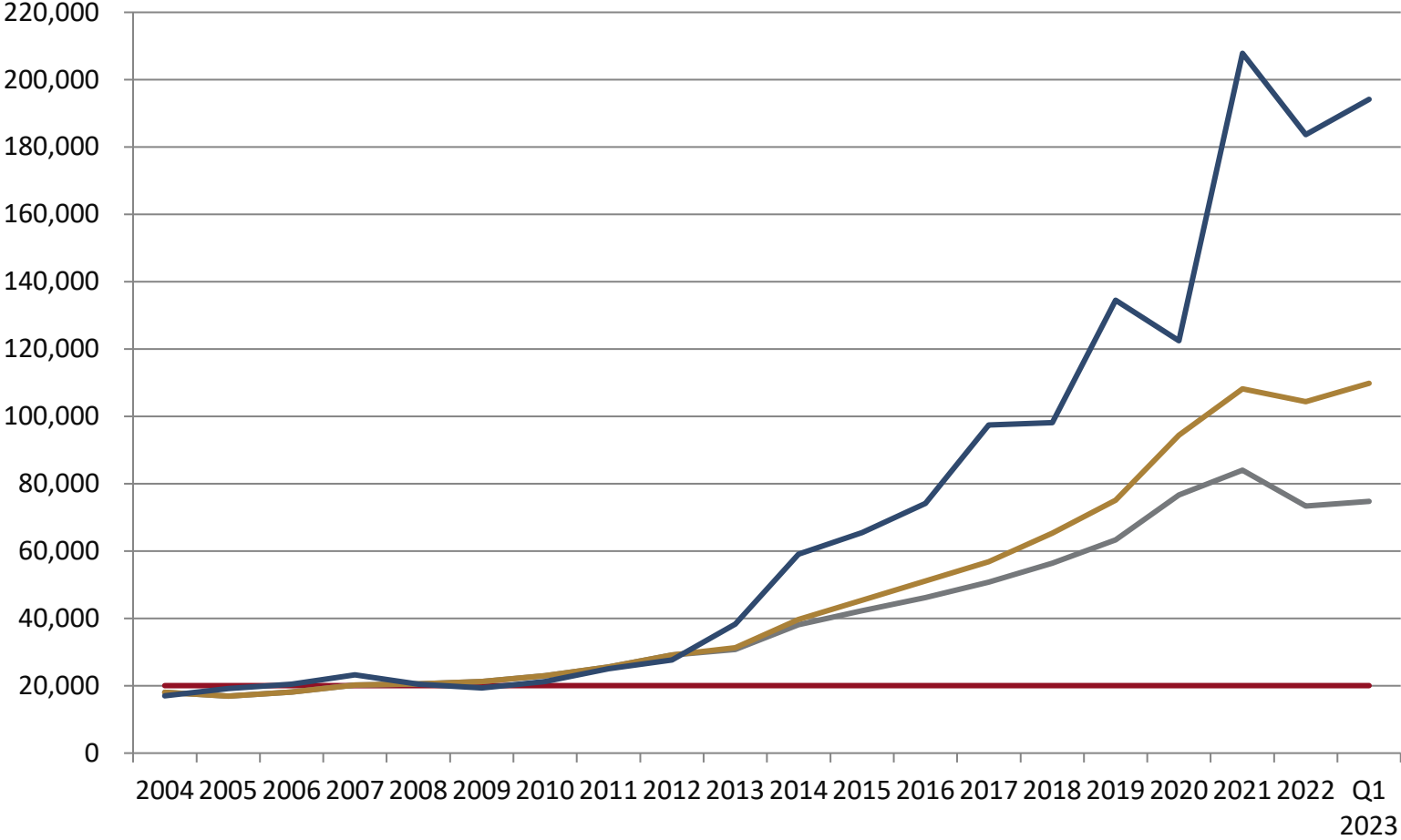
- New and existing client account additions demonstrate the appeal of our sophisticated, full-service wealth management
- Constant bleed of distributions as clients live out of their accounts
- AUM does not include brokerage platform accounts, which are an ancillary service we provide to fully meet client needs but are not a focus
- Change in market value reflects relative outperformance in 2022

TRUX Financial Returns are Excellent

- Efficiency ratio remains low
- Net interest margin (NIM) even with Q1 2022
- Return on average assets (ROAA) down 9 basis points from Q1 2022
- Return on average equity (ROAE) up 241 basis points from Q1 2022
- Tier 1 Leverage Ratio for the Bank up 85 basis points from Q1 2022

Capital Ratios	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Efficiency Ratio	48.43%	45.86%	48.07%	48.55%	51.32%
Net Interest Margin	2.75%	2.83%	2.95%	2.83%	2.75%
ROAA	1.98%	1.85%	1.89%	1.70%	1.89%
ROAE	20.64%	22.52%	23.61%	22.92%	23.05%
Tier 1 Leverage Ratio (Bank)	9.48%	9.63%	9.78%	9.78%	10.33%
Tangible Equity / Tangible Assets	8.59%	8.09%	7.51%	8.00%	8.11%

We are Creating Value from your Capital

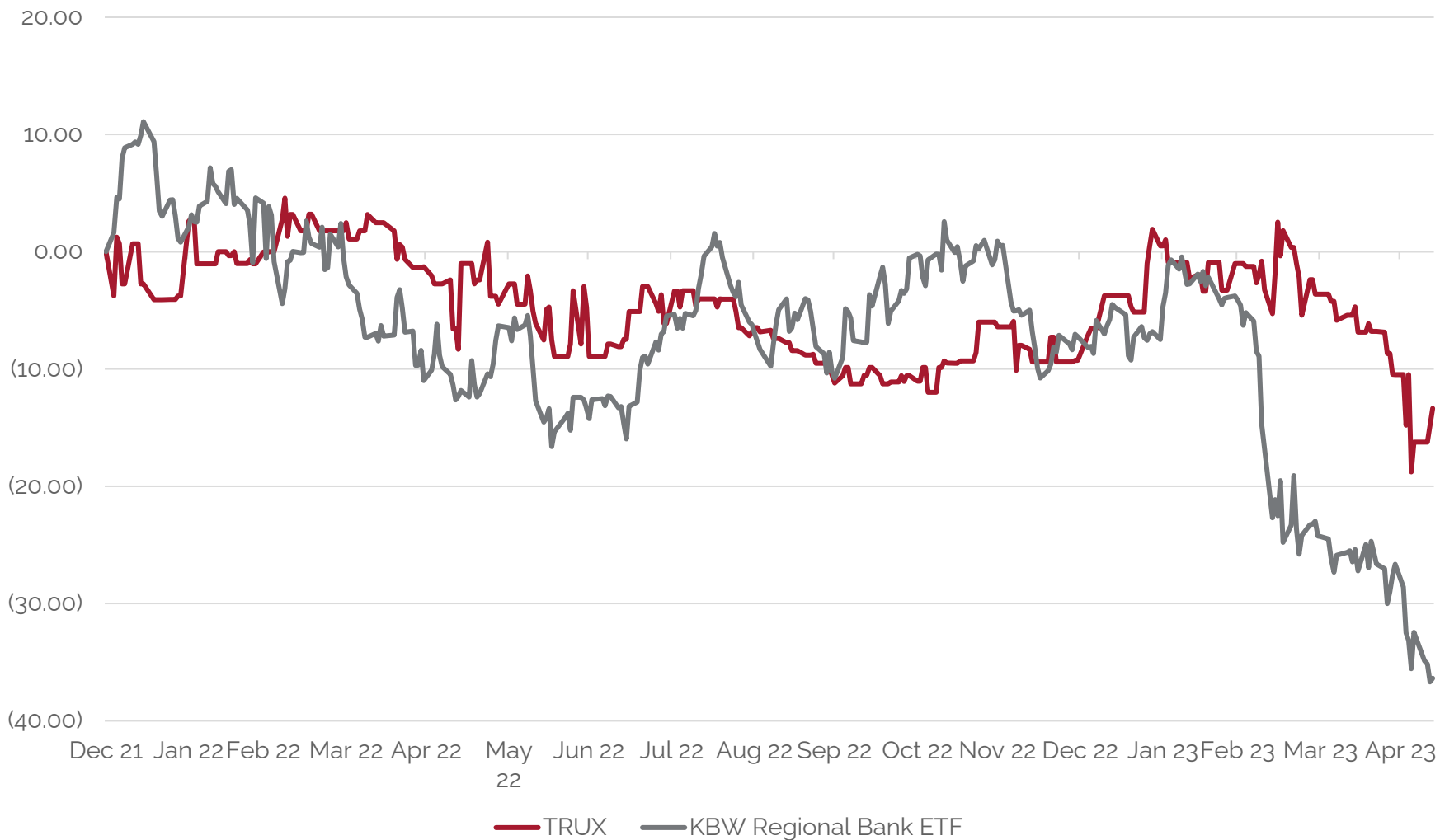


— Initial Capital Raised — Book Value of Equity — BV Plus Cumulative Distributions — Market Value of Equity



TRUX Performance

Total Return (%) since 12/31/21



Source: S&P Capital IQ, total return through 5/12/23



Recent Banking Industry Concerns

- 4 recent bank failures, driven by:
 - Excessive growth without appropriate controls and risk infrastructure
 - Concentrated, undiversified business
 - Large % of uninsured deposits
 - Client base and bank liquidity highly correlated
 - Asset-liability risk mis-management
 - Excessive duration risk
 - Accounting versus economic risk management
 - Bank runs driven by investor then depositor recognition of negative economic value of equity

- The Fallout:
 - Deposits fleeing the banking system to treasuries and money market funds
 - Depositors who stay are more yield conscious so Cost of Funds rising and Net Interest Margin compressing
 - The Fed's Bank Term Funding Program: economically attractive but possible stigma
 - FDIC special assessment, but it should not impact Truxton directly as proposed

How is Truxton Different?

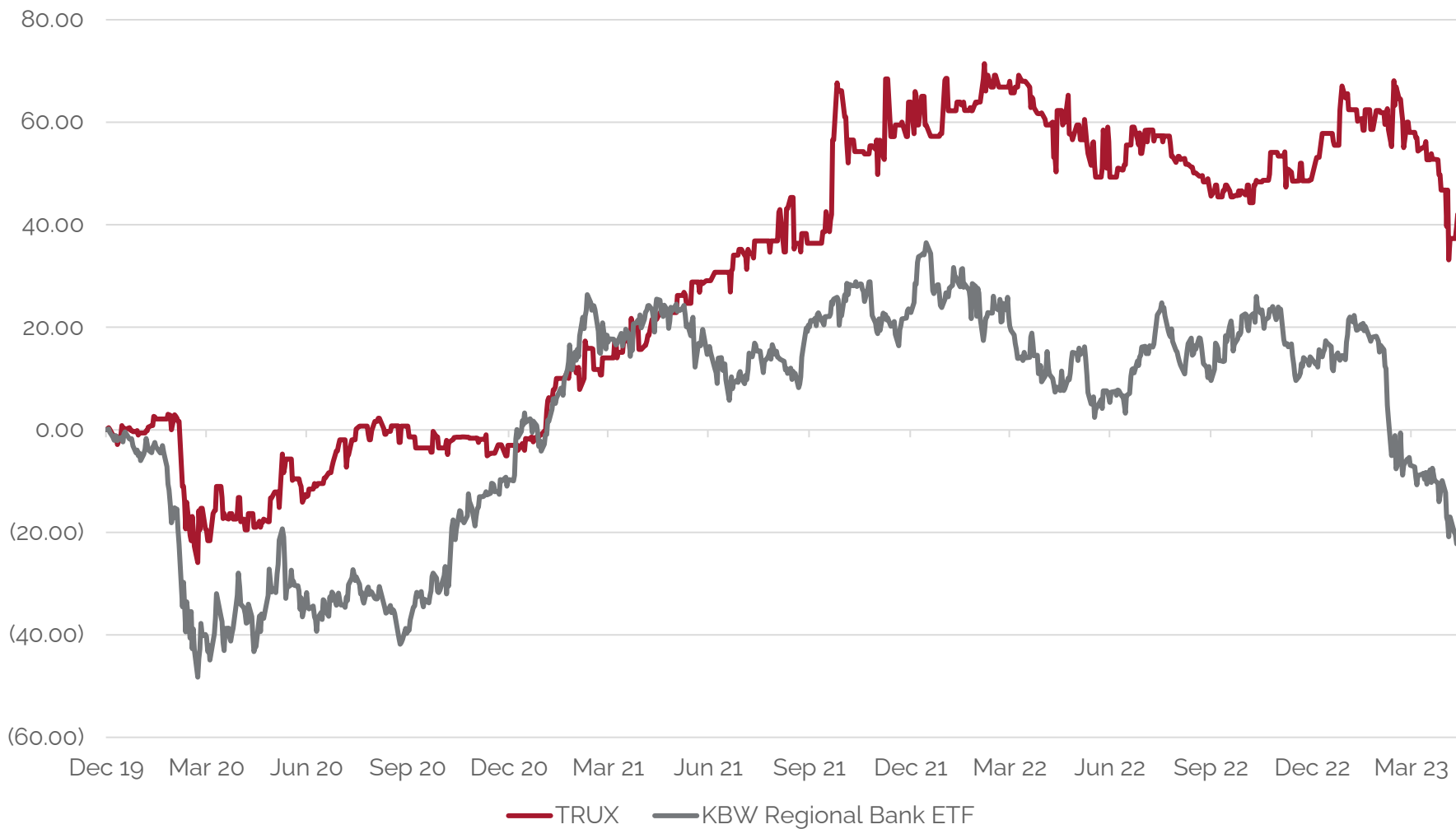
- We do have some of the same issues as each bank that failed BUT at a level that doesn't threaten insolvency due to our strong bank capital position

	Well-Capitalized Threshold	Truxton Q1 2023	Capital	Capital Surplus
Tier 1 Leverage Ratio	5.00%	10.29%	94,680	49,035
CET 1 RBC Ratio	6.50%	13.80%	94,680	50,438
Tier 1 RBC Ratio	8.00%	13.80%	94,680	40,144
Total RBC Ratio	10.00%	14.74%	101,148	32,285

- We have 7.5MM in holding company cash that could also be injected into the bank as Tier 1 Equity
- Ample sources of liquidity:
 - Enough on-balance sheet or secured to cover uninsured deposits without capital impairment:
 - \$150MM of unpledged securities, ~\$50MM of which could be sold without a loss
 - >\$120MM of secured credit available at the Federal Home Loan Bank or Federal Reserve
 - Off balance sheet: Brokered CDs, Brokered MMK, public funds and retail deposit placement agent relationships, correspondent bank lines of credit
- Consistent, active risk management and oversight
 - Biweekly Asset-Liability Committee meetings and board reporting at least quarterly
 - \$27.5MM in swap hedges in last 3 quarters, \$50MM since March 2020
 - Securities portfolio restructure in December, additional sales in January
 - In touch with our largest depositors and can provide full FDIC insurance via reciprocal deposits
- **Differentiated business model: >40% of net revenue driven by NON-interest income**

TRUX Performance

Total Return (%) since 12/31/19



Source: S&P Capital IQ, total return through 5/12/23



**To do the right thing every day,
putting our clients' interests first,
with distinctive, comprehensive
financial solutions
that protect and promote
client prosperity and quality of life.**

Truxton has Amply Rewarded:

Shareholders & The Government

- \$20MM of initial capital raised
- Cumulative Taxes: \$28MM
- Cumulative Dividends: \$35MM, \$12.66 per share

