



# Q3 2023 Financial Results

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*Financial Update and Quarterly Reports*

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October 19, 2023



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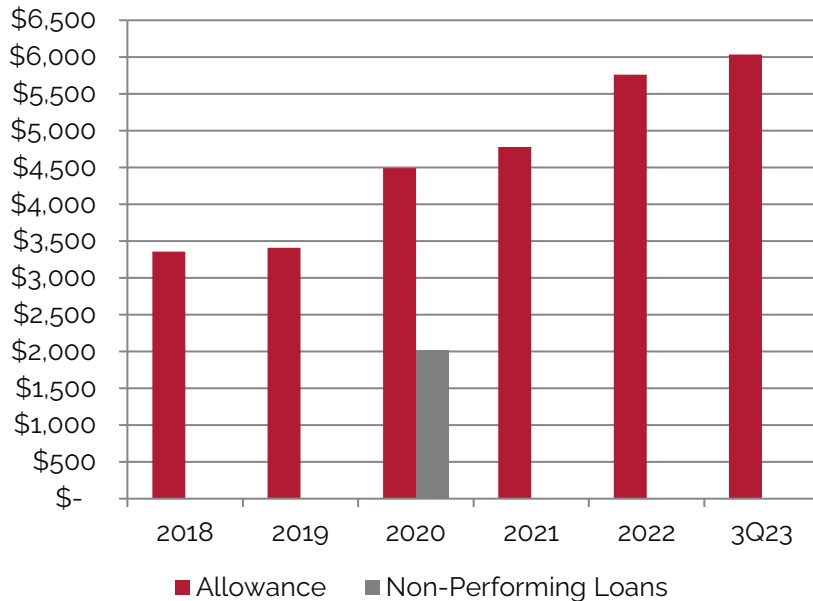
# Q3 2023 Financial Highlights

<i>(\$000s)</i>			
<b>Income Summary</b>	<b>3Q 2023</b>	<b>3Q 2022</b>	<b>% Change</b>
Net Interest Income	\$6,059	\$6,564	-7.7%
Provision for Loan Losses	\$6	\$284	-97.9%
Non-Interest Income	\$4,931	\$4,267	15.6%
Non-Interest Expense	\$5,314	\$5,206	2.1%
Earnings Before Taxes	\$5,670	\$5,341	6.2%
Income Tax Expense	\$1,109	\$1,002	10.7%
Net Income	\$4,560	\$4,339	5.1%
<b>Balance Sheet</b>			
Assets	\$948,566	\$916,758	3.5%
Loans	\$641,697	\$611,946	4.9%
Deposits	\$780,868	\$789,552	-1.1%
Stockholders' Equity	\$79,543	\$68,870	15.5%
<b>Asset Quality</b>			
Allowance for Credit Losses	\$6,031	\$5,750	4.9%
Allowance to Gross Loans	0.94%	0.94%	
<b>Earnings Per Share</b>			
Basic	\$1.57	\$1.50	4.7%
Diluted	\$1.57	\$1.49	5.4%

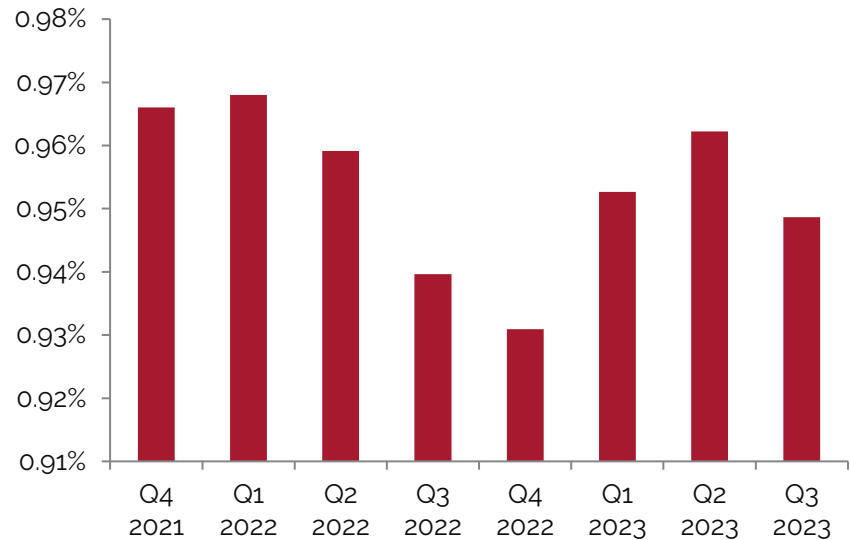
# Safe and Reliable Credit Quality

- No 30 days+ past due loans
- Non-performing assets (NPAs): \$0
- No other real estate owned (OREO)

## Allowance vs. Non-Performing



## Reserves / Loans



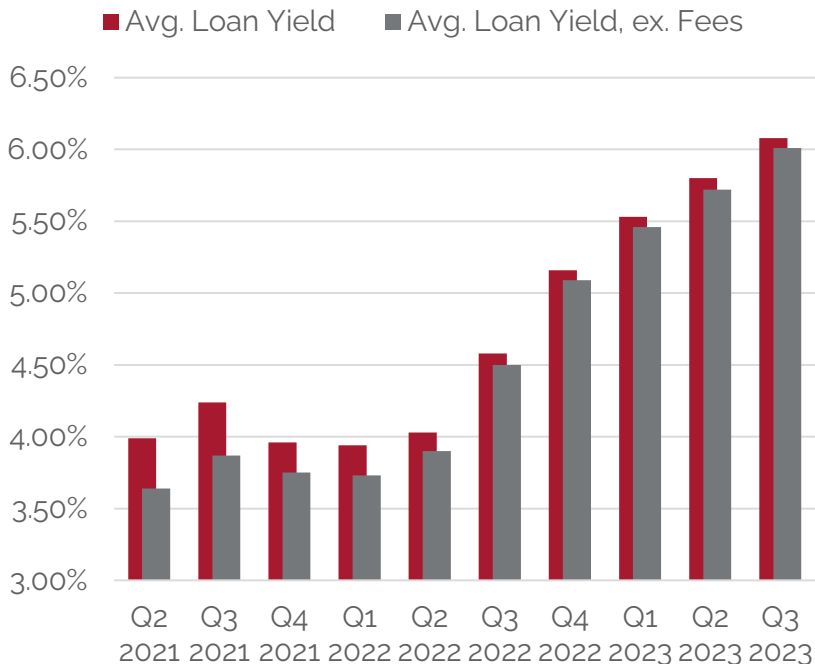
\*Charts above do NOT include ACL on unfunded commitments



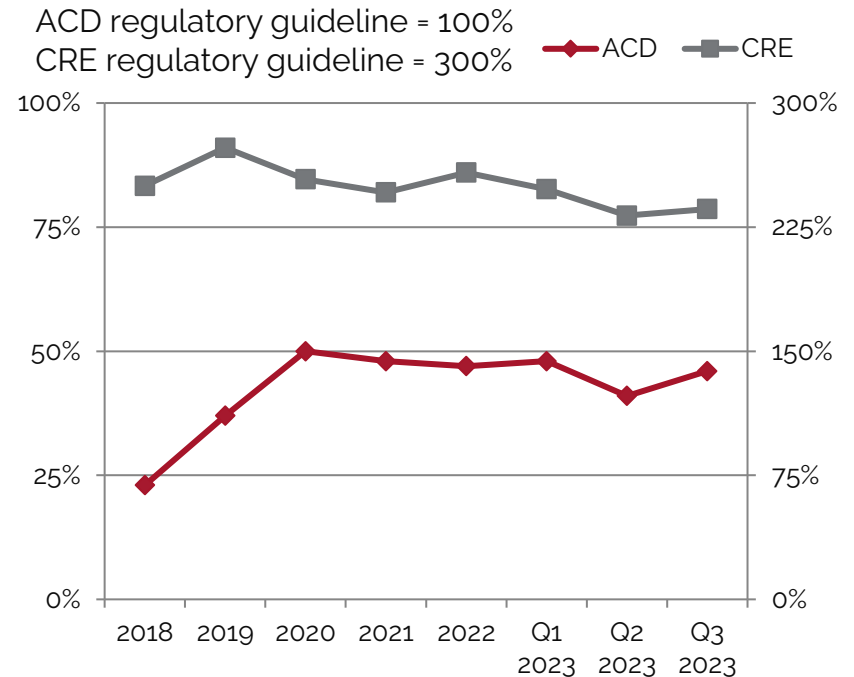
# Loan Yield & Concentrations

- Commercial Real Estate concentration was 236% of capital at quarter end
- Acquisition, Construction, and Development loans was 46% of capital at quarter end
- Average loan yields excluding fees rose 29bps to 6.01% in 3Q23 compared to 5.72% in 2Q23

## Average Loan Yields



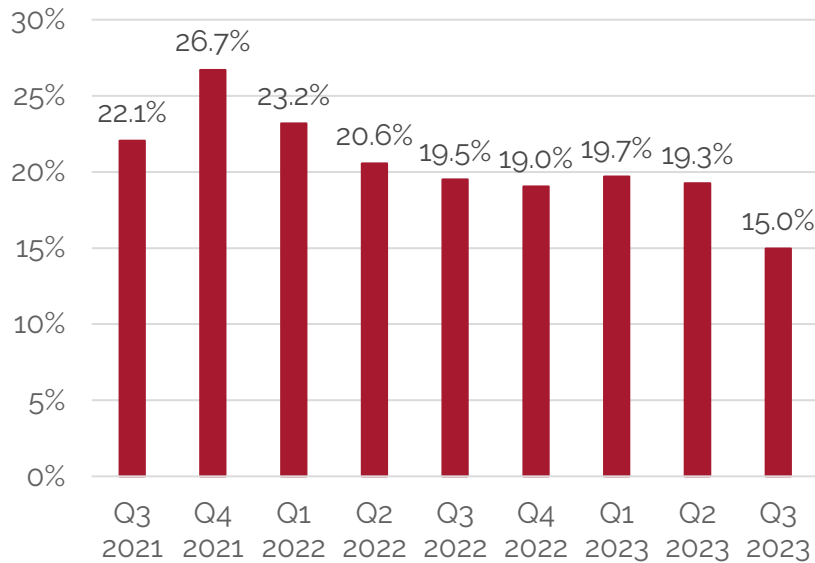
## Commercial Real Estate



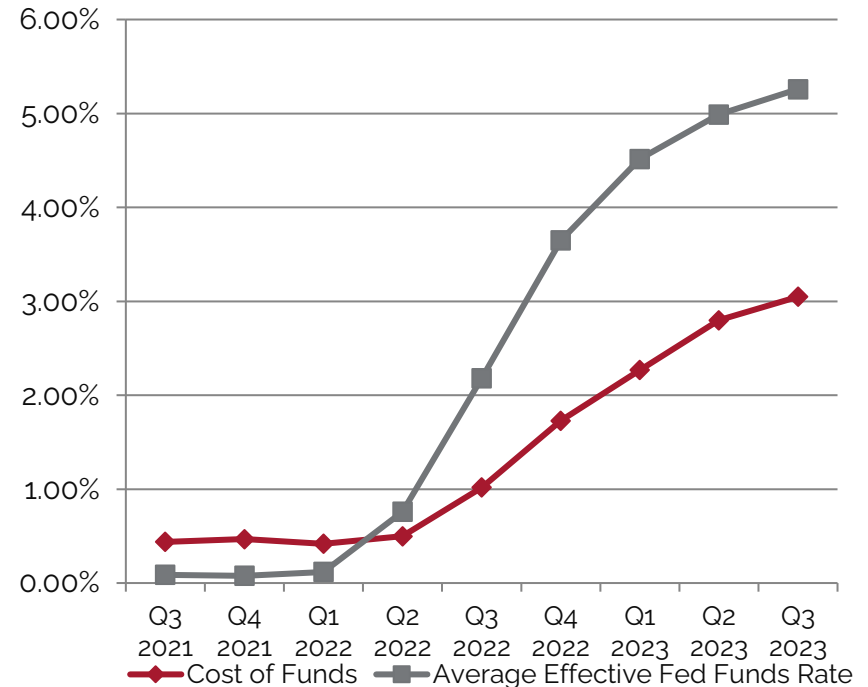
# Deposit Costs Rising

- Non-interest-bearing account (NIBA) balances declined as a percentage of total deposits, driven by clients establishing interest-bearing sweep accounts for their excess operational funds
- Deposit costs continued to rise but at a slowing rate

## NIBA / Total Deposits



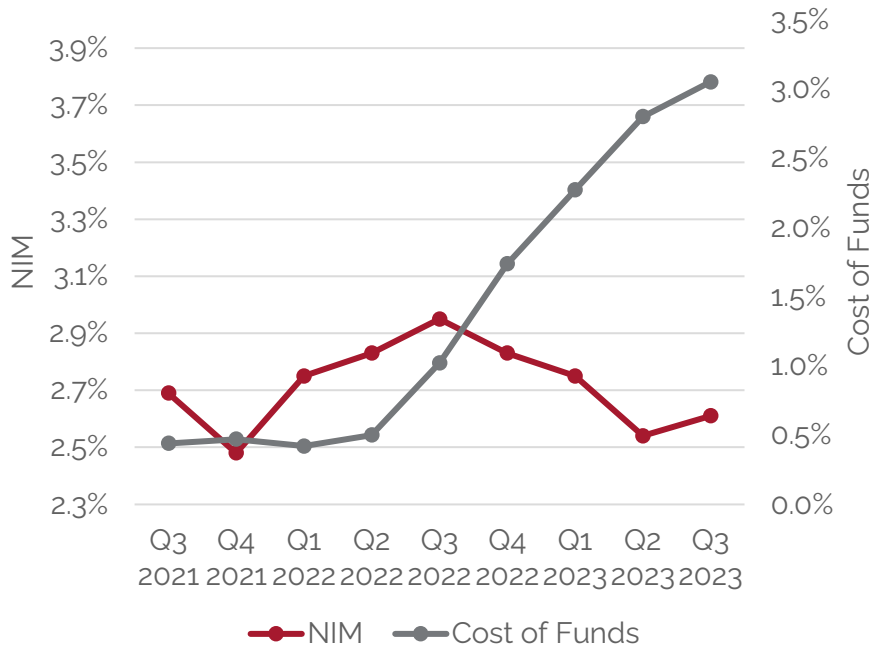
## Cost of Funds



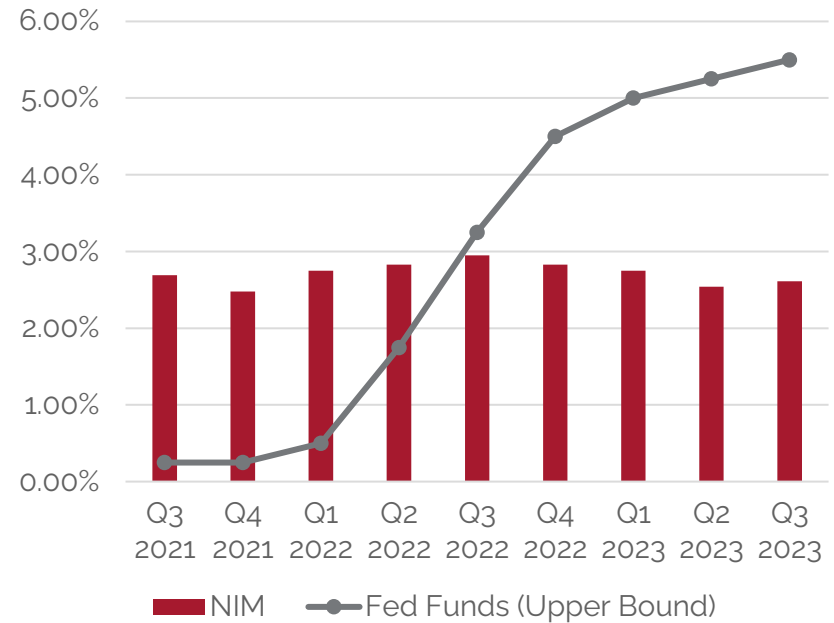
# Net Interest Margin

- NIM increased 7bps in Q3 2023 compared to Q2 2023 as the increased yields on earning assets outpaced growing funding costs, driven by large loans repricing at the beginning of the 3rd quarter and end of the prior quarter

## NIM vs. Cost of Funds

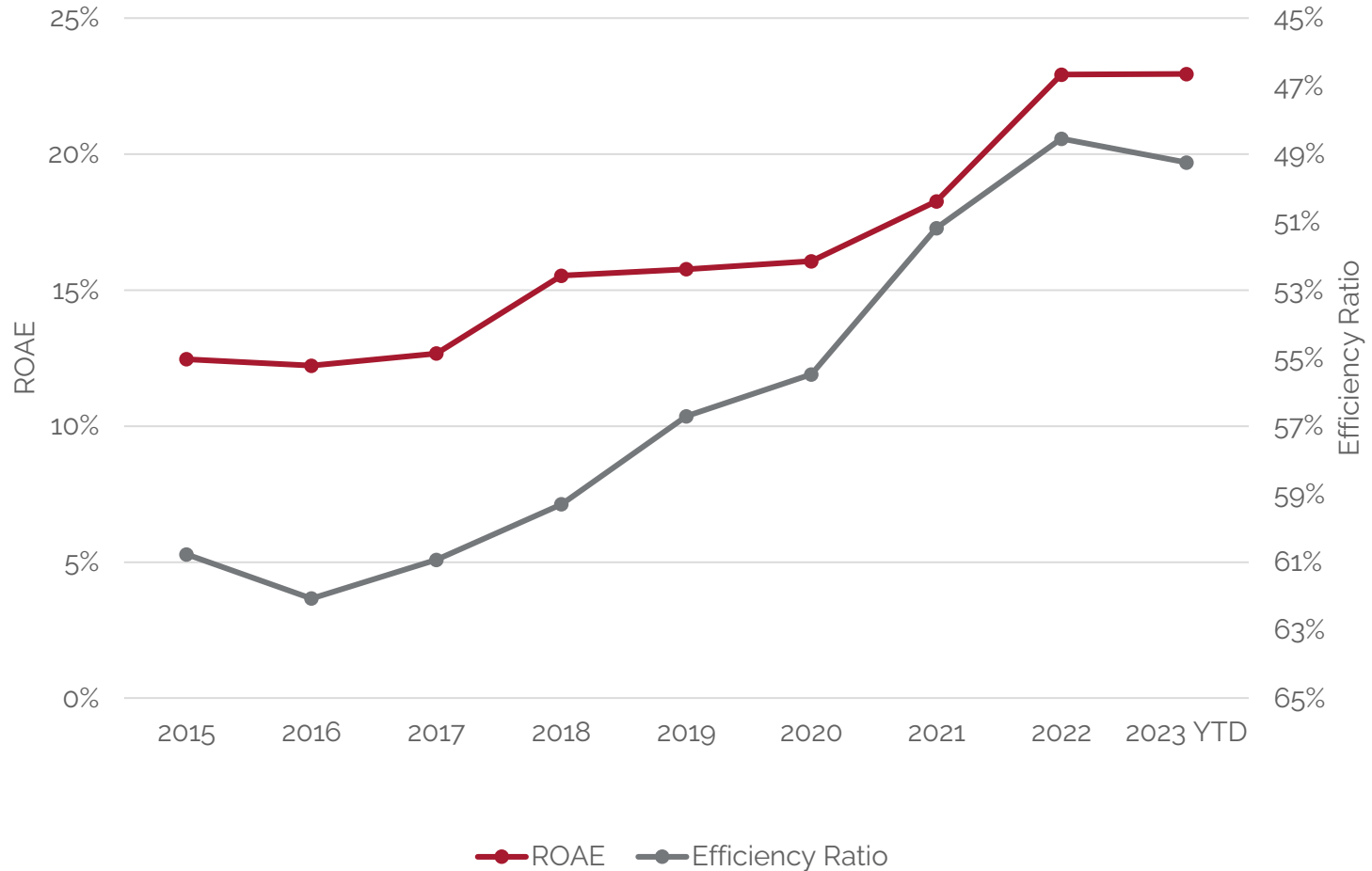


## NIM vs. Fed Funds



# ROAE and Efficiency Ratio

## ROAE vs. Efficiency Ratio



# Pre-Tax, Pre-Provision Net Revenue (PPNR)



**Q3 2023 vs.  
Q3 2022: +1.0%**

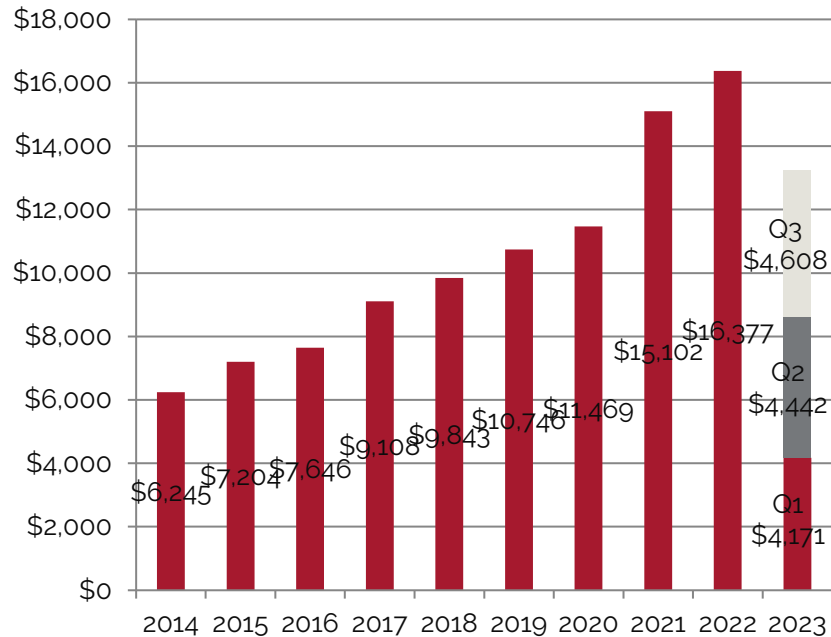




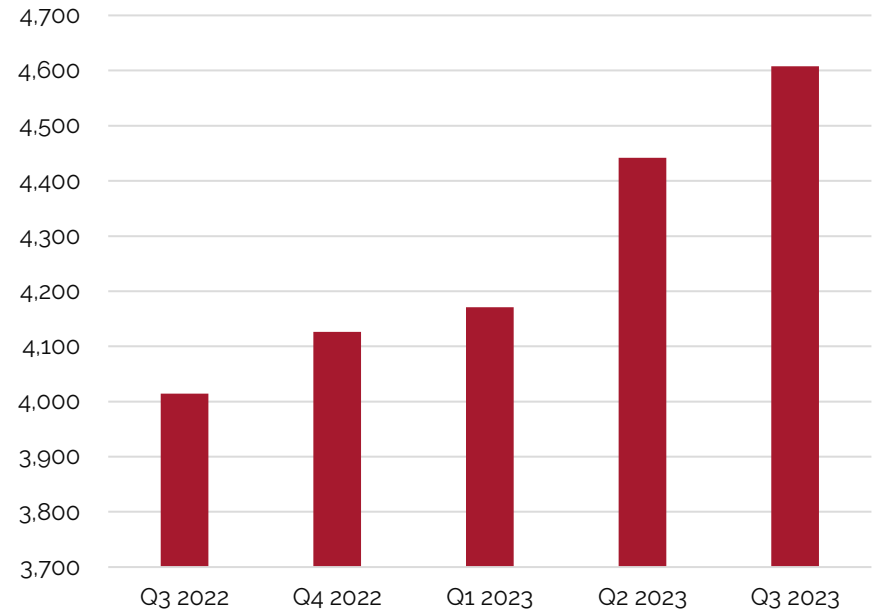
# Wealth Management Growth Continues

- Wealth management services represented 42% of net revenue in Q3 2023
- Wealth management services represented 93% of total non-interest income in Q3 2023
- Wealth management revenue increased 14.8% in Q3 2023 compared to Q3 2022

## Wealth Management Revenue (000s)



## Wealth Management Revenue (000s)



# TRUX Financial Returns

- Efficiency Ratio down 20 basis points compared to Q3 2022
- Net interest margin (NIM) down 34 basis points compared to Q3 2022
- Return on average assets (ROAA) up 2 basis points from Q3 2022
- Return on average equity (ROAE) down 113 basis points from Q3 2022
- Tier 1 Leverage Ratio for the Bank up 58 basis points from Q3 2022
- While not all trending the right direction, all key metrics remain strong

Key Ratios	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
<b>Efficiency Ratio</b>	48.07%	48.55%	51.32%	48.56%	47.87%
<b>Net Interest Margin</b>	2.95%	2.83%	2.75%	2.54%	2.61%
<b>ROAA</b>	1.89%	1.70%	1.89%	1.90%	1.91%
<b>ROAE</b>	23.61%	22.92%	23.05%	23.33%	22.48%
<b>Tier 1 Leverage Ratio (Bank)</b>	9.78%	9.78%	10.29%	10.39%	10.36%
<b>Tangible Equity / Tangible Assets</b>	7.51%	8.00%	8.11%	8.15%	8.39%



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