



TRUXTON TRUST

A PRIVATE BANK

# Annual Meeting of Shareholders

May 19, 2021

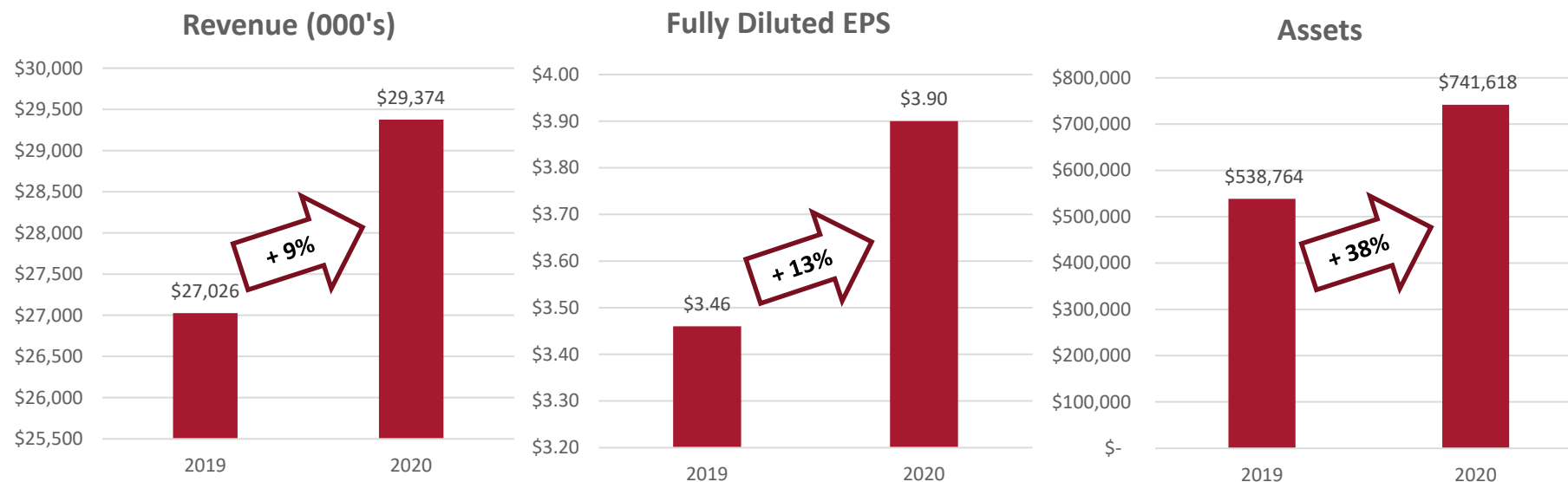
**Thomas S. Stumb**

Chairman and Chief Executive Officer

**Andrew L. May**

President and Chief Financial Officer

# 2020 Financial Highlights



- Fully diluted EPS increased 13% in 2020
- Adjusted ROAE rose to an all time high of 16.1% in 2020
- Dividend increased by 12% to an annualized \$1.12 per share in 2020
- Paid \$1.00 Special Dividend
- “Bank” Tier 1 Leverage Ratio was 9.4% at year end 2020
- We ended 2020 with an Efficiency Ratio of 55.5%

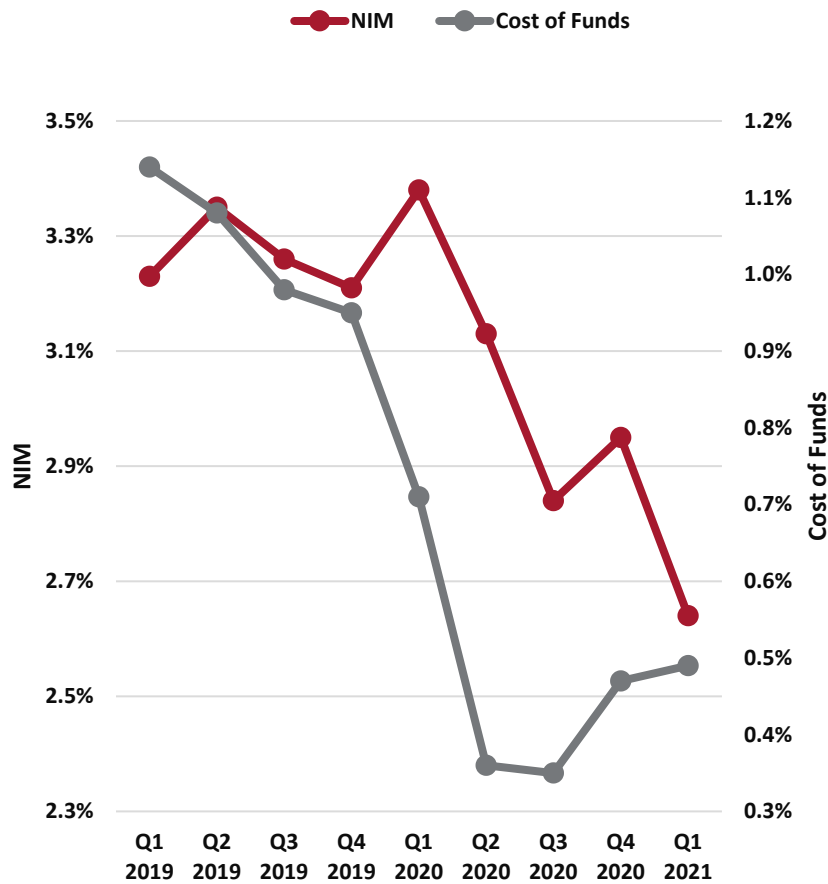
# Growth is Continuing in 2021

- Truxton Trust continues to experience growth in the new year
- Net income increased 24.4% in Q1 2021 compared to Q1 2020

| \$ in thousands           | Quarter Ended March 31 |           |          |
|---------------------------|------------------------|-----------|----------|
|                           | 2021                   | 2020      | % Change |
| <b>Income Summary</b>     |                        |           |          |
| Net Interest Income       | \$4,523                | \$4,219   | 7.2%     |
| Provision for Loan Losses | \$92                   | \$185     | -50.3%   |
| Non-Interest Income       | \$3,556                | \$3,023   | 17.6%    |
| Non-Interest Expense      | \$4,332                | \$4,030   | 7.5%     |
| Earnings Before Taxes     | \$3,655                | \$3,027   | 20.8%    |
| Income Tax Expense        | \$574                  | \$550     | 4.4%     |
| Net Income                | \$3,081                | \$2,477   | 24.4%    |
| <b>Balance Sheet</b>      |                        |           |          |
| Assets                    | \$766,410              | \$541,558 | 41.5%    |
| Loans                     | \$408,232              | \$379,072 | 7.7%     |
| Deposits                  | \$655,499              | \$429,301 | 52.7%    |
| Stockholders' Equity      | \$74,808               | \$65,347  | 14.5%    |
| <b>Asset Quality</b>      |                        |           |          |
| Allowance for Loan Losses | \$4,574                | \$3,592   | 27.3%    |
| Allowance to Gross Loans  | 1.12%                  | 0.95%     | 17.9%    |



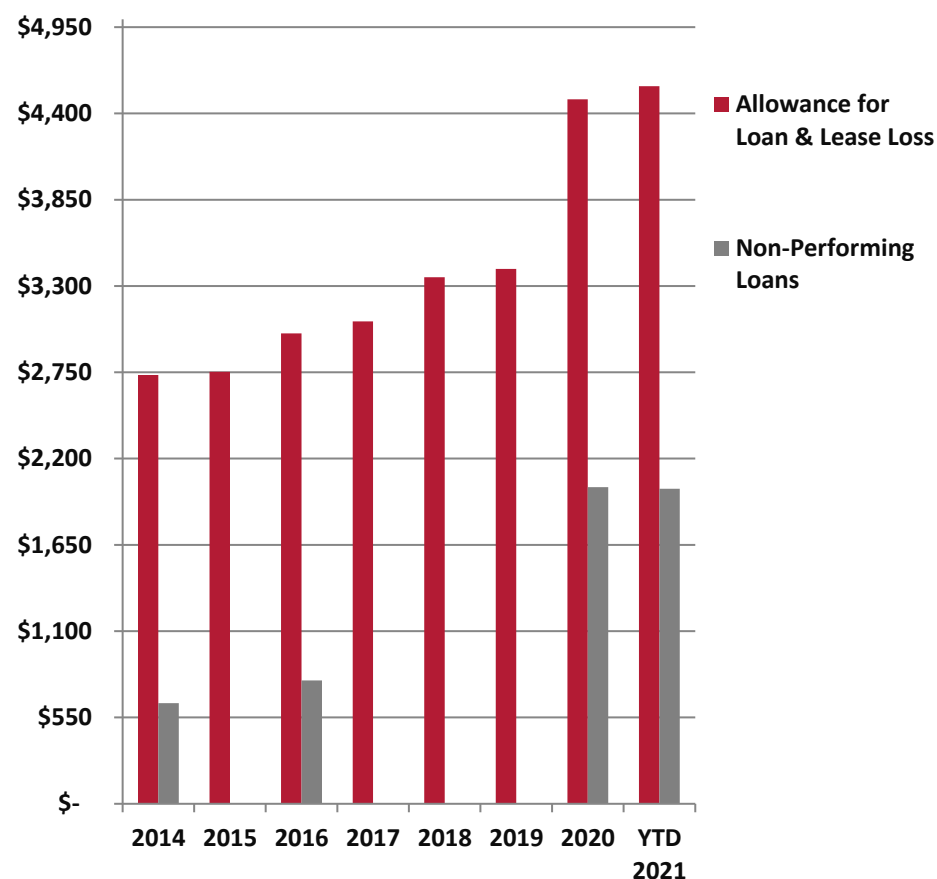
# NIM is Challenged by Rising Assets and Low Rates





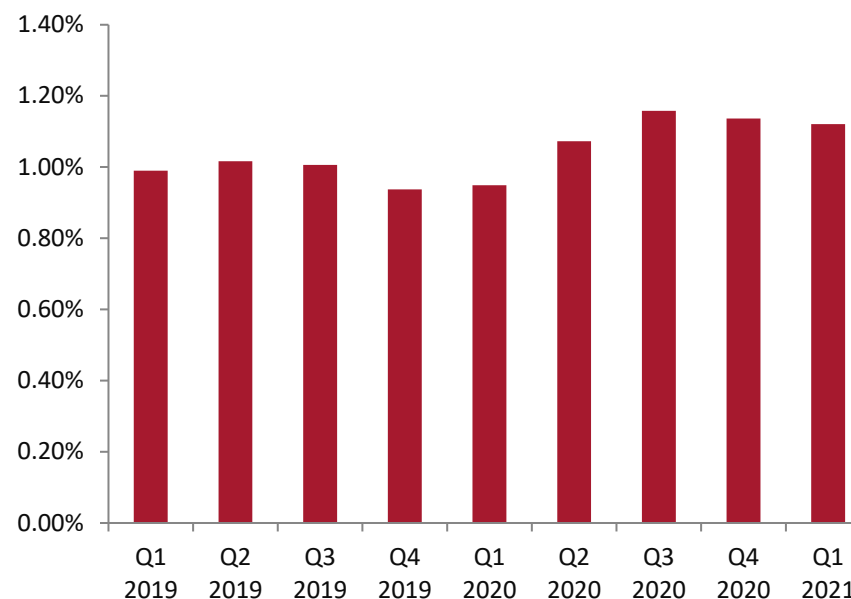
# Safe and Reliable Credit Quality

### Allowance vs. Non-Performing (\$000's)



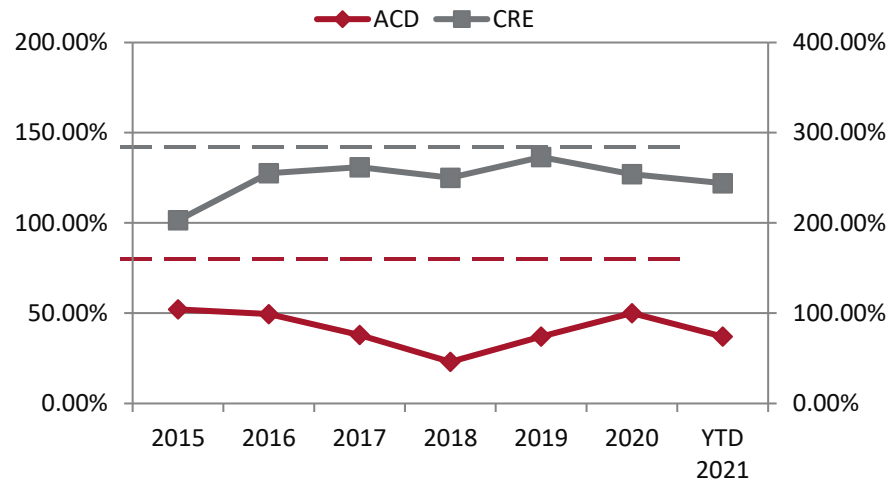
- 30 days+ past due: total \$387,108.95
- One single family residential mortgage making up the Non-performing assets (NPAs): \$2,007,489
- No "Other Real Estate Owned"

### Reserves / Loans



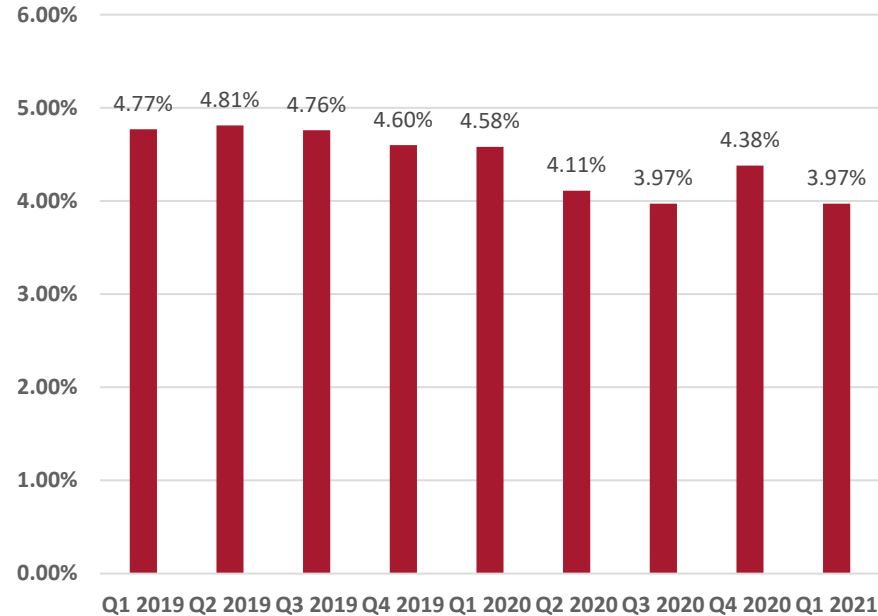


# We Have Conservative, Diversified Loans



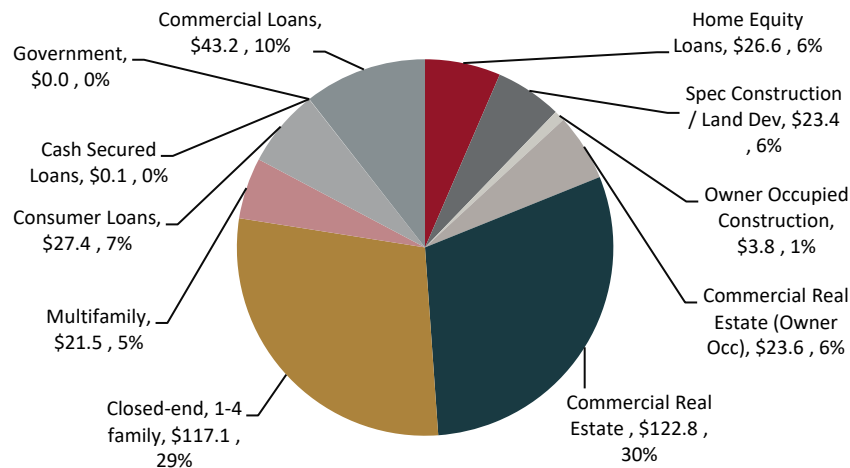
- Risky Commercial Real Estate below regulatory limits for Commercial Real Estate and Acquisition, Construction & Development
- Our average loan yield has decreased with decreasing Fed rates

## Average Loan Yield



### Truxton Trust

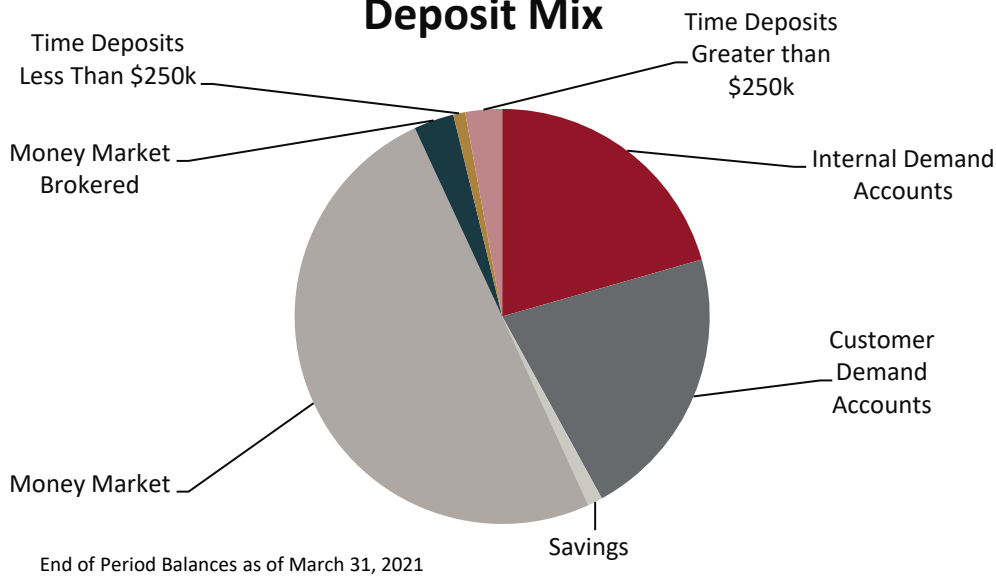
Total Loans March 31, 2021: \$409.4 million  
(in \$millions; excluding PPP)



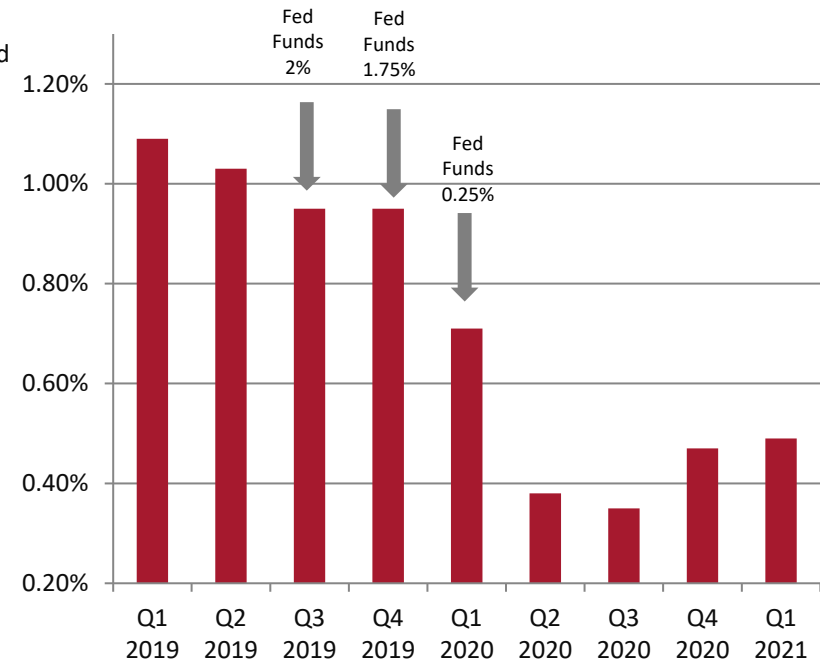
# Deposits



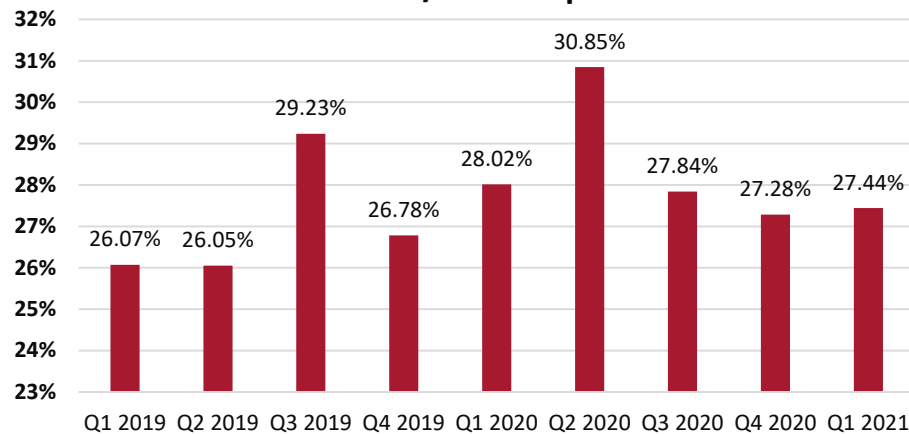
## Deposit Mix



## Cost of Deposits After Effect of NIBA



## NIBA/Total Deposits

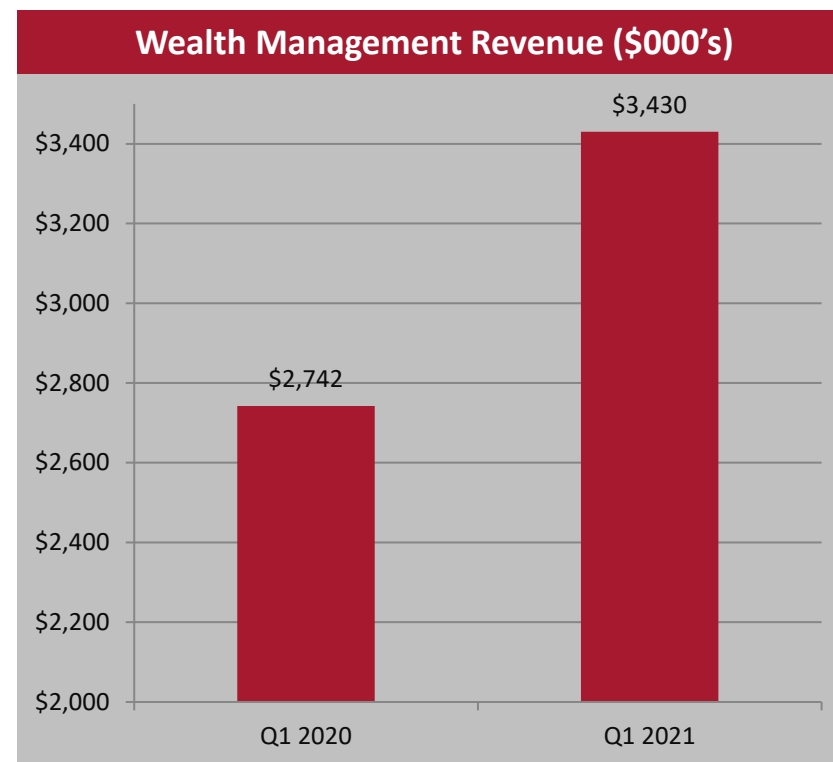
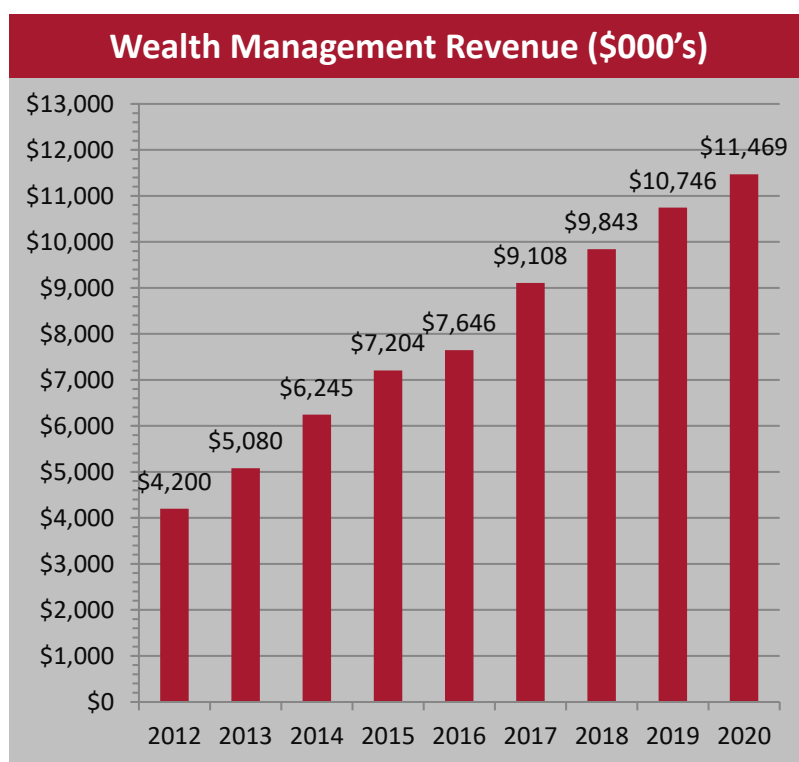


- We have a well-balanced Deposit Mix
- Our cost of funds remains low



# Wealth Management Growth Continues

- Non-interest income constituted 42.9% of total revenue in Q1 2021
- Wealth management services represents 96.46% of total non-interest income in Q1 2021
- Wealth management revenue increased 25.09% in Q1 2021 compared to Q1 2020





# TRUX Financial Returns are Excellent



- Efficiency ratio is significantly better than Q1 year ago
- Average deposits grew 32.7% in Q1 2021 vs. Q1 2020, pressuring
  - Net Interest Margin (NIM)
  - Tier 1 Leverage Ratio
  - Return on Average Assets (ROAA)
- Return on average equity (ROAE) up 83 basis points from Q1 2020

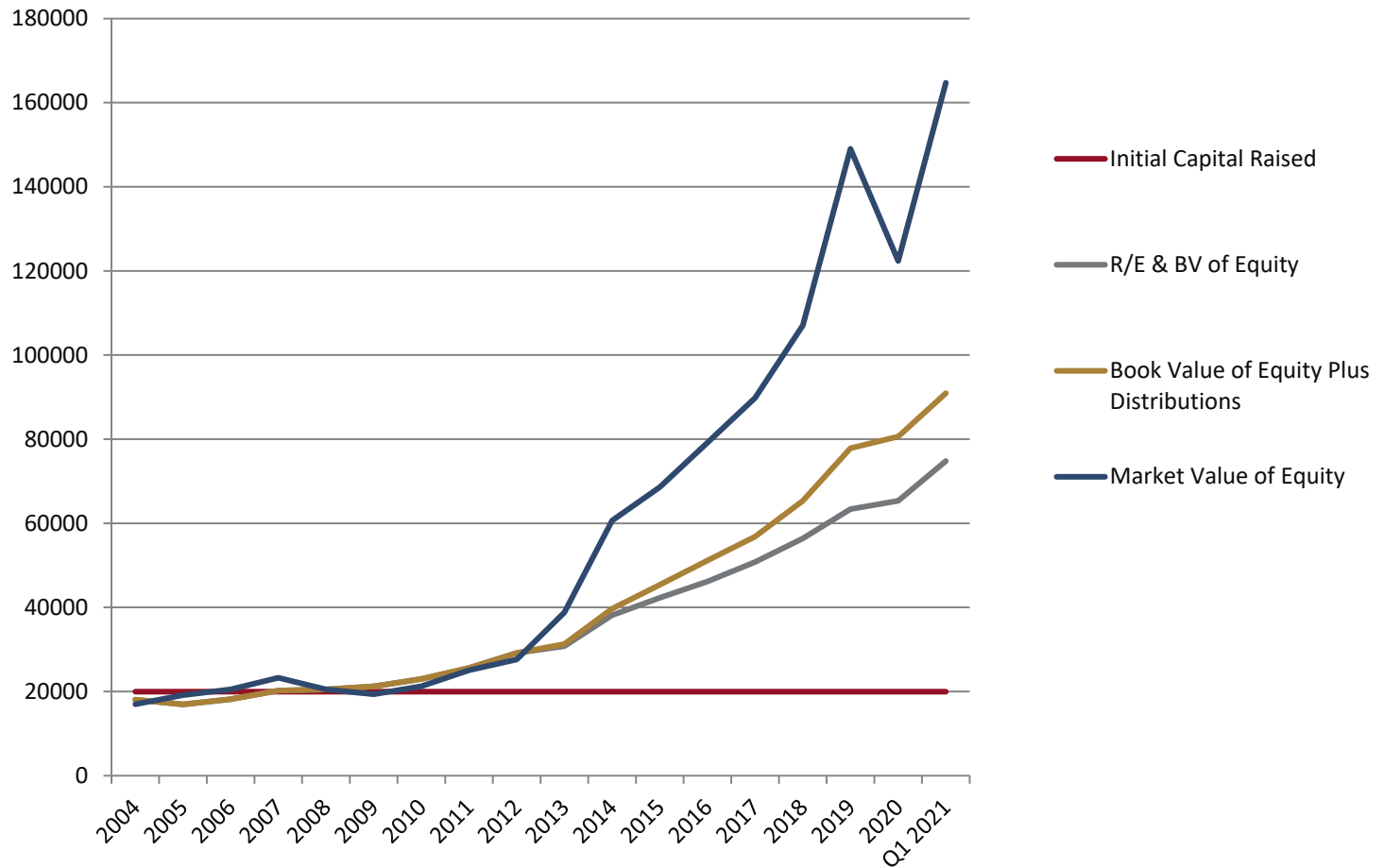
| Capital Ratios                    | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Efficiency Ratio                  | 65.74%  | 54.22%  | 53.01%  | 46.95%  | 53.62%  |
| Net Interest Margin               | 3.38%   | 3.13%   | 2.84%   | 2.95%   | 2.64%   |
| ROAA                              | 1.85%   | 1.67%   | 1.48%   | 1.96%   | 1.68%   |
| ROAE                              | 15.22%  | 15.64%  | 14.12%  | 19.09%  | 16.05%  |
| Tier 1 Leverage Ratio (Bank)      | 11.21%  | 9.82%   | 9.43%   | 9.43%   | 9.39%   |
| Tangible Equity / Tangible Assets | 12.07%  | 10.32%  | 10.25%  | 10.34%  | 9.76%   |

# Truxton Success During Pandemic



- During 2020, Truxton weathered the COVID-19 Global Pandemic
  - Guided by the Business Continuity Plan, most employees began working from home (WFH) in March of 2020
  - In accordance with local and industry guidance, we served our clients by appointment only
  - We supported clients with Payroll Protection Program Loans -- \$46.7 MM in 2020 and another \$14.1 MM in 2021
    - Total PPP Loans made in 2020 – 264 loans
    - Total PPP Loans made in 2021 – 133 loans
  - Liquidity surged as stimulus programs spread cash
    - Total Assets grew 37.2% in 2020 compared to 2019
    - Total Deposits grew 39.2% in 2020 compared to 2019

# We are Creating Value from your Capital

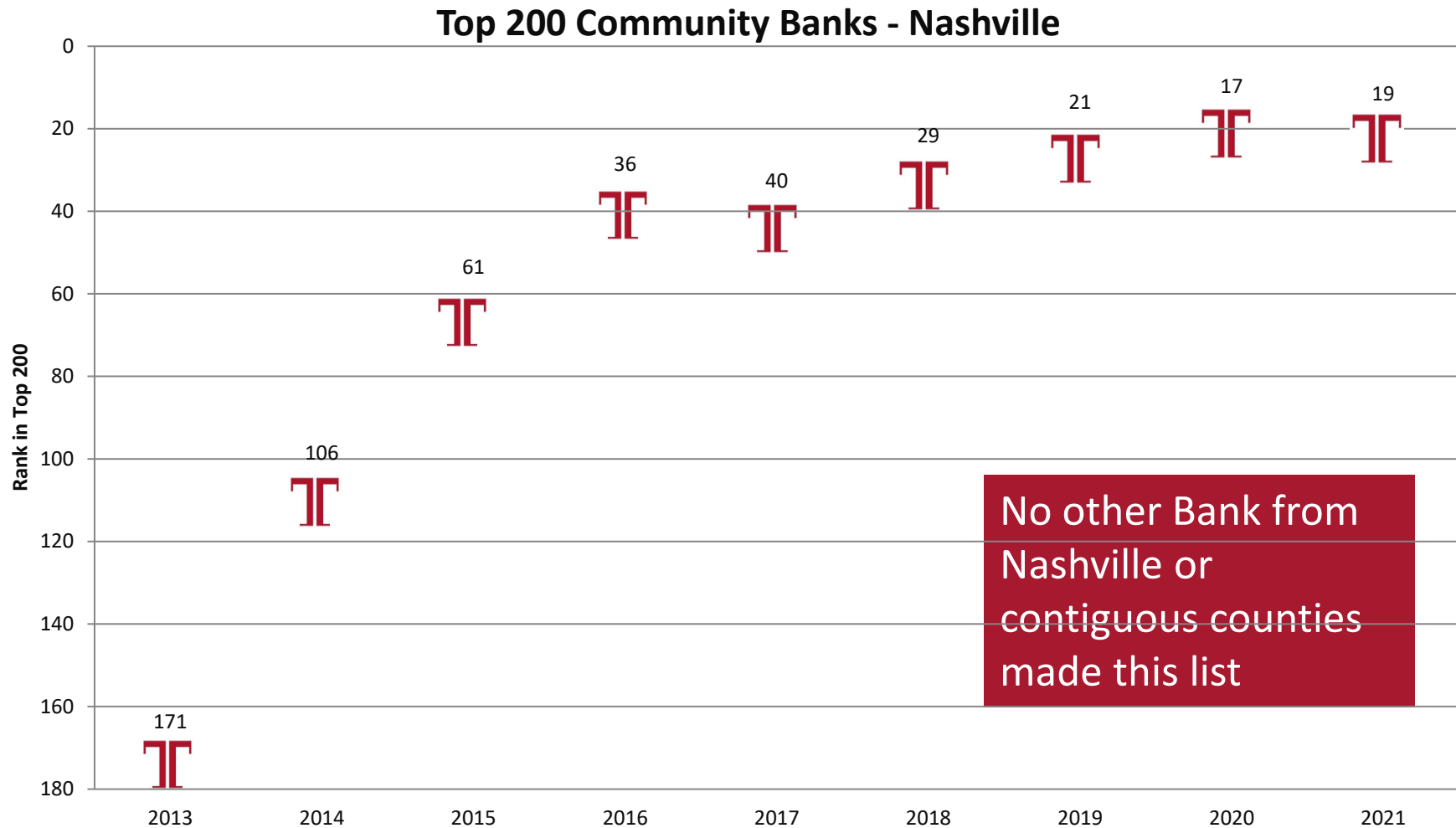


Truxton has Amply Rewarded:

## Shareholders & The Government

- **\$20 million of initial capital raised**
- **Cumulative Taxes: \$20,907,000**
- **Cumulative Dividends: \$20,761,000**

# External Validation



# Mission

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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.