



Q2 2023 Financial Results

Financial Update and Quarterly Reports

July 25, 2023



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Q2 2023 Financial Highlights



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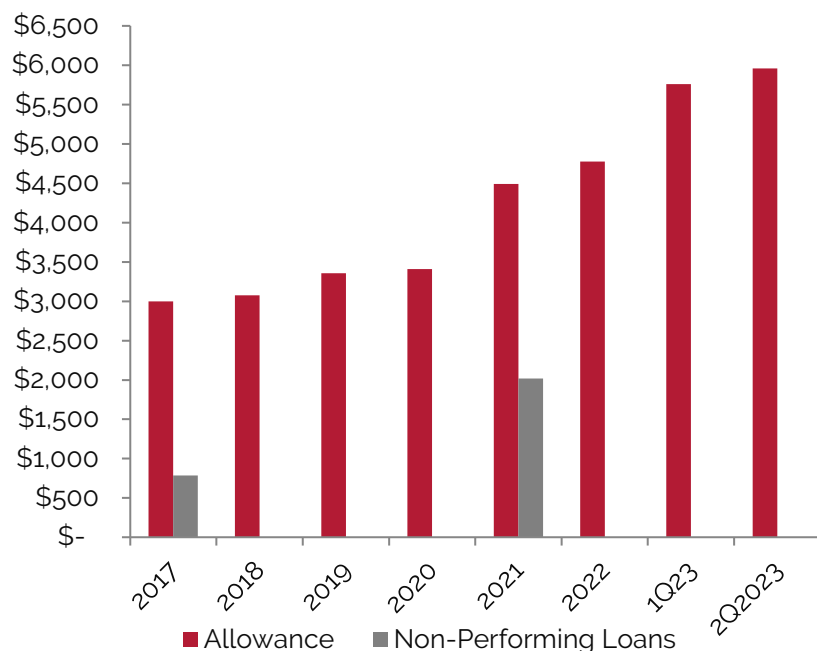
<i>(\$000s)</i>			
Income Summary	2Q 2023	2Q 2022	% Change
Net Interest Income	\$5,797	\$6,083	-4.7%
Provision for Loan Losses	\$15	\$586	-97.4%
Non-Interest Income	\$4,988	\$4,221	18.2%
Non-Interest Expense	\$5,289	\$4,725	11.9%
Earnings Before Taxes	\$5,481	\$4,993	9.8%
Income Tax Expense	\$1,028	\$883	16.4%
Net Income	\$4,453	\$4,110	8.3%
Balance Sheet			
Assets	\$965,644	\$876,769	10.1%
Loans	\$627,576	\$569,969	10.1%
Deposits	\$789,666	\$781,992	1.0%
Stockholders' Equity	\$78,669	\$97,693	-19.5%
Asset Quality			
Allowance for Credit Losses	\$5,982	\$5,468	9.4%
Allowance to Gross Loans	0.95%	0.96%	-1.0%



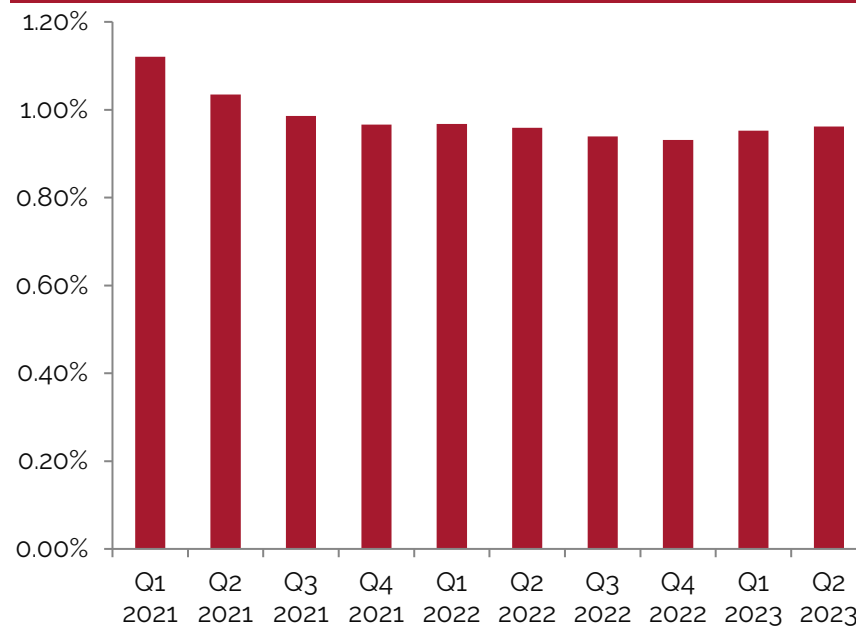
Safe and Reliable Credit Quality

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

Allowance vs. Non-Performing



Reserves / Loans



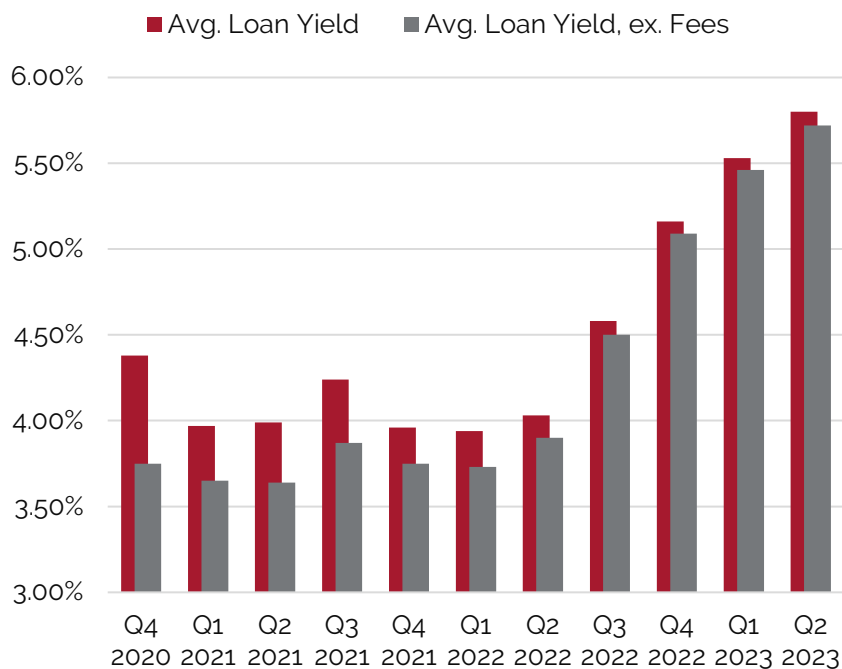
*Charts above do NOT include ACL on unfunded commitments



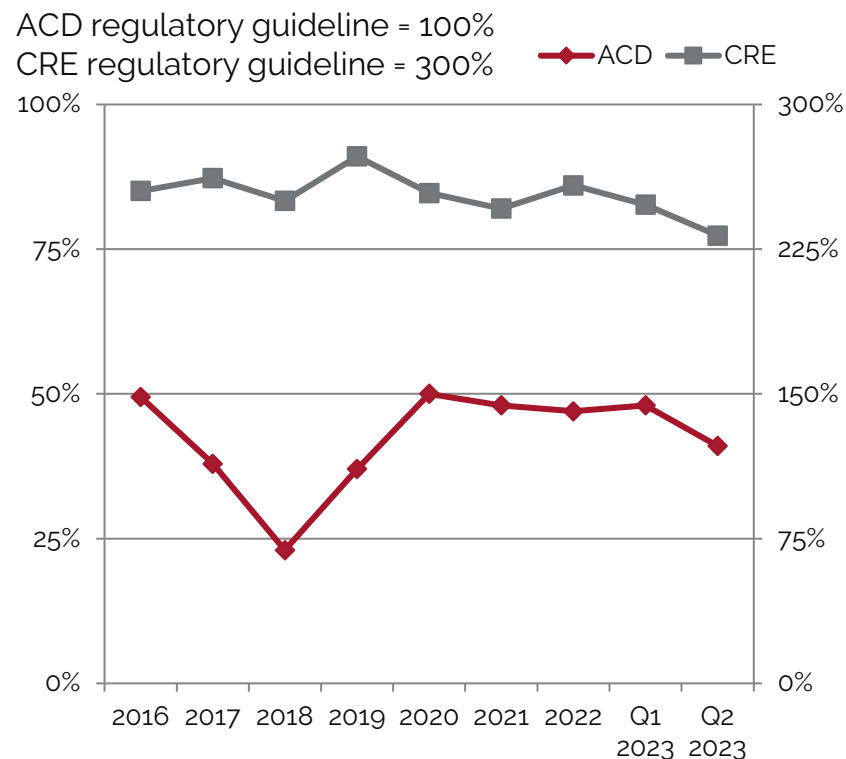
Loan Yield & Concentrations

- Commercial Real Estate concentration was 232% of capital at quarter end
- Acquisition, Construction, and Development loans was 41% of capital at quarter end

Average Loan Yields



Commercial Real Estate

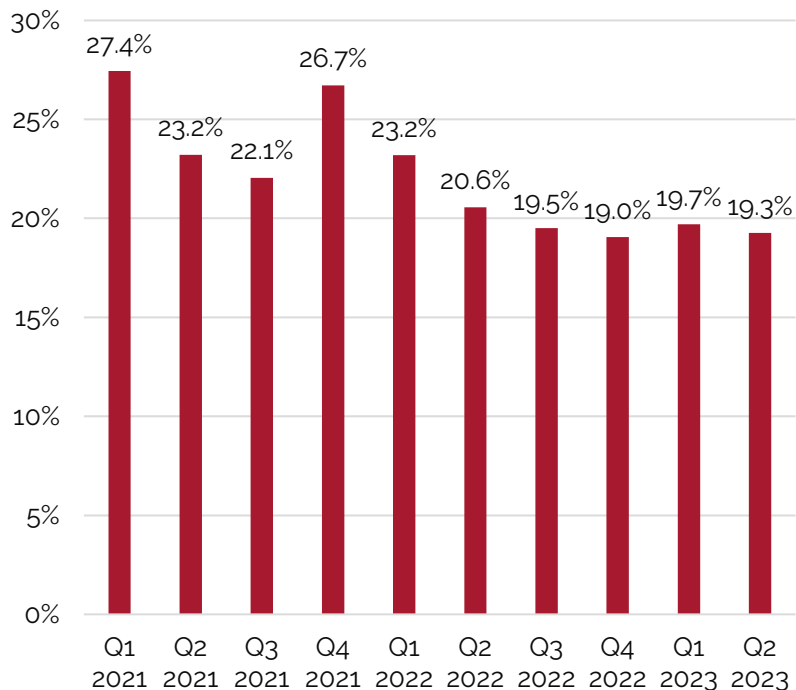




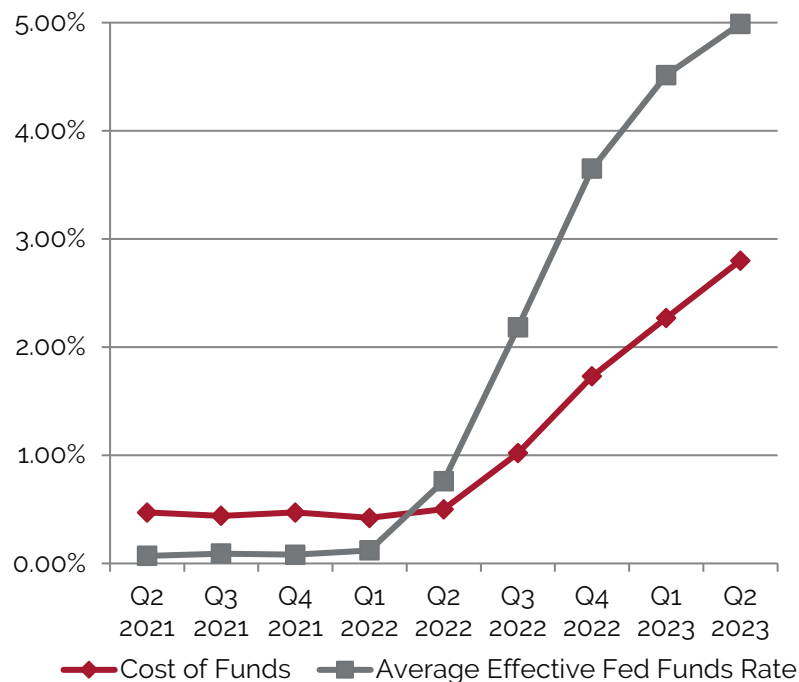
Deposit Costs Rising

- An uptick in Non-interest bearing account (NIBA) balances at quarter end belied a decline during the quarter but NIBA contribution to NIM continues to increase
- Deposit costs lagged the increase in short-term interest rates but catching up

NIBA / Total Deposits



Cost of Funds

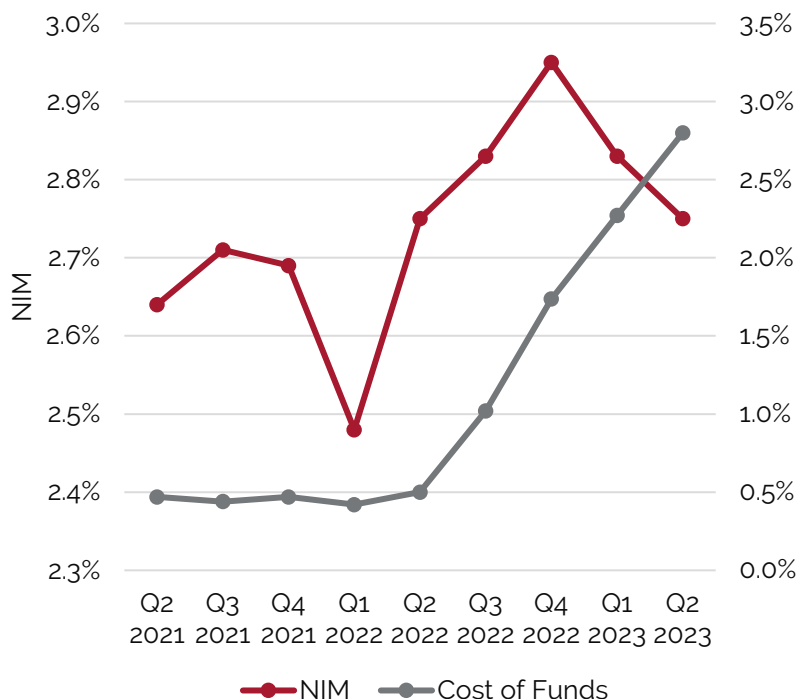




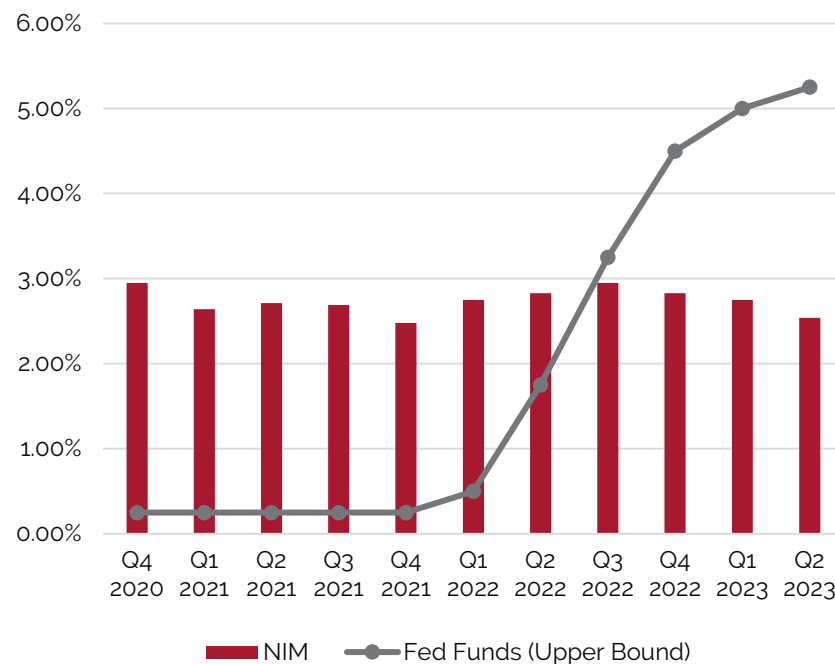
Net Interest Margin

- NIM decreased 21bps in Q2 2023 compared to Q1 2023 as Cost of funds increased more than twice as fast as the yield on earning assets increased
- Banking sector headlines led to more customer demand for higher deposit rates and movement of balances from NIBA to interest-bearing accounts

NIM vs. Cost of Funds



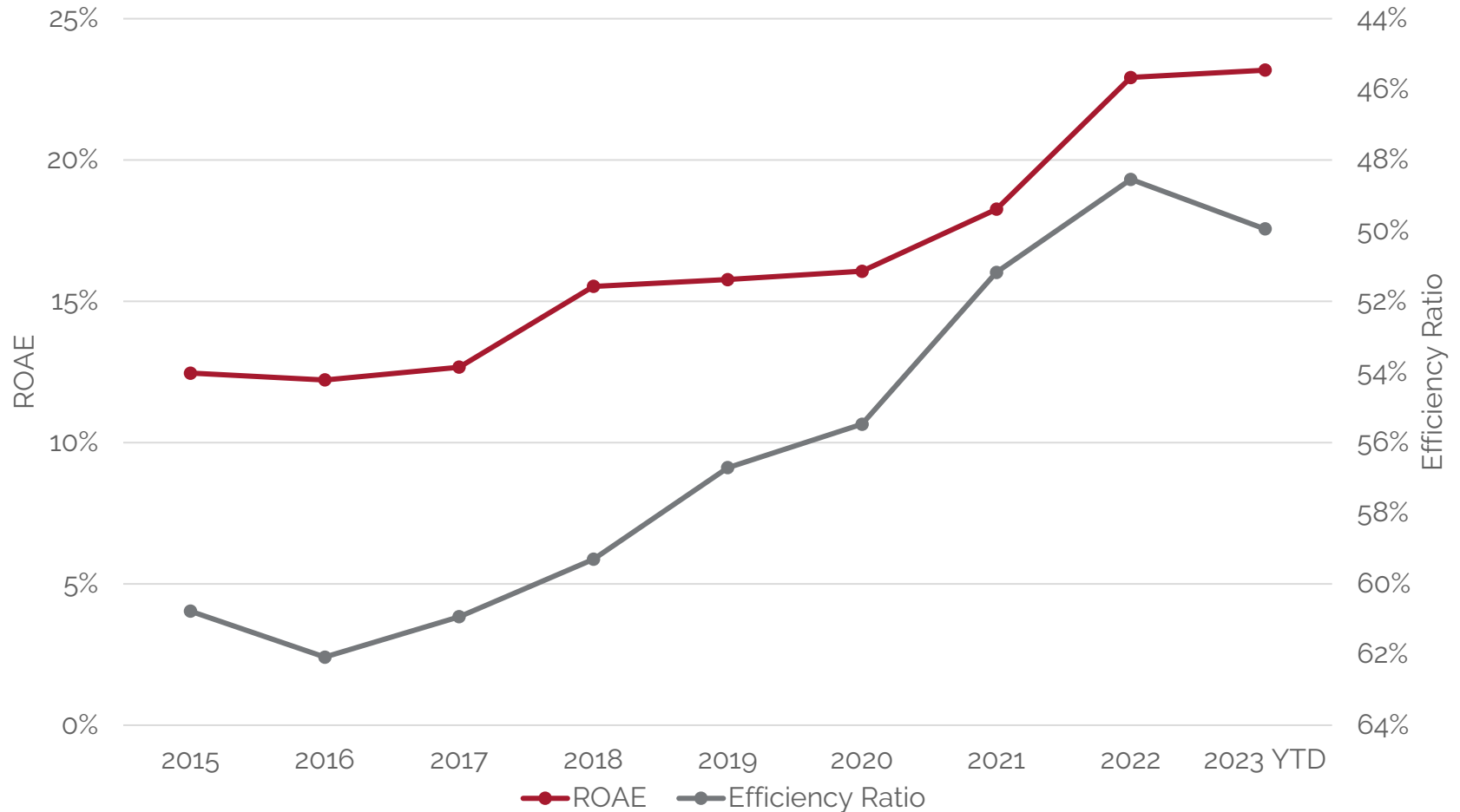
NIM vs. Fed Funds



ROAE and Efficiency Ratio



ROAE vs. Efficiency Ratio



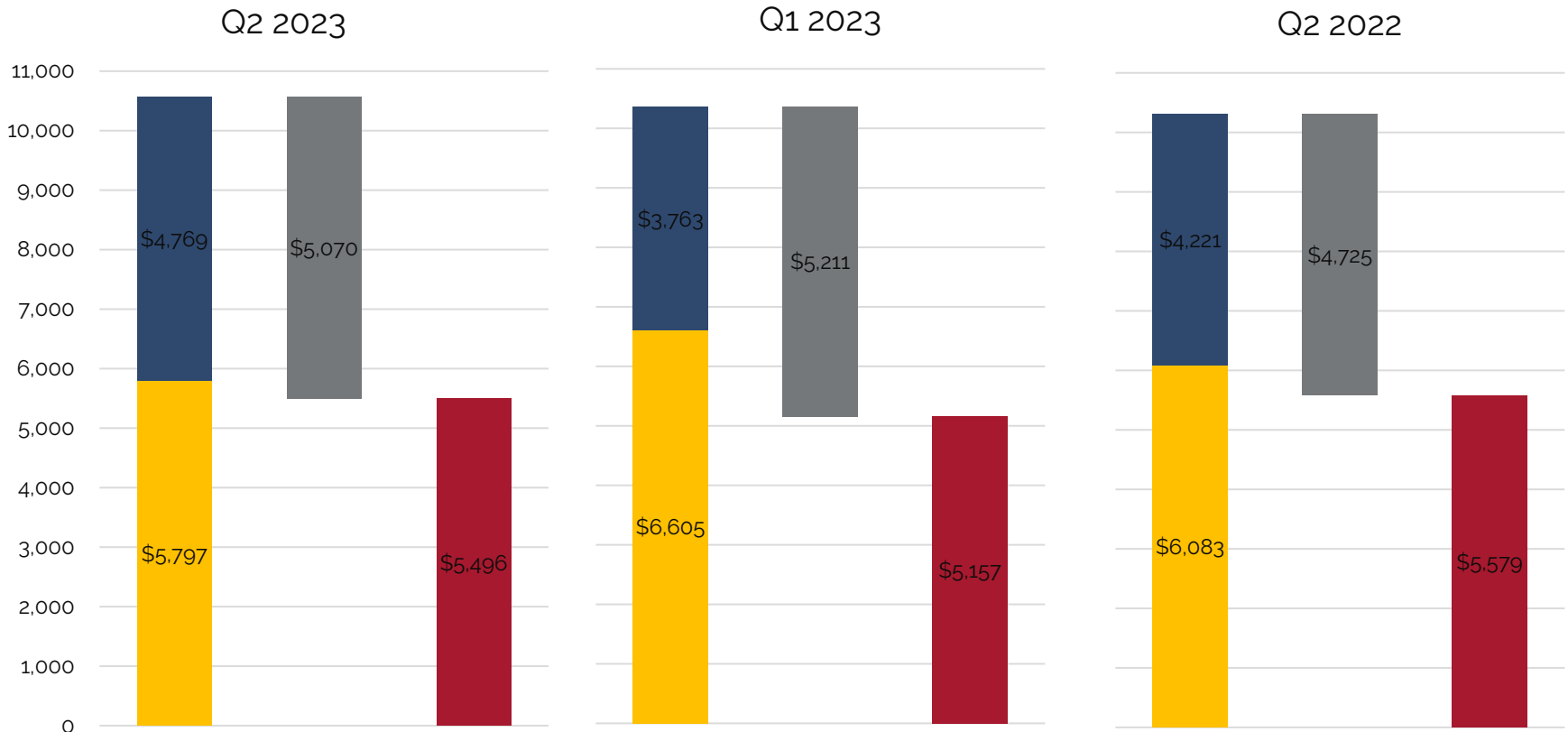
Pre-Tax, Pre-Provision Net Revenue (PPNR)



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Q2 2023 vs. Q2 2022
-1.49%

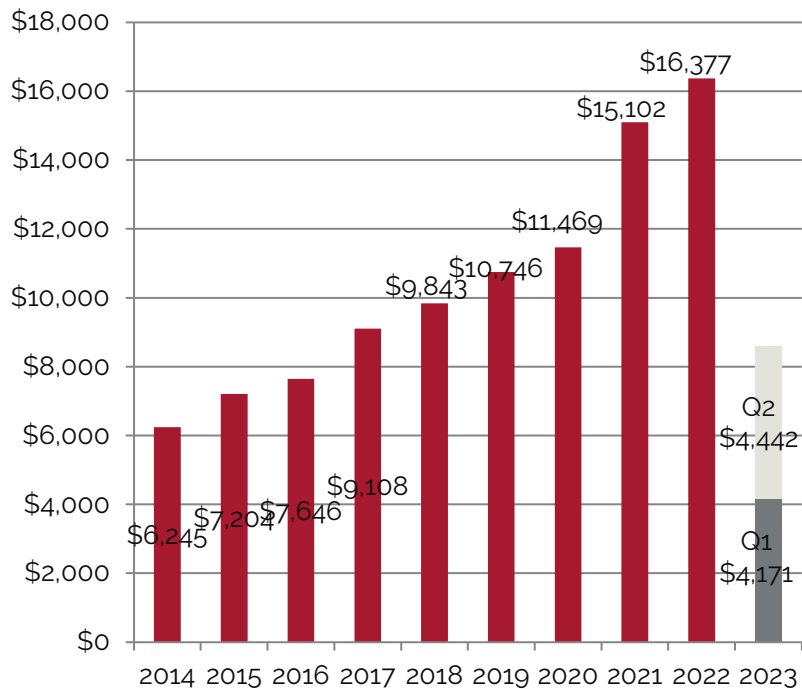


Wealth Management Growth Continues

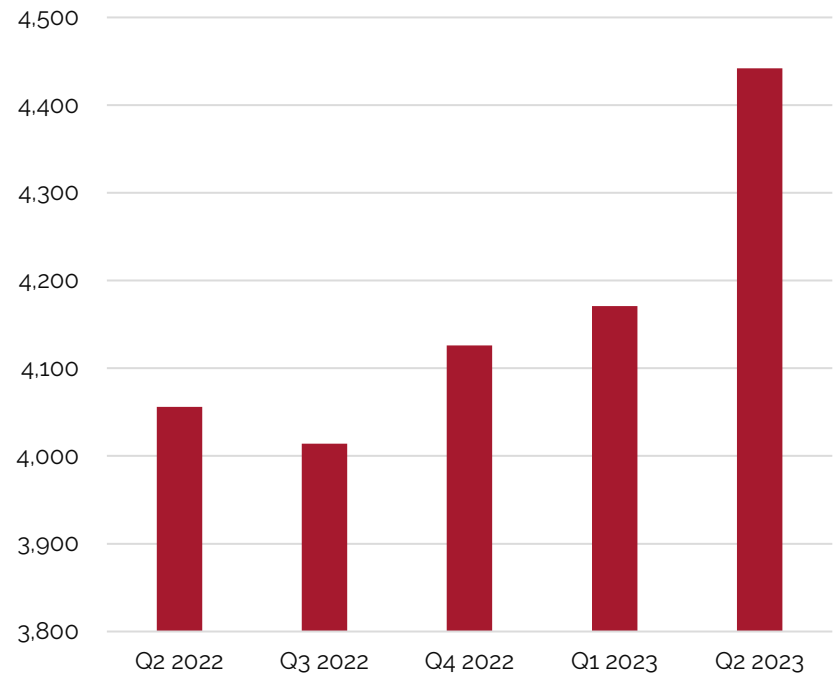
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- Wealth management services represented 42% of net revenue in Q2 2023
- Wealth management services represented 93% of total non-interest income in Q2 2023
- Wealth management revenue increased 9.5% in Q2 2023 compared to Q2 2022

Wealth Management Revenue (\$000's)



Wealth Management Revenue (\$000's)





TRUX Financial Returns

- Efficiency Ratio up 270 basis points compared to Q2 2022
- Net interest margin (NIM) down 29 basis points Q2 2022
- Return on average assets (ROAA) up 5 basis points from Q2 2022
- Return on average equity (ROAE) up 81 basis points from Q2 2022
- Tier 1 Leverage Ratio for the Bank up 76 basis points from Q2 2022
- While not all trending the right direction, all key metrics remain strong

Key Ratios	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Efficiency Ratio	45.86%	48.07%	48.55%	51.32%	48.56%
Net Interest Margin	2.83%	2.95%	2.83%	2.75%	2.54%
ROAA	1.85%	1.89%	1.70%	1.89%	1.90%
ROAE	22.52%	23.61%	22.92%	23.05%	23.33%
Tier 1 Leverage Ratio (Bank)	9.63%	9.78%	9.78%	10.29%	10.39%
Tangible Equity / Tangible Assets	8.09%	7.51%	8.00%	8.11%	8.15%



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