



TRUXTON TRUST  
A PRIVATE BANK

FOR IMMEDIATE RELEASE

## Truxton Corporation Reports Second Quarter 2020 Results

**NASHVILLE, TN, July 16, 2020** – Truxton Corporation (OTCPK: TRUX), the parent company for Truxton Trust Company (“Truxton” or “the Bank”) and subsidiaries, announced its operating results for the quarter ended June 30, 2020. Second quarter net income attributable to common shareholders was \$2.6 million or \$0.92 per diluted share compared to \$2.5 million or \$0.90 per diluted share for the same quarter in 2019. Net income rose by 4% for the quarter while diluted earnings per share rose by 2%. For the six months ended June 30, 2020, net income increased by 8% to \$5.1 million from \$4.7 million in the comparable period in 2019. For the six months ended June 30, 2020, earnings per diluted share rose to \$1.81 from \$1.69, an increase of 7%.

Chairman and CEO Tom Stumb remarked, “Truxton continued to perform well as we strove to serve our customers while protecting them and our tireless staff from COVID-19. There remains significant uncertainty about the strength of the economy and the potential risks in our loan portfolio, so we have added meaningfully to our allowance for loan and lease losses.”

### Key Highlights

- Non-interest income experienced a slight decline to \$2.9 million from \$3.0 million in the second quarter of 2020, a decrease of 2% from the same period of 2019. Wealth management services contributed 95% of non-interest income in the quarter ended June 30, 2020.
- Loans increased by 25% to \$420 million compared to June 30, 2019, and were up 15% compared to December 31, 2019.
- We ended the second quarter with \$46 million in loans made pursuant to the Paycheck Protection Program (PPP) provisions of the CARES Act, assisting our small business clients to cover payrolls and other essential costs during this pandemic period.
- In the second quarter, our allowance for loan and lease losses (ALLL) increased by \$411 thousand, a 12% increase from quarter ended March 31, 2020, and a 17% increase from the same quarter in 2019.
- Total deposits grew 28% since June 30, 2019, inclusive of deposits added as a result of funding PPP loans. Truxton continues to fund its growth from a single banking location through superior deposit operations service and technology. As a result, occupancy expenditures and fixed asset investments are significantly smaller than typical peers.
- Net interest margin for the second quarter of 2020 was 3.13%. That represents a decrease of 25 basis points from the 3.38% experienced in the quarter ended March 31, 2020, and a decline of 22 basis points from the quarter ended June 30, 2019. Cost of funds decreased to 0.36% in the second quarter of 2020 from 0.71% for the quarter ended March 31, 2020, and 1.08% for the quarter ended June 30, 2019. Net interest margin was negatively impacted by the PPP loans, which carry a 1% interest rate.

- Asset quality remains sound at Truxton. Truxton had \$2.0 million in non-performing assets at June 30, 2020, up from \$0 in the same quarter a year ago. A single residential mortgage comprises over 95% of our non-performing loans. Truxton had \$8 thousand of charge-offs in the quarter and \$2 thousand in the first quarter of 2020.
- Allowance for loan losses was \$4.0 million, \$3.6 million, and \$3.4 million as of June 30, 2020, March 31, 2020, and June 30, 2019, respectively. For the three periods, the bank's allowance was 0.95%, 0.95%, and 1.02%, of gross loans outstanding at period end, respectively. There is no allowance associated with the \$46 million of PPP loans.
- Tax expense increased by 11% from the March 31, 2020 quarter but decreased by 9% from the June 30, 2019 quarter.
- The Bank's capital position remains strong. Tier 1 leverage ratio was 9.82% at June 30, 2020, 11.21% at March 31, 2020, and 11.44% at June 30, 2019. The reduction in Tier 1 leverage ratio for the quarter was principally the result of the significant asset growth experienced in the quarter, which was largely driven by the PPP loans. Book value per common share was \$24.41, \$23.19, and \$22.47 for June 30, 2020, March 31, 2020, and June 30, 2019, respectively. During the 12 months ended June 30, 2020, Truxton Corporation paid dividends of \$2.06 per common share.

#### **About Truxton Trust**

Truxton Trust Company is a provider of private banking, wealth management, trust, and family office services for wealthy individuals, their families and their business interests. Serving clients across the world, Truxton's vastly experienced team of professionals provides customized solutions to its clients' complex financial needs. Founded in 2004 in Nashville, Tennessee, Truxton Trust upholds its original guiding principle: do the right thing. Truxton Trust Company is a subsidiary of financial holding company, Truxton Corporation (OTCPK: TRUX). For more information, visit [truxtontrust.com](http://truxtontrust.com).

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**Truxton Corporation**  
**Selected Quarterly Financial data**  
**At Or For The Three Months Ended**  
**(000's)**  
**(Unaudited)**

|   | June 30, 2020* | March 31, 2020* | June 30, 2019* |
|---|----------------|-----------------|----------------|
| <b>Per Common Share Data</b>                              |                |                 |                |
| Net income attributable to shareholders, per share        |                |                 |                |
| Basic   | \$0.93         | \$0.88          | \$0.92         |
| Diluted   | \$0.92         | \$0.87          | \$0.90         |
| Book value per common share                               | \$24.41        | \$23.19         | \$22.47        |
| Tangible book value per common share                      | \$24.41        | \$23.19         | \$22.47        |
| Basic weighted average comm shares                        | 2,740,504      | 2,729,167       | 2,675,283      |
| Diluted weighted average common shares                    | 2,768,173      | 2,761,639       | 2,727,375      |
| Common shares outstanding at period end                   | 2,834,951      | 2,817,354       | 2,758,109      |
| <b>Selected Balance Sheet Data</b>                        |                |                 |                |
| Tangible common equity (TEC) ratio                        | 10.32%         | 12.07%          | 12.70%         |
| Average Loans   | \$419,360      | \$368,017       | \$339,174      |
| Average earning assets (1)                                | \$599,030      | \$510,649       | \$470,691      |
| Average total assets                                      | \$629,800      | \$538,336       | \$493,510      |
| Average stockholders' equity                              | \$67,204       | \$65,434        | \$60,524       |
| <b>Selected Asset Quality Measures</b>                    |                |                 |                |
| Nonaccrual loans  | 2059           | 0               | 0              |
| 90+ days past due still accruing                          | 0              | 0               | 0              |
| Total nonperforming loans                                 | 2059           | 0               | 0              |
| Total nonperforming assets                                | 2059           | 0               | 0              |
| Net charge offs (recoveries)                              | 8              | 2               | (2)            |
| Nonperforming loans to assets                             | 0.31%          | 0.00%           | 0.00%          |
| Nonperforming assets to total assets                      | 0.31%          | 0.00%           | 0.00%          |
| Nonperforming assets to total loans and other real estate | 0.49%          | 0.00%           | 0.00%          |
| Allowance for loan losses to total loans                  | 0.95%          | 0.95%           | 1.02%          |
| Net charge offs (recoveries) to average loans             | 0.00%          | 0.00%           | 0.00%          |
| <b>Capital Ratios (Bank Subsidiary Only)</b>              |                |                 |                |
| Tier 1 leverage   | 9.82%          | 11.21%          | 11.44%         |
| Common equity tier 1                                      | 13.61%         | 13.41%          | 15.06%         |
| Total risk-based capital                                  | 14.49%         | 14.21%          | 15.97%         |
| <b>Selected Performance Ratios</b>                        |                |                 |                |
| Efficiency ratio  | 54.22%         | 65.74%          | 54.31%         |
| Return on average assets (ROA)                            | 1.67%          | 1.85%           | 2.05%          |
| Return on average stockholders' equity (ROE)              | 15.64%         | 15.22%          | 16.69%         |
| Return on tangible common equity (ROTCE)                  | 15.64%         | 15.22%          | 16.69%         |
| Net interest margin                                       | 3.13%          | 3.38%           | 3.35%          |

\*The information is preliminary, unaudited and based on company data available at the time of presentation.

(1) Average earning assets is the daily average of earning assets. Earning assets consists of loans, mortgage loans held for sale, federal funds sold, deposits with banks, investment securities and restricted equity securities.

**Truxton Corporation**  
**Consolidated Balance Sheets**  
(000's)  
(Unaudited)

|   | June 30, 2020*    | March 31,<br>2020* | June 30, 2019*    |
|---|-------------------|--------------------|-------------------|
| <b>ASSETS</b>   |                   |                    |                   |
| Cash and due from financial institutions                  | \$ 10,831         | \$ 6,863           | \$ 7,951          |
| Interest bearing deposits in other financial institutions | 69,772            | 7,964              | 12,712            |
| Federal funds sold  | 8,559             | 2,038              | 253               |
| Cash and cash equivalents                                 | 89,162            | 16,865             | 20,916            |
| Time deposits in other financial institutions             | 4,683             | 4,659              | 12,288            |
| Securities available for sale                             | 137,372           | 122,112            | 102,304           |
| Gross loans   | 373,263           | 378,512            | 335,639           |
| Allowance for loan losses                                 | (4,003)           | (3,592)            | (3,411)           |
| Paycheck Protection Program Loans                         | 46,639            | -                  | -                 |
| Net loans   | 415,899           | 374,920            | 332,228           |
| Bank owned life insurance                                 | 10,079            | 10,026             | 9,864             |
| Restricted equity securities                              | 2,695             | 2,606              | 2,588             |
| Premises and equipment, net                               | 454               | 376                | 354               |
| Accrued interest receivable                               | 2,447             | 1,865              | 1,817             |
| Deferred tax asset, net                                   | -                 | 802                | 321               |
| Mortgage loans held for sale, et                          | -                 | 560                | 480               |
| Other assets  | 7,808             | 6,767              | 4,648             |
| <b>Total assets</b>                                       | <b>\$ 670,599</b> | <b>\$ 541,558</b>  | <b>\$ 487,808</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |                   |                    |                   |
| <b>Deposits</b>   |                   |                    |                   |
| Non-interest bearing                                      | \$ 158,062        | \$ 120,269         | \$ 104,475        |
| Interest bearing  | 354,346           | 309,031            | 296,549           |
| Total deposits  | 512,408           | 429,300            | 401,024           |
| Federal Home Loan Bank advances                           | 33,036            | 38,262             | 18,833            |
| Paycheck Protection Program Liquidity Facility advances   | 46,639            | -                  | -                 |
| Federal Funds purchased                                   | -                 | -                  | -                 |
| Other liabilities   | 9,303             | 8,648              | 5,988             |
| Total liabilities   | 601,386           | 476,210            | 425,845           |
| <b>SHAREHOLDERS' EQUITY</b>                               |                   |                    |                   |
| Additional paid-in capital                                | 30,591            | 30,362             | 29,066            |
| Retained earnings   | 36,971            | 35,151             | 32,610            |
| Accumulated other comprehensive income (loss)             | 1,651             | (166)              | 287               |
| <b>Total shareholders' equity</b>                         | <b>69,213</b>     | <b>65,347</b>      | <b>61,963</b>     |
| <b>Total liabilities and shareholders' equity</b>         | <b>\$ 670,599</b> | <b>\$ 541,557</b>  | <b>\$ 487,808</b> |

\*The information is preliminary, unaudited and based on company data available at the time of presentation.

**Truxton Corporation**  
**Consolidated Statements of Net Income**  
(000's)  
(Unaudited)

|   | Three Months Ended |                    |                 | Year To Date      |                   |
|---|--------------------|--------------------|-----------------|-------------------|-------------------|
|   | June 30,<br>2020*  | March 31,<br>2020* | June 30, 2019*  | June 30,<br>2020* | June 30,<br>2019* |
| <b>Non-interest income</b>                          |                    |                    |                 |                   |                   |
| Wealth management services                          | \$ 2,793           | \$ 2,742           | \$ 2,783        | \$ 5,535          | \$ 5,456          |
| Service charges on deposit accounts                 | 60                 | 79                 | 74              | 139               | 144               |
| Securities gains (losses), net                      | 0                  | 0                  | 70              | 0                 | 72                |
| Bank owned life insurance income                    | 53                 | 54                 | 55              | 107               | 109               |
| Other   | 34                 | 148                | 10              | 182               | 82                |
| Total non-interest income                           | <u>2,940</u>       | <u>3,023</u>       | <u>2,992</u>    | <u>5,963</u>      | <u>5,863</u>      |
| <b>Interest income</b>                              |                    |                    |                 |                   |                   |
| Loans, including fees                               | \$ 4,282           | \$ 4,177           | \$ 4,093        | \$ 8,459          | \$ 8,014          |
| Taxable securities                                  | 486                | 534                | 471             | 1,020             | 970               |
| Tax-exempt securities                               | 245                | 196                | 237             | 441               | 484               |
| Interest bearing deposits                           | 54                 | 109                | 161             | 163               | 317               |
| Federal funds sold                                  | 2                  | 14                 | 7               | 16                | 12                |
| Other interest income                               | 34                 | 12                 | 51              | 46                | 83                |
| Total interest income                               | <u>5,103</u>       | <u>5,042</u>       | <u>5,020</u>    | <u>10,145</u>     | <u>9,880</u>      |
| <b>Interest expense</b>                             |                    |                    |                 |                   |                   |
| Deposits  | 371                | 732                | 1,041           | 1,102             | 2,122             |
| Short-term borrowings                               | -                  | -                  | 9               | -                 | 16                |
| Long-term borrowings                                | 129                | 91                 | 111             | 220               | 233               |
| Total interest expense                              | <u>500</u>         | <u>823</u>         | <u>1,161</u>    | <u>1,322</u>      | <u>2,371</u>      |
| Net interest income                                 | 4,603              | 4,219              | 3,859           | 8,823             | 7,509             |
| Provision for loan losses                           | 418                | 185                | 55              | 603               | 55                |
| Net interest income after provision for loan losses | <u>4,185</u>       | <u>4,034</u>       | <u>3,804</u>    | <u>8,220</u>      | <u>7,454</u>      |
| <b>Total revenue, net</b>                           | <u>7,125</u>       | <u>7,057</u>       | <u>6,796</u>    | <u>14,183</u>     | <u>13,317</u>     |
| <b>Non interest expense</b>                         |                    |                    |                 |                   |                   |
| Salaries and employee benefits                      | 2,797              | 2,928              | 2,575           | 5,726             | 5,367             |
| Occupancy   | 222                | 199                | 207             | 422               | 405               |
| Furniture and equipment                             | 30                 | 26                 | 27              | 56                | 55                |
| Data processing                                     | 290                | 263                | 278             | 552               | 579               |
| Wealth management processing fees                   | 130                | 124                | 110             | 254               | 222               |
| Advertising and public relations                    | 25                 | 43                 | 20              | 68                | 57                |
| Professional services                               | 156                | 168                | 145             | 324               | 260               |
| FDIC insurance assessments                          | 38                 | 15                 | 35              | 53                | 70                |
| Other   | 215                | 264                | 212             | 479               | 406               |
| Total non interest expense                          | <u>3,903</u>       | <u>4,030</u>       | <u>3,609</u>    | <u>7,934</u>      | <u>7,421</u>      |
| <b>Income before income taxes</b>                   | 3,222              | 3,027              | 3,187           | 6,249             | 5,896             |
| Income tax expense                                  | 608                | 550                | 668             | 1,159             | 1,191             |
| <b>Net income</b>                                   | <u>\$ 2,614</u>    | <u>\$ 2,477</u>    | <u>\$ 2,519</u> | <u>\$ 5,090</u>   | <u>\$ 4,705</u>   |
| <b>Earnings per share:</b>                          |                    |                    |                 |                   |                   |
| Basic   | \$0.93             | \$0.88             | \$0.92          | \$1.83            | \$1.72            |
| Diluted   | \$0.92             | \$0.87             | \$0.90          | \$1.81            | \$1.69            |

\*The information is preliminary, unaudited and based on company data available at the time of presentation.

**Truxton Corporation**  
**Yield Tables**  
**For The Periods Indicated**  
**(000's)**  
**(Unaudited)**

The following table sets forth the amount of our average balances, interest income or interest expense for each category of interest earning assets and interest bearing liabilities and the average interest rate for interest earning assets and interest bearing liabilities, net interest spread and net interest margin for the periods indicated below:

|   | Three Months Ended<br>June 30, 2020* |                      |                                | Three Months Ended<br>March 31, 2020* |                         |                                | Three Months Ended<br>June 30, 2019* |                      |                                |
|---|--------------------------------------|----------------------|--------------------------------|---------------------------------------|-------------------------|--------------------------------|--------------------------------------|----------------------|--------------------------------|
|   | Average<br>Balances                  | Rates/<br>Yields (%) | Interest<br>Income/<br>Expense | Average<br>Balances                   | Rates/<br>Yields<br>(%) | Interest<br>Income/<br>Expense | Average<br>Balances                  | Rates/<br>Yields (%) | Interest<br>Income/<br>Expense |
| <b>Earning Assets</b>                             |                                      |                      |                                |                                       |                         |                                |                                      |                      |                                |
| Loans   | \$419,360                            | 3.92                 | \$4,092                        | \$368,017                             | 4.55                    | \$4,159                        | \$339,175                            | 4.81                 | \$4,070                        |
| Loan fees   | \$0                                  | 0.19                 | \$194                          | \$0                                   | 0.04                    | \$34                           | \$0                                  | 0.04                 | \$30                           |
| Loans with fees                                   | \$419,360                            | 4.11                 | \$4,286                        | \$368,017                             | 4.58                    | \$4,193                        | \$339,175                            | 4.85                 | \$4,100                        |
| Mortgage loans held for sale                      | \$87                                 | 5.20                 | \$1                            | \$122                                 | 3.23                    | \$1                            | \$71                                 | 2.99                 | \$1                            |
| Federal funds sold                                | \$5,372                              | 0.12                 | \$2                            | \$3,143                               | 1.75                    | \$14                           | \$1,042                              | 2.58                 | \$7                            |
| Deposits with banks                               | \$49,551                             | 0.44                 | \$54                           | \$24,224                              | 1.82                    | \$109                          | \$24,747                             | 2.61                 | \$161                          |
| Investment securities - taxable                   | \$90,256                             | 2.15                 | \$486                          | \$87,665                              | 2.44                    | \$534                          | \$72,520                             | 2.60                 | \$471                          |
| Investment securities - tax-exempt                | \$34,403                             | 3.86                 | \$245                          | \$26,939                              | 3.93                    | \$196                          | \$33,136                             | 4.27                 | \$237                          |
| <b>Total Earning Assets</b>                       | \$599,030                            | 3.46                 | \$5,074                        | \$510,110                             | 4.03                    | \$5,048                        | \$470,691                            | 4.34                 | \$4,977                        |
| <b>Non interest earning assets</b>                |                                      |                      |                                |                                       |                         |                                |                                      |                      |                                |
| Allowance for loan losses                         | (3,702)                              |                      |                                | (3,411)                               |                         |                                | (3,394)                              |                      |                                |
| Cash and due from banks                           | \$9,025                              |                      |                                | \$9,399                               |                         |                                | \$6,381                              |                      |                                |
| Premises and equipment                            | \$400                                |                      |                                | \$1,728                               |                         |                                | \$1,901                              |                      |                                |
| Accrued interest receivable                       | \$1,989                              |                      |                                | \$1,651                               |                         |                                | \$1,630                              |                      |                                |
| Other real estate                                 | \$0                                  |                      |                                | \$0                                   |                         |                                | \$0                                  |                      |                                |
| Other assets                                      | \$20,726                             |                      |                                | \$16,829                              |                         |                                | \$16,075                             |                      |                                |
| Unrealized gain (loss) on inv. securities         | 2,332                                |                      |                                | 2,028                                 |                         |                                | 226                                  |                      |                                |
| <b>Total Assets</b>                               | \$629,800                            |                      |                                | \$538,334                             |                         |                                | \$493,510                            |                      |                                |
| <b>Interest bearing liabilities</b>               |                                      |                      |                                |                                       |                         |                                |                                      |                      |                                |
| Interest bearing demand                           | \$33,084                             | 0.22                 | \$18                           | \$32,868                              | 0.69                    | \$56                           | \$25,935                             | 0.71                 | \$46                           |
| Savings and Money Market                          | \$408,757                            | 0.30                 | \$300                          | \$368,211                             | 0.66                    | \$605                          | \$331,800                            | 1.15                 | \$951                          |
| Time deposits - Retail                            | \$10,977                             | 1.24                 | \$34                           | \$10,497                              | 1.46                    | \$38                           | \$11,368                             | 1.35                 | \$38                           |
| Time Deposits - Wholesale                         | \$2,087                              | 3.72                 | \$19                           | \$5,488                               | 2.38                    | \$32                           | \$7,880                              | 0.31                 | \$6                            |
| Total interest bearing deposits                   | \$454,905                            | 0.33                 | \$371                          | \$417,075                             | 0.71                    | \$732                          | \$376,983                            | 1.11                 | \$1,041                        |
| Federal home Loan Bank advances                   | \$35,720                             | 1.13                 | \$102                          | \$20,950                              | 1.72                    | \$91                           | \$22,339                             | 1.97                 | \$111                          |
| Other borrowings                                  | \$32,931                             | 0.33                 | \$27                           | \$1,456                               | 0.04                    | \$0                            | \$2,924                              | 1.27                 | \$9                            |
| Total borrowed funds                              | \$68,651                             | 0.74                 | \$129                          | \$22,405                              | 1.61                    | \$91                           | \$25,263                             | 1.89                 | \$120                          |
| <b>Total interest bearing liabilities</b>         | \$523,556                            | 0.38                 | \$500                          | \$439,480                             | 0.75                    | \$823                          | \$402,246                            | 1.16                 | \$1,161                        |
| <b>Net interest rate spread</b>                   |                                      | 3.08                 | \$4,574                        |                                       | 3.28                    | \$4,225                        |                                      | 3.18                 | \$3,816                        |
| Non-interest bearing deposits                     | \$31,315                             |                      |                                | \$27,470                              |                         |                                | \$27,424                             |                      |                                |
| Other liabilities                                 | \$7,725                              |                      |                                | \$5,938                               |                         |                                | \$3,315                              |                      |                                |
| Stockholder's equity                              | \$67,204                             |                      |                                | \$64,434                              |                         |                                | \$60,524                             |                      |                                |
| <b>Total Liabilities and Stockholder's Equity</b> | \$629,800                            |                      |                                | \$538,323                             |                         |                                | \$493,509                            |                      |                                |
| Cost of funds                                     |                                      | 0.36                 |                                |                                       | 0.71                    |                                |                                      | 1.08                 |                                |
| <b>Net interest margin</b>                        |                                      | 3.13                 |                                |                                       | 3.38                    |                                |                                      | 3.35                 |                                |

\*The information is preliminary, unaudited and based on company data available at the time of presentation.

Yield Table Assumptions - Average loan balances are inclusive of nonperforming loans. Yields computed on tax-exempt instruments are on a tax equivalent basis. Net interest spread is calculated as the yields realized on interest-bearing assets less the rates paid on interest-bearing liabilities. Net interest margin is the result of net interest income calculated on a tax-equivalent basis divided by average interest earning assets for the period. Changes in net interest income are attributed to either changes in average balances (volume change) or changes in average rates (rate change) for earning assets and sources of funds on which interest is received or paid. Volume change is calculated as change in volume times the previous rate while rate change is change in rate times the previous volume. Changes not due solely to volume or rate changes are allocated to volume change and rate change in proportion to the relationship of the absolute dollar amounts of the change in each category.

**Truxton Corporation**  
**Yield Tables**  
**For The Periods Indicated**  
**(000's)**  
**(Unaudited)**

The following table sets forth the amount of our average balances, interest income or interest expense for each category of interest earning assets and interest bearing liabilities and the average interest rate for interest earning assets and interest bearing liabilities, net interest spread and net interest margin for the periods indicated below:

|   | Six Months Ended<br>June 30, 2020* |                      |                                | Six Months Ended<br>June 30, 2019* |                         |                                |
|---|------------------------------------|----------------------|--------------------------------|------------------------------------|-------------------------|--------------------------------|
|   | Average<br>Balances                | Rates/<br>Yields (%) | Interest<br>Income/<br>Expense | Average<br>Balances                | Rates/<br>Yields<br>(%) | Interest<br>Income/<br>Expense |
| <b>Earning Assets</b>                             |                                    |                      |                                |                                    |                         |                                |
| Loans   | \$393,688                          | 4.21                 | \$8,251                        | \$336,014                          | 4.79                    | \$7,987                        |
| Loan fees   | \$0                                | 0.12                 | \$228                          | \$0                                | 0.03                    | \$48                           |
| Loans with fees                                   | \$393,688                          | 4.33                 | \$8,479                        | \$336,014                          | 4.82                    | \$8,035                        |
| Mortgage loans held for sale                      | \$105                              | 4.05                 | \$2                            | \$69                               | 2.24                    | \$1                            |
| Federal funds sold                                | \$4,258                            | 0.73                 | \$16                           | \$947                              | 2.53                    | \$12                           |
| Deposits with banks                               | \$37,157                           | 0.88                 | \$163                          | \$24,480                           | 2.61                    | \$317                          |
| Investment securities - taxable                   | \$88,960                           | 2.29                 | \$1,020                        | \$74,959                           | 2.59                    | \$969                          |
| Investment securities - tax-exempt                | \$30,671                           | 3.89                 | \$441                          | \$33,843                           | 3.86                    | \$484                          |
| <b>Total Earning Assets</b>                       | <b>\$554,839</b>                   | <b>3.72</b>          | <b>\$10,121</b>                | <b>\$470,312</b>                   | <b>4.28</b>             | <b>\$9,818</b>                 |
| <b>Non interest earning assets</b>                |                                    |                      |                                |                                    |                         |                                |
| Allowance for loan losses                         | (3,557)                            |                      |                                | (3,375)                            |                         |                                |
| Cash and due from banks                           | \$8,943                            |                      |                                | \$6,536                            |                         |                                |
| Premises and equipment                            | \$353                              |                      |                                | \$1,396                            |                         |                                |
| Accrued interest receivable                       | \$1,820                            |                      |                                | \$1,609                            |                         |                                |
| Other real estate                                 | \$0                                |                      |                                | \$0                                |                         |                                |
| Other assets                                      | \$19,489                           |                      |                                | \$15,973                           |                         |                                |
| Unrealized gain (loss) on inv. securities         | 2,180                              |                      |                                | (572)                              |                         |                                |
| <b>Total Assets</b>                               | <b>\$584,068</b>                   |                      |                                | <b>\$491,879</b>                   |                         |                                |
| <b>Interest bearing liabilities</b>               |                                    |                      |                                |                                    |                         |                                |
| Interest bearing demand                           | \$32,976                           | 0.45                 | \$74                           | \$26,238                           | 0.83                    | \$108                          |
| Savings and Money Market                          | \$388,489                          | 0.05                 | \$905                          | \$335,438                          | 1.16                    | \$1,932                        |
| Time deposits - Retail                            | \$10,737                           | 1.35                 | \$72                           | \$11,416                           | 1.24                    | \$70                           |
| Time Deposits - Wholesale                         | \$3,788                            | 2.75                 | \$52                           | \$4,580                            | 0.56                    | \$13                           |
| Total interest bearing deposits                   | \$435,990                          | 0.51                 | \$1,103                        | \$377,672                          | 1.13                    | \$2,123                        |
| Federal home Loan Bank advances                   | \$28,335                           | 1.34                 | \$193                          | \$23,353                           | 1.98                    | \$233                          |
| Other borrowings                                  | \$17,193                           | 0.32                 | \$27                           | \$2,201                            | 1.47                    | \$16                           |
| Total borrowed funds                              | \$45,528                           | 0.96                 | \$220                          | \$25,554                           | 1.94                    | \$249                          |
| <b>Total interest bearing liabilities</b>         | <b>\$481,518</b>                   | <b>0.55</b>          | <b>\$1,323</b>                 | <b>\$403,226</b>                   | <b>1.18</b>             | <b>\$2,372</b>                 |
| <b>Net interest rate spread</b>                   |                                    | <b>3.17</b>          | <b>\$8,799</b>                 |                                    | <b>3.09</b>             | <b>\$7,446</b>                 |
| Non-interest bearing deposits                     | \$29,393                           |                      |                                | \$26,439                           |                         |                                |
| Other liabilities                                 | \$6,833                            |                      |                                | \$3,146                            |                         |                                |
| Stockholder's equity                              | \$66,319                           |                      |                                | \$59,067                           |                         |                                |
| <b>Total Liabilities and Stockholder's Equity</b> | <b>\$584,063</b>                   |                      |                                | <b>\$491,878</b>                   |                         |                                |
| Cost of funds                                     |                                    | 0.52                 |                                |                                    | 1.11                    |                                |
| <b>Net interest margin</b>                        |                                    | <b>3.24</b>          |                                |                                    | <b>3.26</b>             |                                |

\*The information is preliminary, unaudited and based on company data available at the time of presentation.

Yield Table Assumptions - Average loan balances are inclusive of nonperforming loans. Yields computed on tax-exempt instruments are on a tax equivalent basis. Net interest spread is calculated as the yields realized on interest-bearing assets less the rates paid on interest-bearing liabilities. Net interest margin is the result of net interest income calculated on a tax-equivalent basis divided by average interest earning assets for the period. Changes in net interest income are attributed to either changes in average balances (volume change) or changes in average rates (rate change) for earning assets and sources of funds on which interest is received or paid. Volume change is calculated as change in volume times the previous rate while rate change is change in rate times the previous volume. Changes not due solely to volume or rate changes are allocated to volume change and rate change in proportion to the relationship of the absolute dollar amounts of the change in each category.