

**TCB Bancshares
Annual Shareholder Meeting
April 16, 2020**

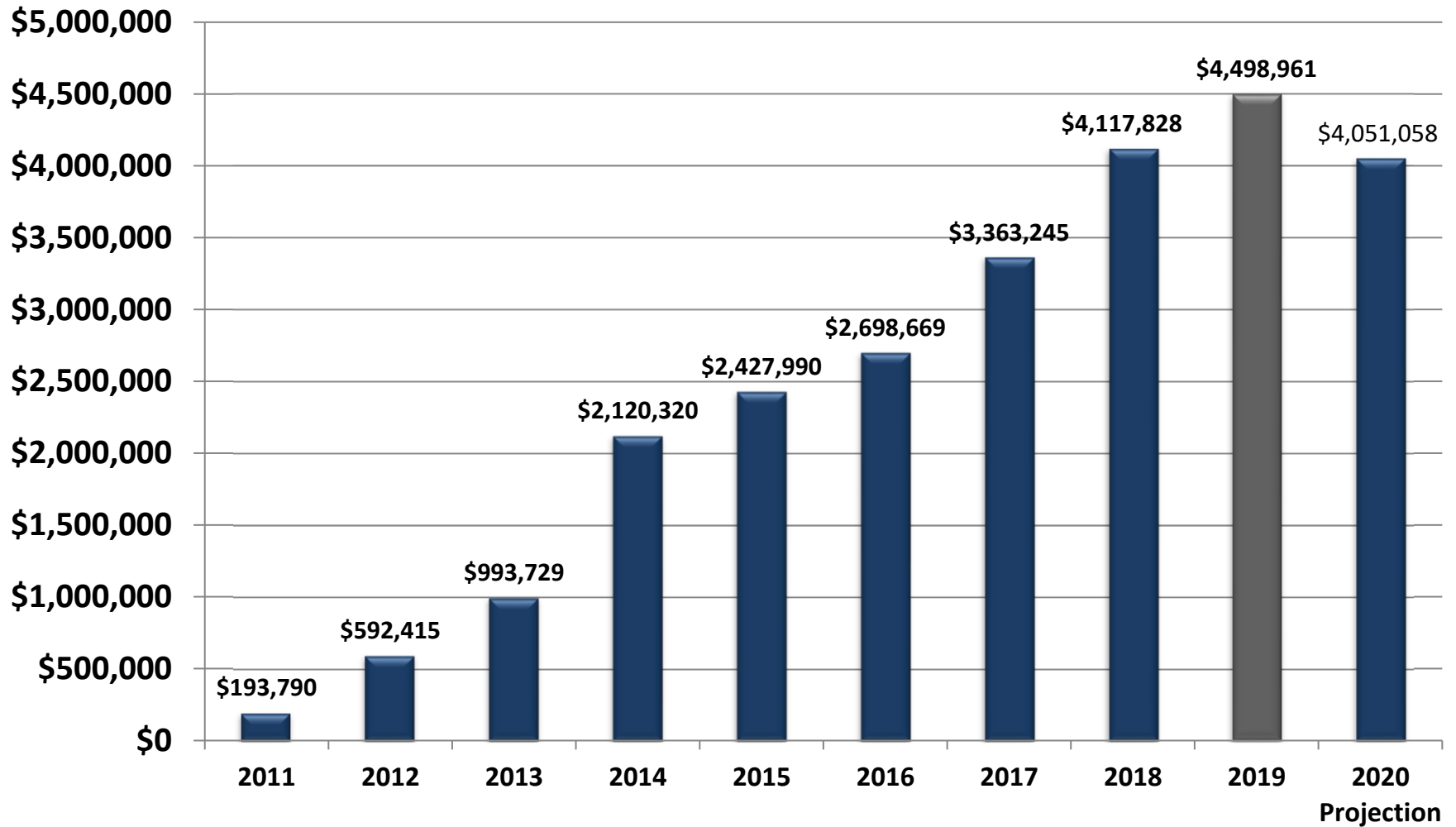
Agenda Items:

Call to Order	President Mike Sale
Invocation	CFO Will Tanneberger
Review of Previous Minutes	Secretary Bill Cabaniss
Appoint Proxy Committee	President Mike Sale
Management Report	President Mike Sale
Questions from Shareholders	President Mike Sale
Proxy Committee Report	COO Andy Thomas
Closing Comments	President Sale
Adjournment	

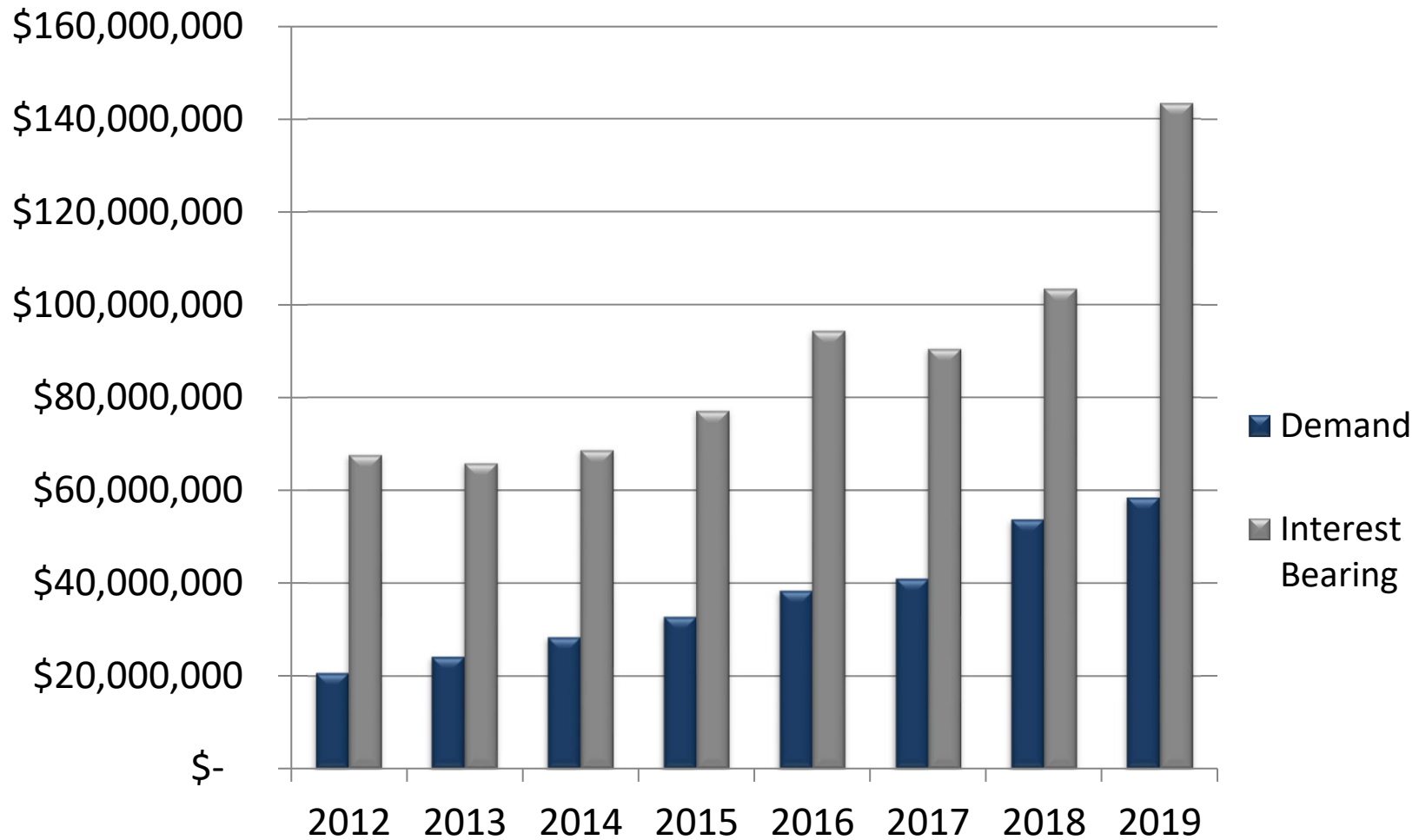


2020 Shareholder Meeting
Management Report
April 16, 2020

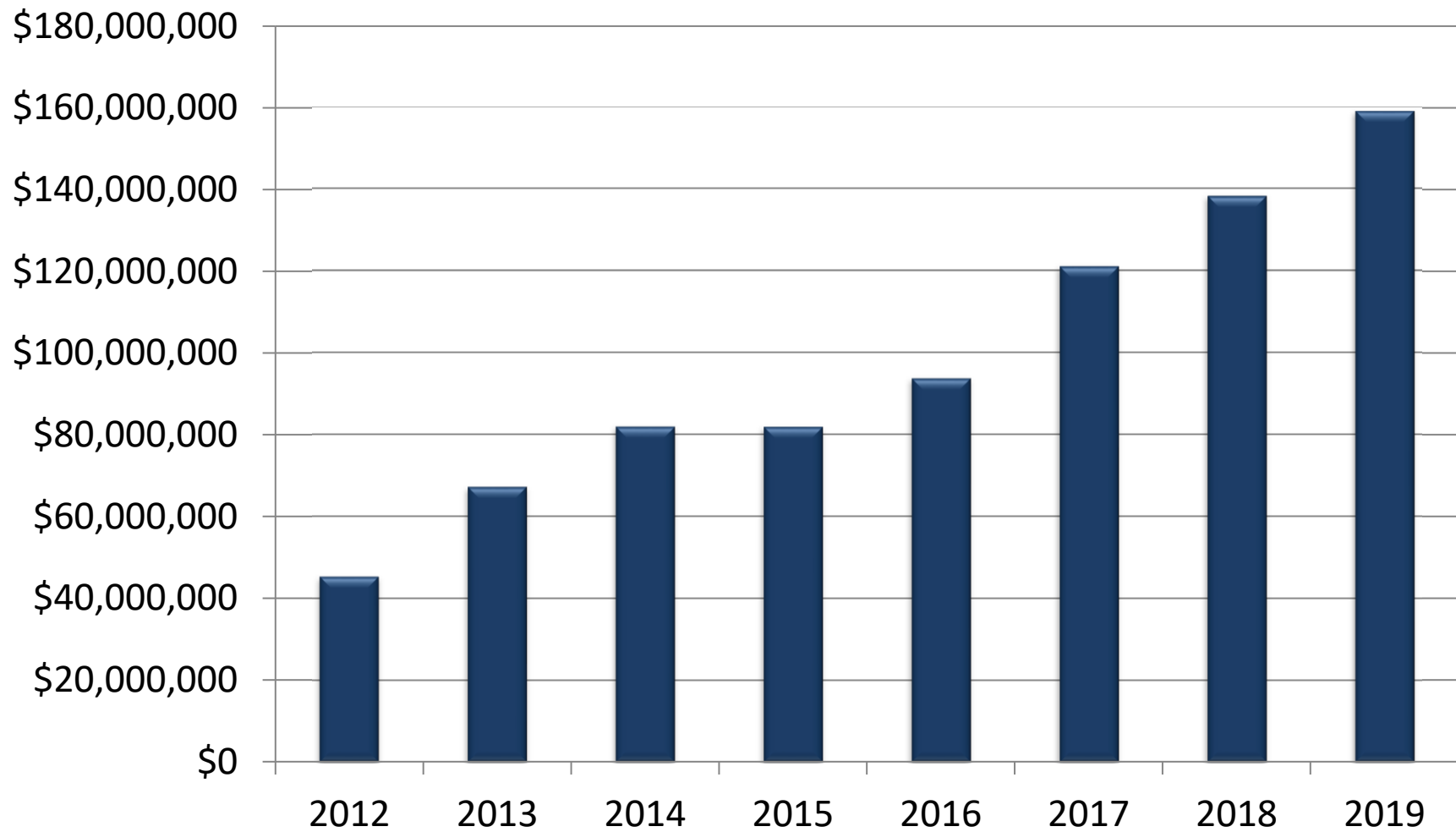
Net Income



Deposits



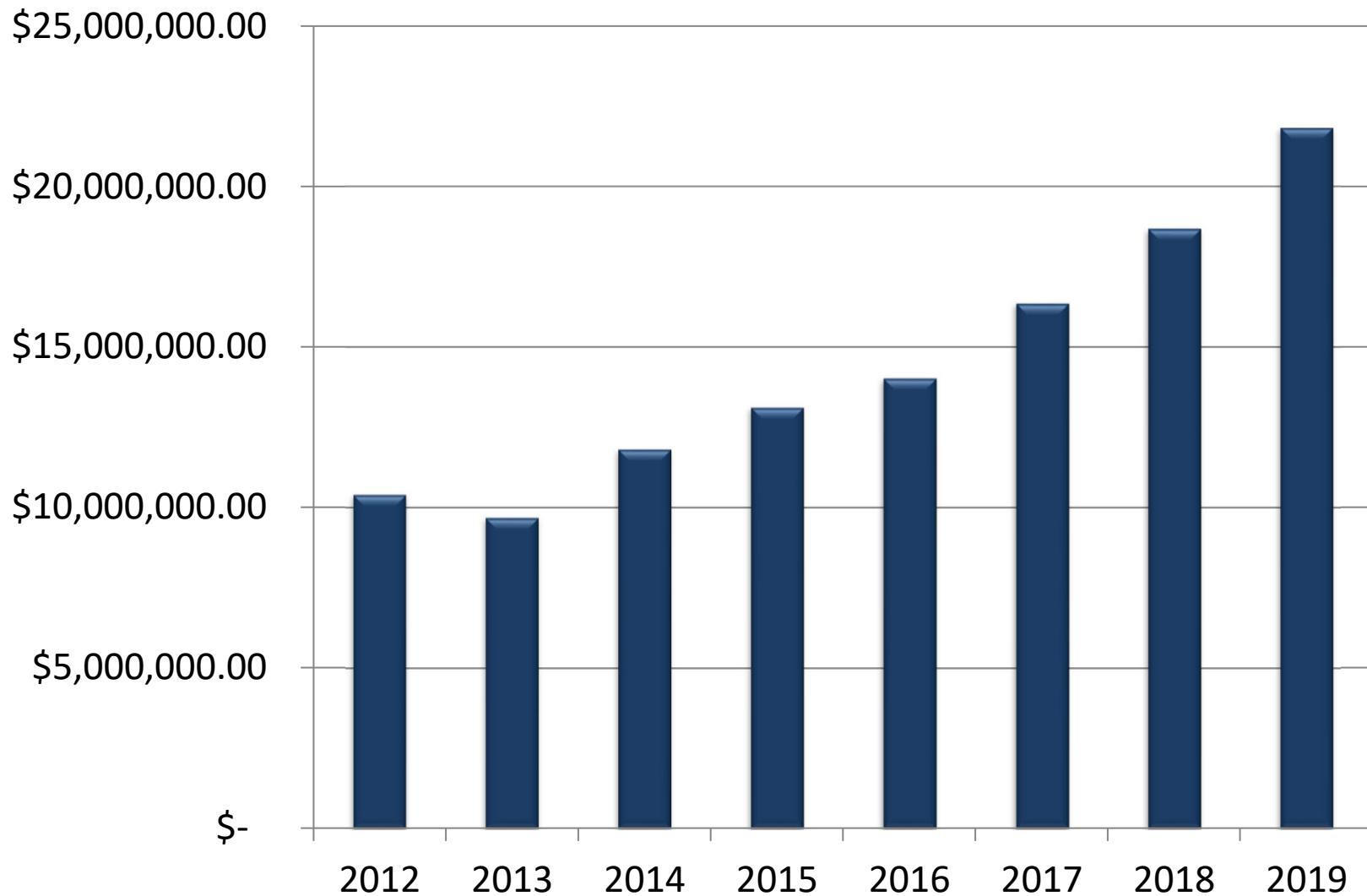
Loans



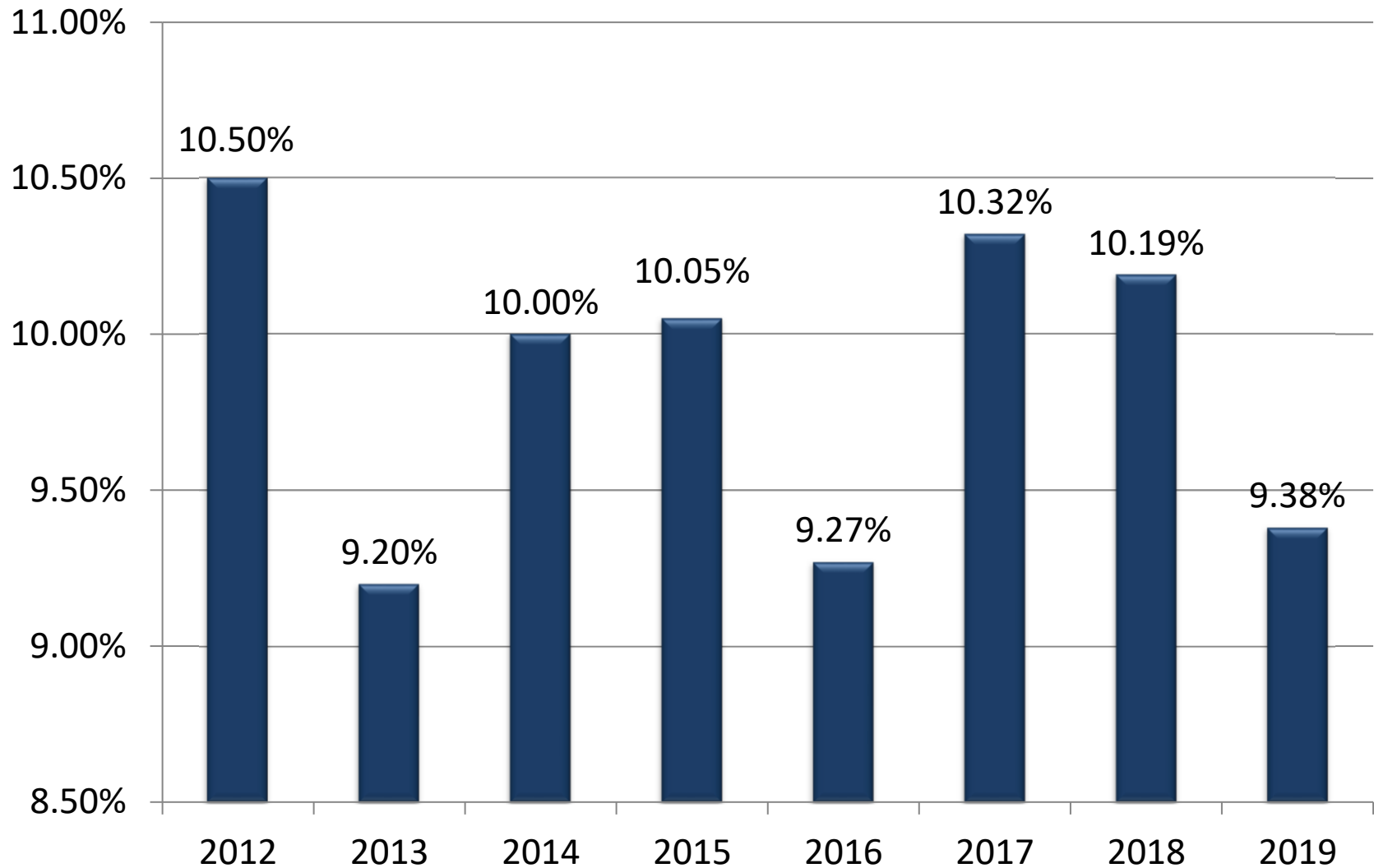
Net Interest Margin

Earning Assets	4 th Quarter 2018	1 st Quarter 2019	2 nd Quarter 2019	3 rd Quarter 2019	4 th Quarter 2019
Yield on All Earning Assets	5.33	5.41	6.81	5.48	5.14
Effective Cost of Funds	0.67	0.72	0.75	0.90	0.92
NIM	4.66	4.69	6.06	4.59	4.22

Shareholder Equity



Capital to Assets



Asset Quality

Net C/O to Loans

<u>Year</u>	<u>Percentage</u>
2015	0.49%
2016	0.09%
2017	-0.08%
2018	0.35%
2019	-0.08%

Substandard Loans

<u>Year</u>	<u>Total</u>
2015	\$1,301,580
2016	\$1,059,122
2017	\$1,234,080
2018	\$1,136,777
2019	\$225,478

ALL to Loans

<u>Year</u>	<u>Percentage</u>
2015	2.91%
2016	2.67%
2017	2.31%
2018	1.95%
2019	2.08%

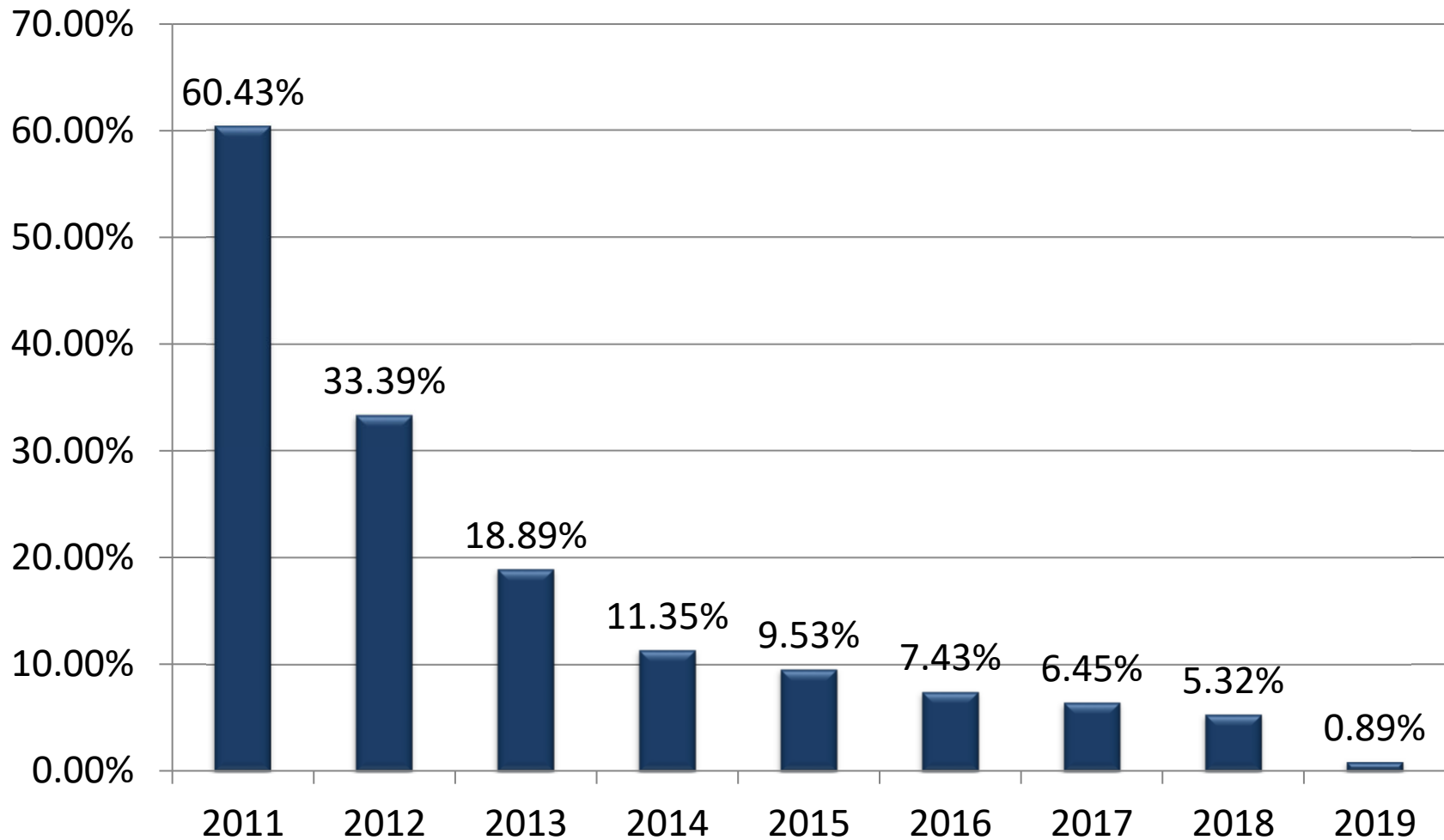
OREO

<u>Year</u>	<u>Total</u>
2015	\$174,584
2016	\$168,400
2017	\$0
2018	\$0
2019	\$0

Asset Quality

Coverage Ratio

(Substandard + OREO) / (ALLL + Capital)



2019 Earnings Performance

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>INTEREST INCOME</u>			
Loans, including fees	\$9,827,157	\$7,755,771	\$6,168,228
Investment securities	482,511	485,015	698,181
Other interest income	<u>431,906</u>	<u>229,519</u>	<u>151,467</u>
Total Interest Income	10,741,574	8,470,305	7,017,876
<u>INTEREST EXPENSE</u>			
Interest Expense on Deposits	1,443,631	792,955	424,862
Interest Expense on Borrowings	<u>125,545</u>	<u>130,675</u>	<u>110,437</u>
Total Interest Expense	1,569,176	923,630	535,299
Net Interest Income	9,172,398	7,546,675	6,482,577
Provision for Loan Losses	<u>560,000</u>	<u>354,000</u>	<u>204,000</u>
NII After Provision for Loan Losses	8,612,398	7,192,675	6,278,577
<u>NONINTEREST INCOME</u>			
Service charges	923,775	728,174	412,749
Gain on sale of securities	0	74,355	8,105
Other income	<u>649,088</u>	<u>449,771</u>	<u>399,507</u>
Total Noninterest Income	1,572,863	1,252,300	820,361
<u>NONINTEREST EXPENSE</u>			
Salaries and employee benefits	3,593,755	2,803,196	2,347,341
Occupancy	583,527	380,750	359,176
Loss (gain) on sale and writedown of other real estate	0	16,237	3,472
Other expense	<u>1,509,018</u>	<u>1,126,964</u>	<u>1,025,704</u>
Total Noninterest Expense	5,686,300	4,327,147	3,735,693
Net Earnings (loss)	<u>\$4,498,961</u>	<u>\$4,117,828</u>	<u>\$3,363,245</u>
ROE	21.09%	22.97%	20.91%
ROA	2.27%	2.49%	2.27%

2020 Forecast

- **All budget projections were pre-COVID 19.**
- **Budget projects flat interest rates.**
- **Internal budget calls for income of \$4.05 million. Excluding the one time gain in 2019, this would be a \$127,000 increase year over year.**
- **Based on 1st quarter income of \$1,171,000, we are slightly ahead of our 2020 income target.**
- **Forecast calls for an additional \$28 million in loan growth and \$28 million in deposit growth.**
- **Margins are expected to remain relatively stable or slightly increase in 2020.**
- **Anticipate opening the Colbert branch in May.**