



4TH QUARTER 2019 SHAREHOLDER UPDATE

OAKWORTH
CAPITAL INC.



OAKWORTH
CAPITAL BANK

A LETTER TO OUR SHAREHOLDERS

Dear Shareholder:

In 2019, Oakworth continued to make progress towards our core purpose of Helping People Succeed and our vision of Redefining Financial Services. We allocated our time and our dollars to continuous improvement in our client experience and associate experience, both of which support opportunities for future growth for our shareholders and communities.

2019 FINANCIAL HIGHLIGHTS

\$8 million

in net income compared to \$7
million in 2018

Exceeded

\$700 million

in assets at year end

\$30.5 million

in revenue

14% loan growth to **\$543**
million, 18% deposit growth to
\$627 million and 7% growth
in wealth assets to
\$1.3 billion

Tangible book value per share
of **\$17.79** at December 31,
2019, up 12% from \$15.87 one
year ago

\$0.25

per share dividend paid in
January 2020 to shareholders of
record as of December 16, 2019,
a 25% increase over prior year

Oakworth continued to measure client satisfaction via the Net Promoter Score (NPS®) which remained at a nearly unheard of 94. This NPS® score exceeds many of the most well-regarded companies in the world! Additionally, we heard from our clients that our people, our high level of service and the fact that we make managing their financial lives easy are the reasons they would recommend Oakworth to their friends and family. We expanded the South Alabama office and implemented technology enabling remote, electronic signatures on certain documents. As we move into 2020, we will implement numerous technology enhancements that will improve functionality and efficiency across our platform. These improvements will continue to enhance the client experience.



Our client experience wouldn't happen without a best-in-class associate experience that attracts the most talented associates to serve our clients both face-to-face and behind the scenes and advance Oakworth's purpose and vision. Oakworth was selected the #1 "Best Bank to Work For" in the U.S. for the second year in a row by The American Banker. We retained over 95% of our associates by providing opportunities for them to do what they do best every day, by fostering a values-driven culture and by offering them opportunities to give back to their local communities.

WE SUPPORT



79 CHARITABLE
ORGANIZATIONS

*2019

COMMITMENT TO THE COMMUNITY



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Oakworth continues to identify, plan for and execute on strategic initiatives. All of our associates have the opportunity to participate in strategic activity which benefits them from a growth perspective and benefits the company by encouraging innovation and creativity. These associate-led ideas make us unique in the financial services space. In 2020, you'll hear more about enhancements to Oakworth's already distinct level of service. Stay tuned for an exciting improvement to our client approach. You have hopefully seen our updated branding at this point – "Timeless values for a modern world." We plan to update marketing materials, website, etc. to reflect a refreshed brand in 2020. Of course, you, our shareholders and clients, are our best source of marketing. We can't thank you enough for the referrals and the kind words in your own personal and professional circles that have resulted in new Oakworth clients. We hope you'll continue to feel compelled to help us tell our story.

— “No
man becomes rich
without himself
enriching others.” —

~Andrew Carnegie



At Oakworth, we're redefining financial services.
To us, that means giving back to the communities in which we serve.
Because, what's the point of success if you're not using it to lift others up?
We believe in values that have stood the test of time - like caring.

Timeless values for a modern world



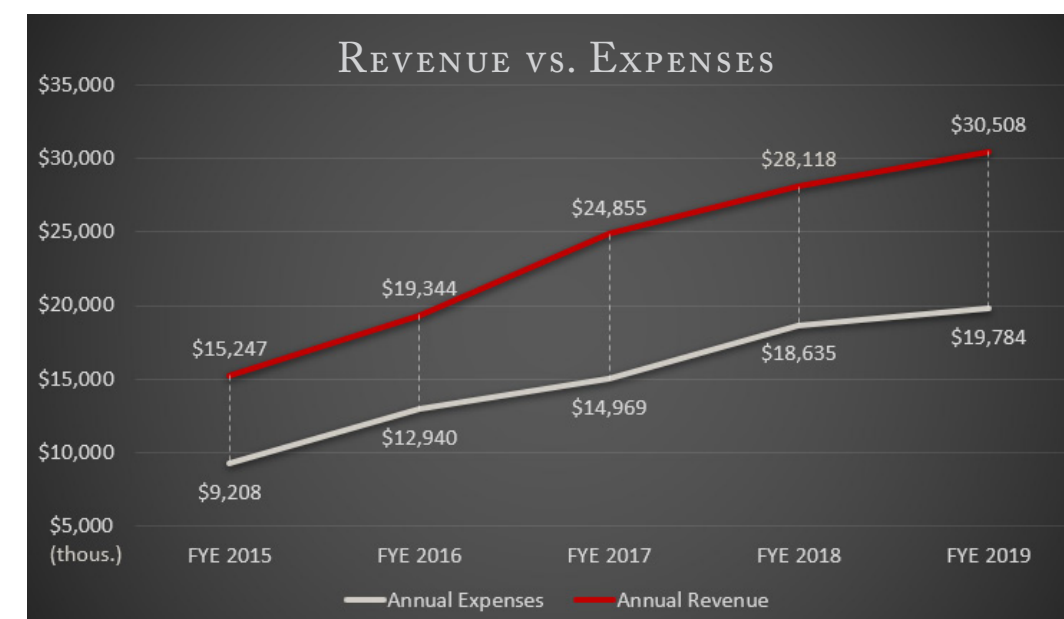
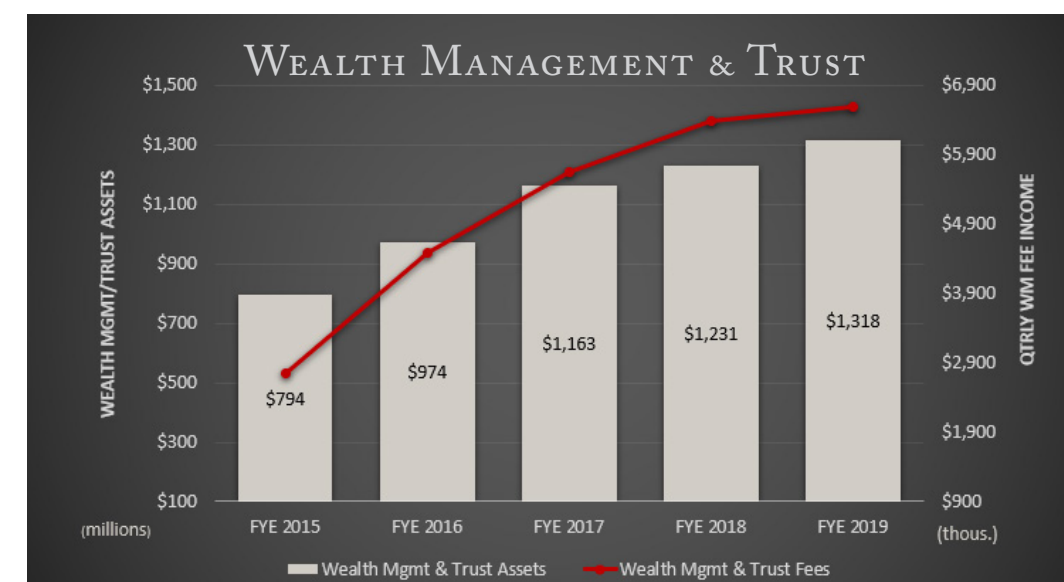
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FINANCIAL REPORT

Financially, Oakworth continued its growth trajectory in 2019. Net income increased 14% to \$8.0 million. Our loans grew 14% and deposits grew 18% with wealth assets growing 7% to \$1.3 billion under management. Top line revenue grew 8% to \$30.5 million, driven by net interest income and wealth fee growth. We were pleased to return \$0.25 per share to our shareholders in the form of a dividend, representing a 25% increase in the dividend year-over-year. Shareholder value continues to increase indicated by a 12% increase in book value per share to \$17.93 and a 12% increase in earnings per share to \$1.69. As is true for the financial services industry as a whole, the current interest rate environment is a challenge. We saw compression in our net interest margin in the last quarter of 2019 as assets repriced downward faster than liabilities (i.e., deposits). We will likely be in a similar environment in 2020 and look to continue our balanced approach to growth including the funding of loan growth with deposit growth and our favorable percentage contribution of non-interest income to revenue, primarily arising from wealth fees. We are optimistic and expectant that 2020 will bring continued value creation to our shareholders.





OAKWORTH
CAPITAL INC.

We hope you and your family have a wonderful 2020 and beyond, and we look forward
to our continued partnership in growing Oakworth.

Thank you for your continued support.

Sincerely,

Scott B. Reed
Chief Executive Officer

Sincerely,

Samuel E. Upchurch, Jr.
Chairman of the Board

See netpromoter.com for additional information and benchmarking

FINANCIAL HIGHLIGHTS

(Unaudited)



WEALTH & TRUST

(in millions)

DECEMBER 31,

	2019	2018	CHANGE
Wealth assets (non-balance sheet)	\$ 1,318	\$ 1,231	7%

CONSOLIDATED CONDENSED STATEMENTS OF CONDITION

(in thousands)

DECEMBER 31,

	2019	2018	CHANGE
ASSETS			
Cash and due from banks	\$ 14,111	\$ 13,685	3%
Federal funds sold	82,868	59,060	40%
Securities available for sale	61,022	50,558	21%
Loans, net of unearned income	543,170	474,463	14%
Allowance for loan losses	(6,063)	(5,314)	14%
Loans, net	537,107	469,149	14%
Fixed assets	3,580	3,398	5%
Interest receivable	1,983	1,816	9%
Other assets	19,158	15,388	24%
TOTAL ASSETS	\$ 719,829	\$ 613,054	17%
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Non-interest bearing deposits	\$ 146,554	\$ 136,457	7%
Interest-bearing deposits	480,013	396,630	21%
Total deposits	626,567	533,087	18%
Accrued interest payable	1,168	758	54%
Other liabilities	7,546	4,152	82%
Total liabilities	635,281	537,997	18%
Total stockholders' equity	84,548	75,057	13%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 719,829	\$ 613,054	17%

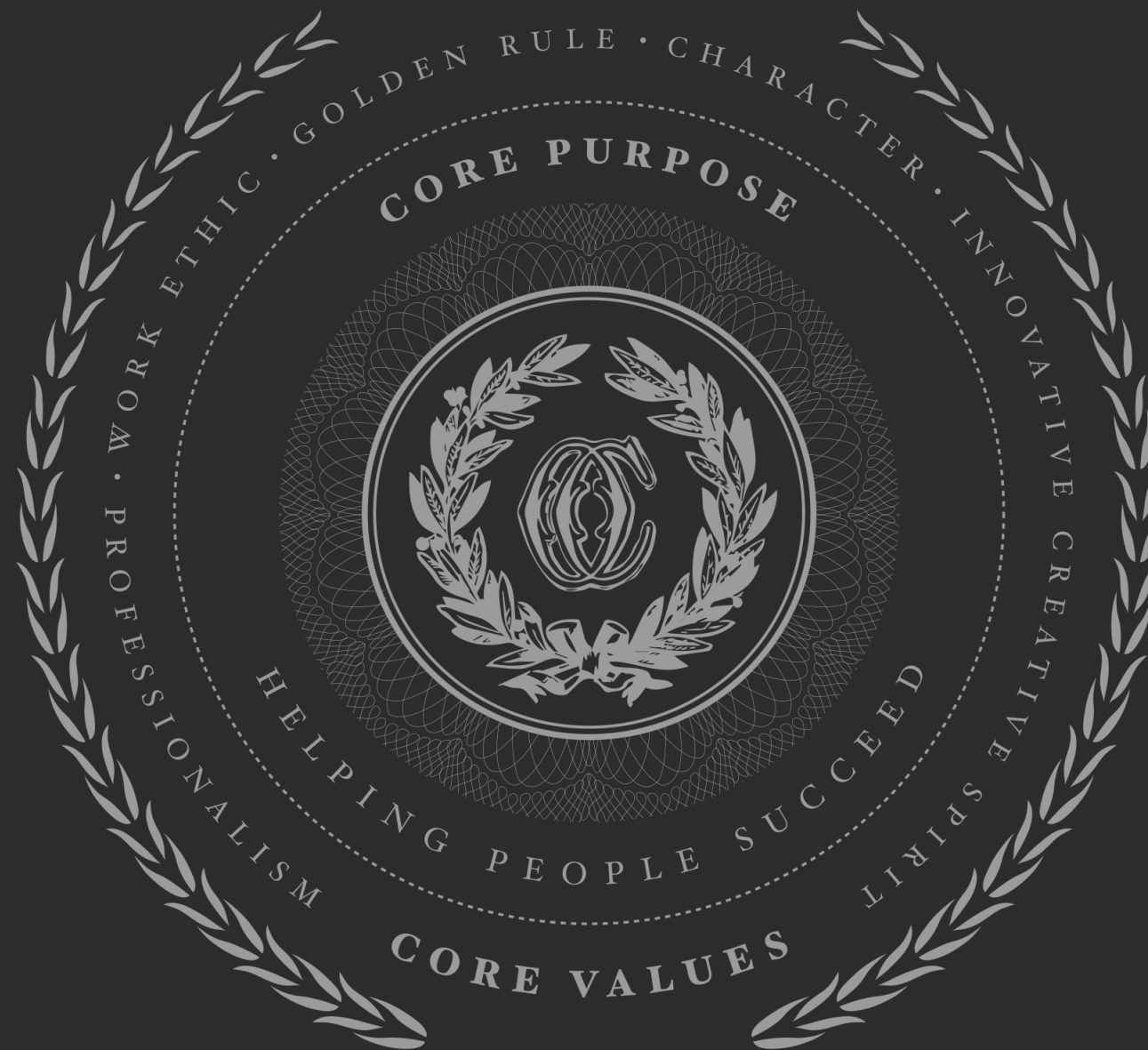
FINANCIAL HIGHLIGHTS

(Unaudited)



CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(in thousands)	QUARTER - TO - DATE			YEAR - TO - DATE		
	DECEMBER 31,			DECEMBER 31		
	2019	2018	CHANGE	2019	2018	CHANGE
INTEREST INCOME:						
Loans, including fees	\$ 6,747	\$ 6,217	9%	\$ 26,644	\$ 23,119	15%
Securities available for sale	429	361	19%	1,646	1,371	20%
Short term investments	194	242	(20%)	985	660	49%
Total interest income	7,370	6,820	8%	29,275	25,150	16%
INTEREST EXPENSE:						
Deposits	1,775	1,429	24%	6,817	4,214	62%
Borrowings	3	31	(90%)	57	149	(62%)
Total interest expense	1,778	1,460	22%	6,874	4,363	58%
Net interest income	5,592	5,360	4%	22,401	20,787	8%
Provision for loan losses	170	0	NA	850	526	62%
Net interest income after provision for loan losses	5,422	5,360	1%	21,551	20,261	6%
Non-interest income	2,165	1,858	17%	8,107	7,331	11%
Non-interest expense	5,024	4,809	4%	19,784	18,635	6%
Income before income taxes	2,563	2,409	6%	9,874	8,957	10%
Provision for income taxes	584	427	37%	1,916	1,978	(3%)
Net Income	\$ 1,979	\$ 1,982	0%	\$ 7,958	\$ 6,979	14%
Earnings per share - basic	\$ 0.42	\$ 0.42	0%	\$ 1.69	\$ 1.51	12%
Earnings per share - diluted	\$ 0.41	\$ 0.40	1%	\$ 1.62	\$ 1.42	14%



VISION

Redefining Financial Services

CLIENT FIRST • DEEPER UNDERSTANDING

CUSTOMIZED SOLUTIONS • PERSONALIZED SERVICE

ALWAYS

COMMERCIAL BANKING | WEALTH MANAGEMENT | PRIVATE BANKING

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