

Free Writing Prospectus
Filed Pursuant to Rule 433
Registration No. 333-230949
Dated May 6, 2019



Tectonic Financial, Inc.

INITIAL PUBLIC OFFERING OF PREFERRED STOCK

NASDAQ Global Market: TECTP
2019

16200 Dallas Parkway, Suite 190 | Dallas, Texas 75248 | (972) 720-9000

Forward Looking Statements

Tectonic Financial, Inc. (the "Company") has filed a registration statement (including a prospectus, which is preliminary and subject to completion) with the U.S. Securities and Exchange Commission (the "SEC") for the offering of shares to which this communication relates. Before you invest, you should read the prospectus in that registration statement and the other documents the Company has filed with the SEC for more complete information about the Company and the offering. You may get these documents for free by visiting the SEC web site at www.sec.gov. Alternatively, you may obtain a copy of the prospectus by contacting: Sandler O'Neill & Partners, L.P., Attn: Syndicate, 1251 Avenue of the Americas, 6th Floor, New York, NY 10020, Tel: 1-866-805-4128 or Email: syndicate@sandleroneill.com. Sanders Morris Harris LLC, 600 Travis Street, 59th Floor, Houston, TX 77002, Tel: 713-224-3100 or Email: syndicate@smhgroup.com or American Capital Partners, LLC, 205 Oser Avenue, Hauppauge, NY 11788, Tel: 631-851-0918 or Email: info@americancapitalpartners.com.

This presentation (and oral statements made regarding the subject of this presentation) contain certain "forward looking statements". These forward-looking statements reflect management's current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "will likely result," "anticipate," "seek," "estimate," "intend," "plan," "projection," "goal," "target," "outlook," "aim," "annualized," "would" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

This presentation is not an offer to sell securities, nor is it a solicitation of an offer to buy securities in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. Neither the SEC nor any other regulatory body has approved or disapproved of the securities of the Company or passed upon the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense. Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication there has been no change in the affairs of the Company after the date hereof.

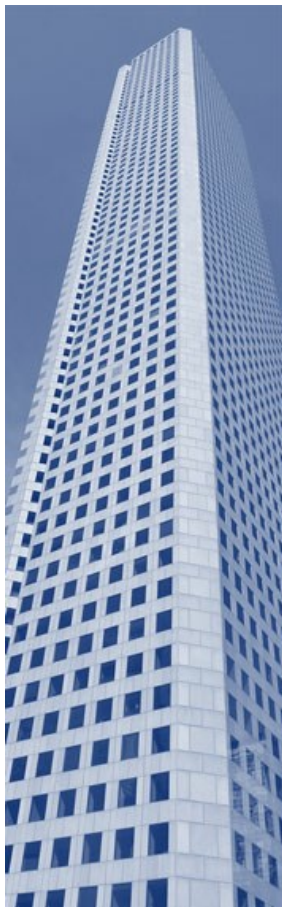
Our Fixed-to-Floating Rate Series B Non-Cumulative Perpetual Preferred Stock (the "Preferred Stock") is not a deposit or savings account. The Preferred Stock is not insured by the Federal Deposit Insurance Corporation or any other government agency.

This presentation includes industry and market data that we obtained from periodic industry publications, third-party studies and surveys. Although we believe this industry and market data is reliable as of the date of this presentation, this information could prove to be inaccurate. Industry and market data could be inaccurate because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses these "non-GAAP" measures in its analysis of our performance. Management believes that these non-GAAP financial measures allow for better comparability with prior periods, as well as with peers in the industry who provide a similar presentation, and provide a further understanding of our ongoing operations. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

Offering Summary

Issuer	Tectonic Financial, Inc. ("Tectonic")
Ticker / Exchange	"TECTP" / Nasdaq Global Market
Security	Fixed-to-Floating Rate Series B Non-Cumulative Perpetual Preferred Stock
Shares Offered	1,500,000 shares at \$10/share
Gross Proceeds	\$15 Million plus an additional \$2.25 Million if the underwriters exercise their option to purchase additional shares in full
Overallotment Option	15%
Offering Type	SEC Registered
Maturity Date	Perpetual
Dividend Payments	Quarterly on Jan. 1, Apr. 1, July 1, and Oct. 1 of each year commencing on [•], 2019
Optional Redemption	The Issuer may redeem the Series B preferred stock, in whole or in part, at its option, on any Dividend Payment Date on or after [•], 2024, with not less than 30 days' and not more than 60 days' notice, or in whole, but not in part, at any time within 90 days following a Regulatory Capital Treatment Event
Use of Proceeds	To repay ~\$1.9 million of outstanding bank stock loan and offer to repurchase \$8.0 million of outstanding Series A preferred stock. Tectonic intends to contribute the remaining proceeds to the Bank to support its capital position, to finance potential acquisitions, and for other general corporate purposes
Underwriters	Sandler O'Neill + Partners, L.P. Sanders Morris Harris LLC American Capital Partners, LLC



Tectonic Financial, Inc.¹

COMPANY OVERVIEW

TECTONIC, adj. (tek-ˈtä-nikl)

Having a **strong and widespread impact**; often used in geological terms to describe gradual or abrupt shifts in the earth's structure.

TIMELESS PHILOSOPHY

At Tectonic, we view wealth accumulation as a **gradual** (almost glacial) and **disciplined process**, and risk management as **protection** against an **abrupt event** (like a tsunami or earthquake).

EXPERIENCED MANAGEMENT

Strong history of growing companies in a creative, but risk-conscious manner.

ALIGNED OWNERSHIP

Nearly 80% owned by professionals responsible for management and/or growth of business.

HEADQUARTERS

- DALLAS (Bank)
- HOUSTON (Investment Services)

OUR CLIENTS

HIGH NET WORTH INDIVIDUALS
SMALL BUSINESSES
REGISTERED INVESTMENT
ADVISERS

SERVICES

BANKING / TRUST
WEALTH MANAGEMENT
PRIVATE EQUITY
INSURANCE

CLIENT ASSETS

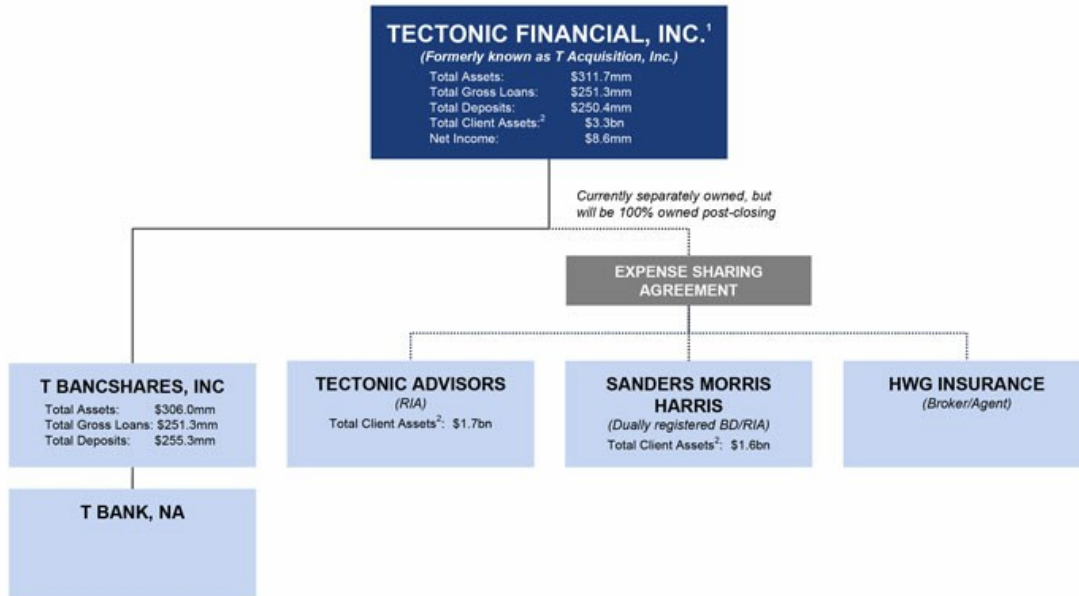
\$3.3 BILLION²

EMPLOYEES

89

1) Information is as of and for the year ended December 31, 2018 and assumes the consummation of the merger described herein
2) Client assets include assets under management, client assets in custody, and client brokerage assets

Pro Forma Organizational Structure



- 1) Information is as of and for the year ended December 31, 2018 and assumes the consummation of the merger of Tectonic Holdings, LLC ("Tectonic") with and into Tectonic Financial, Inc. ("TFI"), with the latter being the survivor. Currently, Tectonic and TFI have the same ownership and TFI shares certain management services under an expense sharing agreement, providing commonality of management.
- 2) Client assets include assets under management, client assets in custody, and client brokerage assets.

Franchise Overview

Franchise Overview		2018 Financial Snapshot ¹		
Banking – T Bank, National Association (the "Bank")		Balance Sheet	Total Assets (\$mm)	\$311.7
<ul style="list-style-type: none">Chartered on November 2, 2004 and headquartered in Dallas, TexasProvides a variety of traditional and niche lending services through its single branch location in Dallas, TexasThree main lending verticals:<ul style="list-style-type: none">SBA & USDADental & Other ProfessionalTraditional Community BankingGenerate significant non-interest income through its trust services offered to its clients<ul style="list-style-type: none">As of December 31, 2018, the Bank had approximately \$1.2 billion in market value of trust assetsSmall business banking (particularly dental practices), SBA and USDA loans and trust services are national in scope			Total Gross Loans (\$mm)	\$251.3
			Total Deposits (\$mm)	\$250.4
			Loans / Deposits	100.0%
Investment Services		Profitability	Tangible Common Equity* (\$mm)	\$17.1
			ROAA	2.97%
			ROATCE*	51.61%
			NIM	4.41%
		Capital Ratios	Efficiency Ratio*	67.8%
			Fee Income / Revenue	70.5%
			Tier 1 Leverage (Consolidated/Bank)	8.65% / 10.32%
			CET1 (Consolidated/Bank)	7.57% / 13.06%
		Asset Quality	Tier 1 Risk-Based (Consolidated/Bank)	11.16% / 13.06%
			Total Risk-Based (Consolidated/Bank)	11.55% / 13.45%
			NPAs / Assets	0.82%
			NPLs / Loans ²	1.08%
		Investment Services	Net Charge-Offs / Average Loans	0.10%
			Reserves / Gross Loans	0.34%
			Client Assets ³ (\$bn)	\$3.3
			Assets Under Management (\$bn)	\$2.0
			Client Brokerage Assets (\$bn)	\$1.3

*Note: Represents a non-GAAP measure; see appendix for GAAP reconciliations

1) As of and for the year ended December 31, 2018 and assumes the consummation of the merger described herein

2) NPLs exclude guaranteed portion of SBA loans

3) Client assets include assets under management, client assets in custody, and client brokerage assets

Key Investment Highlights

High performer with return on average assets (ROAA) of 3.0% and return on average tangible common equity (ROATCE*) of 51.6% as of and for the year ended December 31, 2018

Well-diversified and recurring revenue stream with fee based income of 71% of total revenue driven by client assets¹ of \$3.3 billion

Credentialed management team with past experience in successfully growing companies

Significant insider and affiliate ownership closely aligns management; directors, named executive officers and affiliates beneficially own ~77.5% of outstanding common shares

Located in robust, fast-growing metropolitan Texas markets (Dallas / Houston) with added diversification benefits via national lending platforms

Prudent and rapid growth, with strong credit metrics; 18.5% and 18.1% annual growth in loans and client assets¹, respectively; 17 basis points net charge-offs to average loans over the last 4 years

Proven ability to grow client assets¹ organically and through strategic acquisitions

Ability to scale through technology; continued focus on an integrated long-term funding strategy

Financial data shown as of and for the year ended December 31, 2018, except where noted

*Note: Represents a non-GAAP measure; see appendix for GAAP reconciliations

1) Client assets include assets under management, client assets in custody, and client brokerage assets

Interest Coverage Ratio*

\$ in thousands

Assumptions	
Preferred Equity Offering Gross Proceeds	\$15,000
Assumed Illustrative Dividend Rate	9.00%

\$ in thousands

Interest Coverage Ratio: New Preferred Dividends	For the Year Ended	
	2017	2018
Total Deposit Interest	\$1,601	\$3,126
Other Borrowing Interest	625	1,234
Total Interest Expense	2,226	4,360
Pre-tax Income	8,619	10,606
Interest Coverage (including deposit expense)	4.87x	3.43x
Interest Coverage (excluding deposit expense)	14.79x	9.59x
New Preferred Stock Dividends	\$1,350	\$1,350
Interest Coverage (including deposit expense)	3.03x	2.62x
Interest Coverage (excluding deposit expense)	4.68x	4.58x

*Note: Assumes \$15.0 million of outstanding Series B Non-Cumulative Perpetual Preferred stock at a 9.0% illustrative annual dividend rate and repurchase of \$8.0 million of Series A Preferred Stock at a 10.0% annual dividend rate.

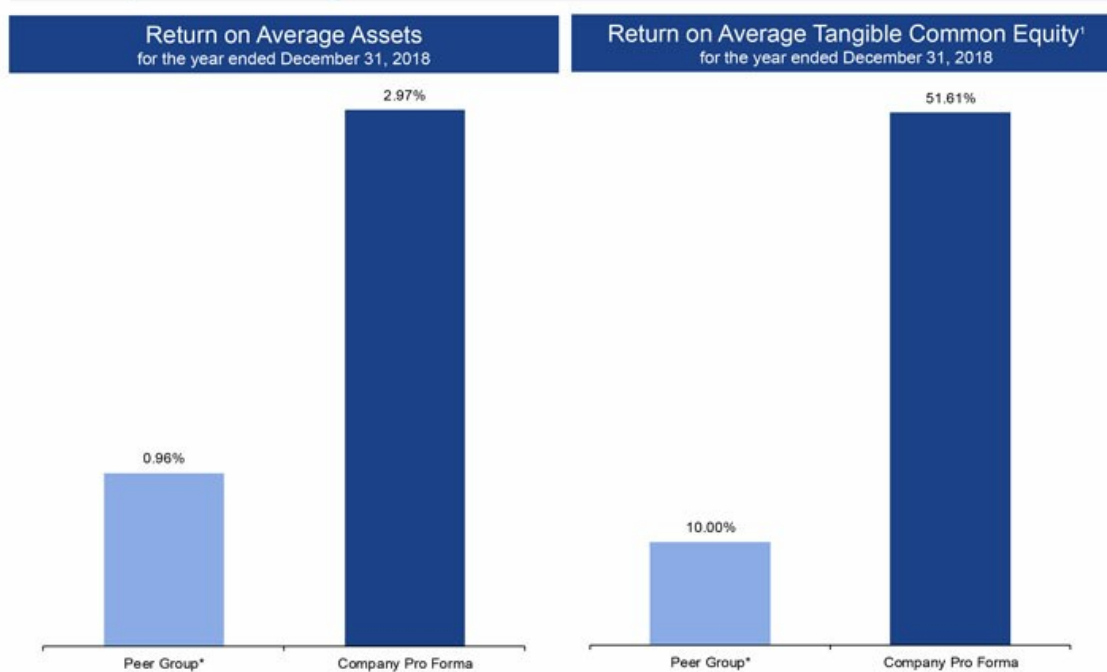
Recent Developments¹



- 1) The financial information for the period ended March 31, 2019 is a preliminary estimate and subject to closing procedures, which the Company expects to complete subsequent to this offering. These closing procedures could result in material changes to the preliminary estimates indicated above. There are material limitations with making preliminary estimates of financial results for the period ended March 31, 2019, prior to the completion of Company and auditor financial review procedures for such period.
- 2) Excludes loans held for sale.
- 3) Net income for the period ended March 31, 2018 excludes \$1.7 million gain on bargain purchase related to the acquisition of Sanders Morris Harris.

1 High Performer

Ability to Generate Significant Returns for Shareholders



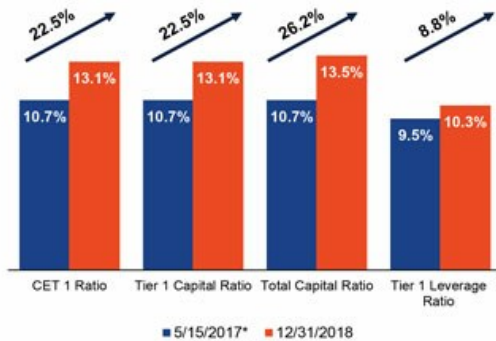
*Note: Peer group includes Texas banks with assets ranging from \$250 million-\$500 million as of and for the year ended December 31, 2018
1) Represents a non-GAAP measure; see appendix for GAAP reconciliations

1 High Earnings Combined With Strategy of De-Risking Balance Sheet

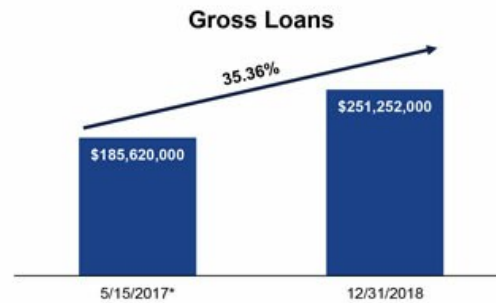
Retain Guaranteed Portion of SBA Loans: High Earning Power & Increasing Ratios

- In May 2017 (when the current ownership group acquired T Bank, NA), management embarked on a strategy to both grow the balance sheet, and de-risk it, through retaining the guaranteed portion of SBA loans. This strategy has resulted in: (a) larger loan portfolio, (b) increased earning power and (c) stronger capital ratios.

Strong Capital Ratios



Impressive Loan Growth



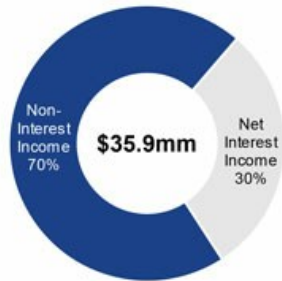
* Note: Closed acquisition of bank in May 2017 and implemented strategy of holding SBA loans

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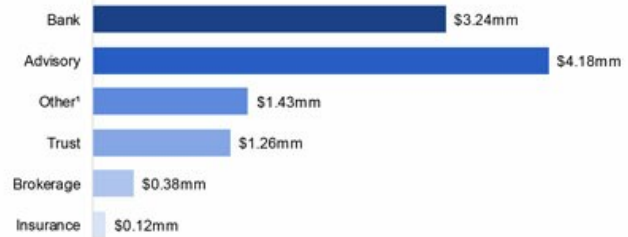
Well-Diversified and Recurring Revenue Stream

Substantial Fee Revenue and Recurring Pre-Tax Earnings²

Gross Revenue Breakdown



Pre-Tax Earnings² Composition



Approximately 83% of pre-tax and pre-interest earnings² are generated by revenues from lending, trust, investment advisory and insurance

Note: Data shown as of and for the year ended December 31, 2018 and the allocation of pre-tax earnings among the various business lines is based on management estimates
 1) Consists primarily of Tectonic's net gain on bargain purchase in connection with its acquisition of Sanders Morris
 2) Excludes non-deposit interest expense

2 Well-Diversified and Recurring Revenue Stream (Cont.)

Investment Services

	Business Description / Products & Services Offered	AUM / AUA	2018 Pre-Tax Earnings ¹
Tectonic Advisors (Investment Advisory)	<ul style="list-style-type: none"> Investment advisory services to individuals, institutions (including affiliates) and families principally for an asset-based fee Makes recommendations on retaining investment managers, making investments in exchange traded funds (ETFs) or other passive investments and/or providing advice on the allocation of assets among investment managers and asset classes \$1.7 billion in assets under management and administration as of December 31, 2018, including the Bank's \$1.2 billion in trust assets Provides advice on 8 common pooled funds, which are combined in various manners to develop different portfolios for investors Also advises on assets for Cain Watters 	<p>\$1.2bn trust assets (at the Bank)</p> <p>\$1.7bn total client assets*</p>	\$5.44mm ²
Sanders Morris Harris (Brokerage)	<ul style="list-style-type: none"> Dual registered broker-dealer and RIA headquartered in Houston, TX \$273 million in assets under management as of December 31, 2018 Nearly \$1.3 billion in client brokerage assets domiciled at its clearing firm as of December 31, 2018 Provides clients with access to private investments Participates in public offerings, as a selling group member or underwriter Provides access to margin loans offered through its clearing firm Provides institutional trading and other services for commissions 	<p>\$273mm AUM</p> <p>\$1.3bn client brokerage assets</p> <p>\$1.6bn total client assets*</p>	\$0.38mm
HWG Insurance (Insurance Broker)	<ul style="list-style-type: none"> Broker personal lines, property and casualty (for small businesses) and death and disability insurance Agreement under which Cain Watters agrees to refer, as it deems appropriate, its clients to HWG so that HWG may present insurance products and solutions as a broker to clients of Cain Watters 	—	\$0.12mm

*Note: Client assets include assets under management, client assets in custody, and client brokerage assets




1) Excludes non-deposit interest expense

2) Includes pre-tax earnings from trust business

- Trust clients include over 2,000 individuals, individual retirement plans (IRAs) and defined contribution and benefit plans established by small businesses for their owners and employees across 48 states
- Approximately \$1.2 billion in trust assets as of December 31, 2018
- Common pooled funds to commingle clients' capital to invest in professionally managed portfolios of stocks, bonds, ETFs and other investments
- Allows smaller investors to achieve diversification, reduce certain costs and access professional investment advisors
- Recently acquired The Nolan Company ("Nolan"), a third-party retirement plan administrator based in Overland Park, Kansas
- Nolan provides clients with retirement plan design and administrative services, specializing in independent ministerial recordkeeping, administration, actuarial and design services for retirement plans of small businesses and professional practices

3 Credentialed Management Team

With Significant Past Experience Growing Businesses

 <p>A. HAAG SHERMAN CHIEF EXECUTIVE OFFICER*</p> <ul style="list-style-type: none"> • Co-Founded and formerly served as CEO / CIO of Salient Partners, which grew from \$200 million to \$17.5 billion • Developed investment products and systems to distribute them (\$12.5 billion in asset growth) • Co-patented software to manage and deliver scale in the distribution of investment products • Identified and closed high return acquisitions (4x to 12x ROIC) • Current director of Hilltop Holdings, Inc. (NYSE: HTH), a Dallas-based financial holding company with consolidated assets of \$13.5bn¹ 	 <p>GEORGE L. BALL EXECUTIVE CO-CHAIRMAN*</p> <ul style="list-style-type: none"> • Chairman and CEO of Sanders Morris Harris • Former Chairman of Edelman Financial • Helped foster low cost client acquisition strategy to grow Edelman from \$3 billion to \$18 billion • Former Chairman & CEO, Prudential Securities • Former President, EF Hutton & Co. 	 <p>PATRICK HOWARD PRESIDENT & COO*</p> <ul style="list-style-type: none"> • T Bank CEO • Took over when T Bank was under MOU, stabilized the bank and brought it to significant profitability • Developed vertical strategy and built out SBA platform • Formerly COO of \$2.2 billion bank holding company (started with \$50mm in assets) • Developed funding strategy through strategic acquisitions (trust companies / sweeps)
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*Represents role post-merger
 1) As of and for the quarter ended March 31, 2019
 Source: S&P Global Market Intelligence

4 Significant Insider and Affiliate Ownership

Closely Aligns Management With Prospective Shareholders

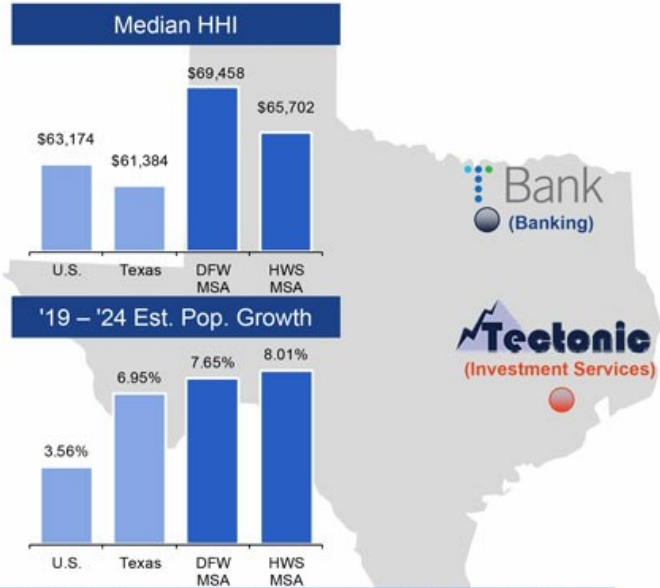
Directors and Named Executive Officers	Common (Current)		Series A (Pro Forma)	
	Beneficial Ownership	Percentage	Beneficial Ownership	Percentage
A. Haag Sherman	2,151,000	32.74%	--	--
Darrell W. Cain	215,100	3.27%	80,338	100.00%
Brad Clapp	215,100	3.27%	--	--
Thomas Sanders	215,100	3.27%	--	--
Dan Wicker	215,100	3.27%	--	--
George L. Ball	208,457	3.17%	--	--
Patrick Howard	100,500	1.51%	--	--
Ken Bramlage	20,000	0.30%	--	--
Eric Langford	500	0.01%	--	--
Thomas McDougal	500	0.01%	--	--
Total – Directors and Named Executive Officers	3,341,357	49.95%	80,338	100.00%
(+) Shares Owned by Affiliates	1,840,122	27.51%	--	--
Total – Directors, Executive Officers and Affiliates	5,181,479	77.45%	80,338	100.00%

As of December 31, 2018 directors, named executive officers and affiliates (including partners of Cain Watters) beneficially owned ~77.5% of outstanding common stock.

- Since 1984, Cain Watters has been highly successful in providing a variety of consulting and investment advisory services to dentists and dental practices nationwide
- Cain Watters is a significant referral source and a key strategic partner of the Company
 - T Bank's principal referral source for dental loans
 - Tectonic Advisors also provides investment advisory services on \$461.8 million assets for Cain Watters
- The genesis of the Company began in 2015 when Mr. Sherman and the partners of Cain Watters formed Tectonic Holdings as a holding company to acquire Tectonic Advisors
- Partners of Cain Watters own approximately 31.1% of Tectonic
- 4 partners of Cain Watters serve on the board of directors of Tectonic

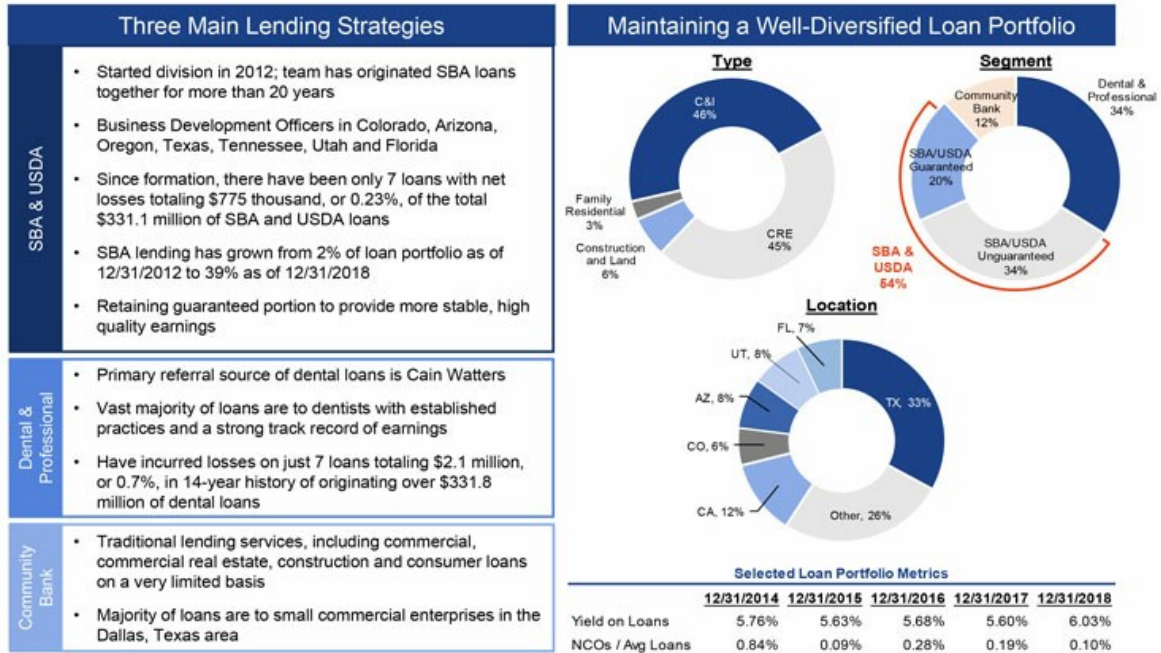
5 Located in Robust, Fast-Growing Markets With... Principal Markets of Operation

- Principal banking markets include Dallas, Tarrant, Denton, Collin and Rockwall counties
- Investment services (investment advisory, brokerage, insurance) based in Houston
- National business includes: banking for small businesses (particularly dental practices), SBA and USDA loans and trust services
- The Dallas-Fort Worth-Arlington ("DFW") and the Houston-The Woodlands-Sugar Land ("HWS") MSAs are the 4th and 5th largest MSAs in the United States, respectively, based on 2018 census estimates
 - DFW Population: 7,575,979
 - HWS Population: 7,092,836
- 2018 Fortune 500 Company Headquarters
 - Dallas: 22
 - Houston: 21



Single brick-and-mortar banking business model and investment services located in the most attractive Texas markets

Source: S&P Global Market Intelligence; United States Census Bureau



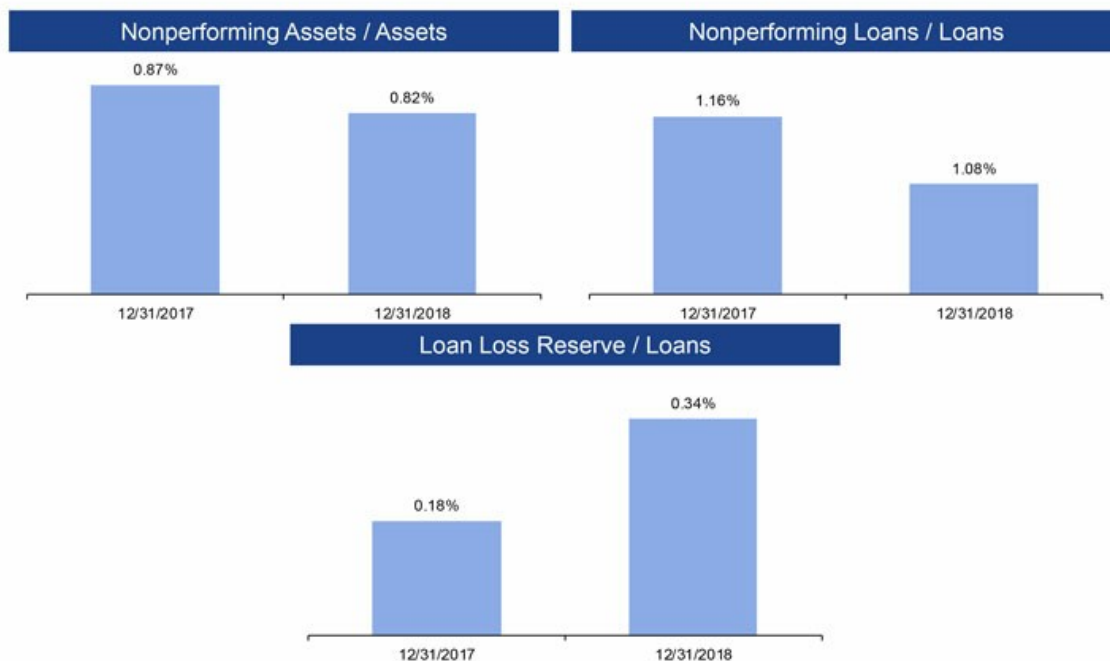
Note: Loan compositions as of and for the year ended December 31, 2018

6 A Rapid and Prudent Growth Story...



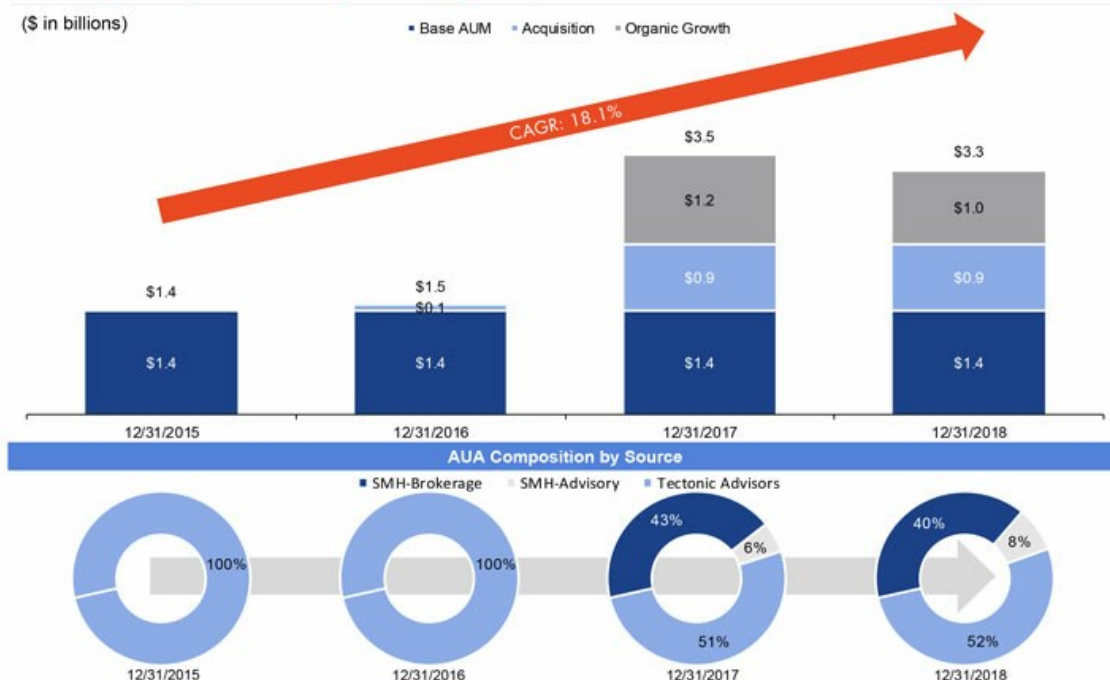
1) Bank level financial information

6 ...Coupled With Strong Credit Metrics



Note: T Bank was acquired in May 2017 by the current ownership group. When acquired, the assets of T Bank, including its loan portfolio, were adjusted to reflect fair market value in accordance with purchase accounting. As such, the loan loss reserve was eliminated and any estimated losses were ascribed to the loans, resulting in a discount to the fair market value of the loans. Thus, the loan portfolio was carried at a value of less than the face amount (i.e., a discount) at closing. Since that time, as new loans were booked, a loan loss reserve for those loans has been recorded.

7 Proven Ability to Grow Client Assets Under Administration* Organically and Through Strategic Acquisitions

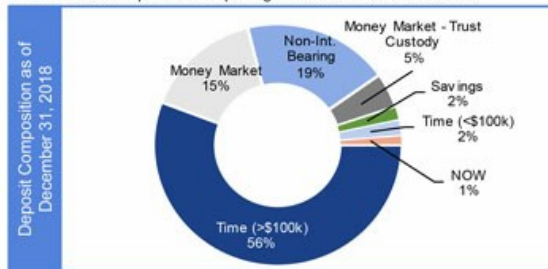


*Note: Client assets include assets under management, client assets in custody, and client brokerage assets

8 Ability to Scale Through Technology; Continued Focus on Funding

Current and Long-Term Funding Strategy

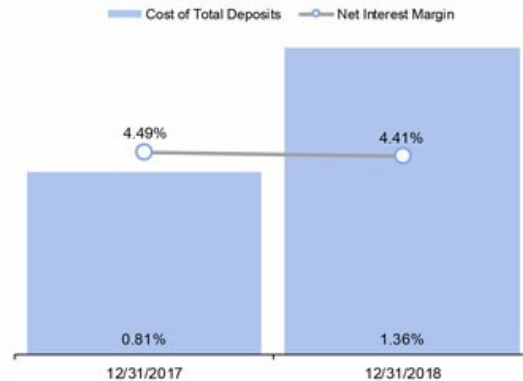
- Long-term strategy includes the development by the Bank of a sweep program to utilize the cash balances of Sanders Morris clients to assist the Bank in meeting its funding needs
 - Sanders Morris client funds at the Bank totaled \$7.0 million as of December 31, 2018
 - Potential for a significant portion of the more than \$135 million of Sanders Morris client cash equivalent funds could be swept into the Bank to meet current and future funding needs
- The Bank also can access un-invested cash as deposits from customers of its trust department
 - As of December 31, 2018, the Bank had access to \$24 million from its trust customers
 - \$12 million held at the Bank and \$12 million held at a third party money market mutual fund
- Increased emphasis on capturing transaction account balances



Scaling Through Technology

- Current technology platform allows Tectonic to provide trust services and loans to clients in all 50 states
- Allows Tectonic to grow its business by identifying additional loan verticals and serving potential borrowers on a national basis
- Currently developing a proprietary technology platform intended to synthesize financial services platform and allow a client to access many of Tectonic's services in a holistic manner, including investments, insurance and other financial services

Net Interest Margin¹ and Cost of Deposits¹



1) As of and for the years ended December 31, 2018 and December 31, 2017 and assumes the consummation of the merger described herein

Pro Forma Capitalization

(\$ in thousands)	As of December 31, 2018			
	Holding Company		Bank	
	Pro Forma	Pro Forma As Adjusted ²	Actual	Pro Forma As Adjusted ²
Borrowings:				
Note Payable	\$18,915	\$17,000	—	—
Shareholders' Equity:				
Preferred Stock ¹	\$8,034	\$14,400	—	—
Common Stock, Voting	\$66	\$66	\$7,000	\$7,000
Additional Paid-in-Capital	\$23,386	\$23,386	\$25,681	\$30,681
Retained Earnings	\$3,593	\$3,593	\$6,631	\$6,631
Accumulated Other Comprehensive Gain (Loss), Net of Tax	(\$209)	(\$209)	(\$209)	(\$209)
Total Shareholders' Equity	\$34,870	\$41,236	\$39,103	\$44,103
Capital Ratios:				
TCE / TA	5.66%	5.43%	9.91%	11.41%
Tier 1 Leverage	8.65%	10.40%	10.32%	11.88%
CET1	7.57%	7.49%	13.06%	15.29%
Tier 1	11.16%	13.85%	13.06%	15.29%
Total	11.55%	14.23%	13.45%	15.68%

1) Includes conversion of preferred stock

2) Assumes \$15.0 million initial public offering, net of the deduction for underwriting discounts and commissions, but before payment of estimated offering expenses, \$1.9 million repayment of existing bank loan & \$5.0 million contribution to the bank; assumes 20% risk-weighting on net offering proceeds after debt repayment

Keys to Continued Success

- ✓ Lowering Client Acquisition Costs; Integration of Technology
- ✓ Selective Acquisitions to Further Diversify Financial Products
- ✓ Increase Lower Risk Earnings
- ✓ Focus on Niche Lending Areas
- ✓ Expand Core Deposits and Cash Sweep Program

Summary of Investment Opportunity

- ✓ High performer with ROAA of 3.0% and ROATCE* of 51.6% as of and for the year ended December 31, 2018
- ✓ Well-diversified and recurring revenue stream, with fee based income of 71% of total revenue driven by client assets¹ of \$3.3 billion
- ✓ Credentialed management team with past experience in successfully growing companies
- ✓ Significant insider and affiliate ownership closely aligns management; directors, named executive officers and affiliates beneficially own ~77.5% of outstanding common shares
- ✓ Located in robust, fast-growing metropolitan Texas markets (Dallas / Houston) with added diversification benefits via national lending platforms
- ✓ Prudent and rapid growth, with strong credit metrics; 18.5% and 18.1% CAGR on loans and client assets¹, respectively; 17 basis points net charge-offs to average loans over the last 4 years
- ✓ Proven ability to grow client client assets¹ organically and through strategic acquisitions
- ✓ Ability to scale through technology; continued focus on an integrated long-term funding strategy

Financial data shown as of and for the year ended December 31, 2018

*Note: Represents a non-GAAP measure; see appendix for GAAP reconciliations

1) Client assets include assets under management, client assets in custody, and client brokerage assets

Appendix



Unaudited Pro Forma Condensed Combined Statement of Income¹⁾

(\$ in thousands)	Year Ended 12/31/2017	Year Ended 12/31/2018
<u>Net Interest Income</u>		
Interest Income	\$11,815	\$14,954
Interest Expense	2,226	4,360
Net Interest Income	9,589	10,594
Provision for Loan Losses	\$735	\$725
<u>Non-Interest Income</u>		
Trust Income	9,049	9,162
Gain on Sale of Loans	1,644	183
Loan Servicing Fees, net	538	176
Advisory Income	3,113	4,441
Brokerage Income	6,222	8,710
Rental Income	291	303
Service Fees and Other Income	962	2,292
Total Non-Interest Income	21,819	25,267
<u>Non-Interest Expense</u>		
Salaries & Benefits	11,026	14,492
Occupancy & Equipment	1,449	1,795
Trust Expenses	1,951	1,980
Brokerage & Advisory Direct Costs	2,280	1,559
Professional Fees	915	865
Data Processing	957	939
Other	3,476	2,900
Total Non-Interest Expense	22,054	24,530
Pre-Tax Income	8,619	10,606
Income Taxes	2,190	2,021
Net Income	\$6,429	\$8,585

1) Represents unaudited, pro forma, condensed consolidated statement of income for the periods set forth in the table above, as if Tectonic Holdings had been merged with and into the Company on January 1, 2017 and its results included in the year ended December 31, 2018 and the 2017 fiscal year.

Unaudited Pro Forma Condensed Statement of Financial Condition¹

(\$ in thousands)	Year Ended 12/31/2018
Assets	
Cash and equivalents	\$18,458
Securities, available for sale	11,504
Securities, held to maturity	7,722
Restricted investments	2,026
Total investments	21,252
Loans held for sale	16,345
Loans held for investment	234,907
Loan loss reserve	(874)
Net loans (Incl. HFS)	250,378
Property and equipment, net	5,607
Core deposit intangible	1,381
Goodwill and other intangibles	8,379
Other assets	6,200
Total assets	\$311,655
Liabilities and Shareholders' Equity	
Non-interest bearing deposits	\$41,143
Interest-bearing demand deposits	59,618
Time deposits	149,613
Total deposits	250,374
Borrowed funds	6,915
Subordinated notes	12,000
Deferred tax liabilities	534
Other liabilities	6,962
Total liabilities	276,785
Total Shareholders' Equity	34,870
Total Liabilities and Shareholders' Equity	\$311,655

1) Represents unaudited, pro forma, condensed consolidated statement of financial condition as of the year ended December 31, 2018, as if Tectonic Holdings had been merged with and into the Company on January 1, 2017.

Pro Forma Reconciliation of Non-GAAP Measures¹

(\$ in thousands)	Year Ended 2017	Year Ended 2018
Efficiency Ratio		
Non-interest expense	\$22,054	\$24,530
Less: amortization	(126)	(201)
Adjusted Non-interest expense	\$21,928	\$24,329
Net interest income	\$9,589	\$10,594
Non-interest income	21,819	25,267
	\$31,408	\$35,861
Efficiency ratio	69.82%	67.84%
Tangible Common Equity / Tangible Assets		
Total shareholders equity	\$29,239	\$34,870
Preferred stock	(8,034)	(8,034)
Goodwill	(8,379)	(8,379)
Intangibles, net	(1,582)	(1,381)
Tangible common equity	\$11,244	\$17,076
Total assets	\$278,683	\$311,655
Goodwill	(8,379)	(8,379)
Intangibles, net	(1,582)	(1,381)
Tangible assets	\$268,722	\$301,895
Tangible common equity ratio	4.18%	5.66%
Return on Average Tangible Common Equity		
Net income, as reported	\$6,429	\$8,585
Less: preferred stock dividends	0	0
Income available to common shareholders	6,429	8,585
Average Tangible Common equity	\$17,170	\$16,633
Return on average tangible common equity	37.44%	51.61%
Tangible Book Value per Common Share		
Total shareholders' equity	\$29,239	\$34,870
Less:	(8,034)	(8,034)
Goodwill	(8,379)	(8,379)
Intangibles, net	(1,582)	(1,381)
Tangible common equity	\$11,244	\$17,076
Common shares outstanding, end of period	6,518	6,568
Tangible book value per common share	\$1.73	\$2.60

1) These adjustments are pro forma for the merger described herein and should not be considered in isolation or as a substitute for the most directly comparable financial measures calculated in accordance with GAAP.