

2024

# ANNUAL REPORT

LEXICON  BANCORP

**BEST BANK**

**BEST COMMERCIAL BANKING**

**BEST FINANCE CUSTOMER SERVICE**

**BEST COMMERCIAL LENDING**

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**LAS VEGAS**

**GOLD WINNER**  
LAS VEGAS REVIEW-JOURNAL  
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**2024**





# FROM THE CHAIRMAN HOW IT ALL STARTED

## A Reflection on Five Remarkable Years

Reflecting on the five-year history of Lexicon Bank, I am filled with pride and gratitude. What began as a chance meeting on a flight has blossomed into something extraordinary.

On that flight, I met John Miller, who would become the founding director of Lexicon Bank. We struck up a conversation about business and the needs of Southern Nevada. John's passion for the community was undeniable, and he convinced me of a compelling vision: a community bank run by Southern Nevadans for Southern Nevadans. By the time we landed, we had sketched a blueprint for what would become Lexicon Bank—scribbled on a napkin but full of heart, vision, and purpose.

Starting a bank is never easy, but doing so in the shadow of a global pandemic was an extraordinary challenge. While businesses around us struggled, we stayed committed to our mission: to strengthen and support the Southern Nevada community. By helping companies weather the storm and providing innovative solutions, we didn't just survive—we thrived.

In just five years, we've accomplished so much. We've supported entrepreneurs, forged meaningful partnerships, spotlighted numerous non-profit organizations, and strengthened our local economy. Most importantly, we've stayed true to our vision of making a positive impact and providing exceptional service to our clients.

I'm excited about what the next five years will bring. If these first years have shown us anything, resilience and a commitment to community can overcome even the toughest challenges. The future is bright, and I couldn't be prouder of the journey our entire team is on.

Here's to the next chapter—and to building an even stronger Southern Nevada.

*Russell Rosenblum*  
Chairman of the Board



## OUR MISSION

Lexicon empowers clients to achieve their financial goals through a concierge-like private banking experience where service goes above and beyond clients' expectations.

## CORE VALUES

Integrity, Service First, Urgency, Innovation, Collaboration, Respect, and Communication.

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**DEAR SHAREHOLDERS,  
CLIENTS AND COMMUNITY PARTNERS OF  
LEXICON BANCORP and LEXICON BANK,**

Looking back on Lexicon Bank’s five-year journey, I’m grateful for the incredible progress we’ve made together. Since our founding, we have navigated challenges, celebrated milestones, and remained committed to serving our clients and community with excellence.

In 2020, we stepped up during the pandemic, launching the Paycheck Protection Program to support businesses in need. Our community spotlight program also took shape, spotlighting vital organizations like Junior Achievement and The Center.

By 2021, our innovative spirit was evident in our poker player program and a sponsorship with the World Series of Poker. We also completed our second capital raise, positioning us for continued growth.

In 2022, we surpassed \$100 million in assets and earned SBA Preferred Lender status, furthering our ability to serve small businesses. Our community engagement strengthened, earning us recognition as the nonprofit bank of Southern Nevada. Exiting de novo status marked another major milestone.

During 2023, our momentum continued with our first SBA Star Award—making us the first state-chartered community bank in Las Vegas to win in over a decade. Our Best of Las Vegas Gold Awards further validated our commitment to excellence. We also established Lexicon Bancorp and acquired an interest in IconTrust, expanding our capabilities.

2024 marked our fifth anniversary, a testament to our team’s dedication. We proudly opened our JA Biztown storefront, deepened our community engagement through partnerships with the Henderson Silver Knights and the Las Vegas Desert Dogs, and achieved key financial growth targets.

Looking ahead, opportunities abound. We are committed to evolving our products and services, strengthening our client relationships, and deepening community ties. Our vision is to be the premier bank for businesses of all sizes in Southern Nevada, standing for excellence, collaboration, and trust.

To our shareholders, clients, and team members: thank you for believing in us. *The best is yet to come.*



*Lexicon Bank’s growth  
reflects resilience, innovation,  
and community impact.  
We remain committed to serving  
businesses and strengthening  
Southern Nevada’s future.*



SINCERELY,

*Stacy Watkins*

STACY WATKINS  
PRESIDENT & CEO



702.780.7702  
swatkins@lexiconbank.com



# FINANCIAL PERFORMANCE OVERVIEW

## SELECTED FINANCIAL DATA

	As of and for the Period Ended December 31,				
	2020	2021	2022	2023	2024
	(Dollars in thousands, except per share data)				
<b>Core Loans, net of unearned fees</b>	<b>\$ 58,590</b>	<b>\$ 86,152</b>	<b>\$ 120,410</b>	<b>\$ 159,337</b>	<b>\$ 171,972</b>
PPP Loans, net of unearned fees	\$ 96,453	\$ 53,549	\$ 14,267	\$ 9,519	\$ 416
Total Loans, net of unearned fees	\$ 154,320	\$ 139,701	\$ 134,677	\$ 168,856	\$ 172,388
Allowance for Credit Losses (ACL)	\$ 723	\$ 1,080	\$ 1,489	\$ 2,389	\$ 2,645
ACL to Core Loans	1.23%	1.25%	1.24%	1.36%	1.54%
Nonaccrual Loans	\$ -	\$ -	\$ -	\$ -	\$ 344
Net charge-off of loans	\$ -	\$ -	\$ 526	\$ 297	\$ 237
<b>Non-interest Bearing (NIB) Deposits</b>	<b>\$ 43,933</b>	<b>\$ 86,989</b>	<b>\$ 81,846</b>	<b>\$ 105,921</b>	<b>\$ 121,887</b>
<b>Interest-Bearing (IB) Deposits</b>	<b>\$ 91,874</b>	<b>\$ 107,885</b>	<b>\$ 137,821</b>	<b>\$ 130,908</b>	<b>\$ 134,478</b>
<b>Total Deposits</b>	<b>\$ 135,807</b>	<b>\$ 194,874</b>	<b>\$ 219,667</b>	<b>\$ 236,829</b>	<b>\$ 256,365</b>
NIB Deposits to Total Deposits	32.35%	44.64%	37.26%	44.72%	47.54%
Core Loans to Total Deposits	43.14%	44.21%	54.81%	67.28%	67.08%
<b>Total Assets</b>	<b>\$ 251,757</b>	<b>\$ 247,128</b>	<b>\$ 247,437</b>	<b>\$ 274,184</b>	<b>\$ 288,095</b>
Total Shareholders' Equity	17,788	26,026	24,418	25,965	28,610
Unrealized Gain (Loss) on AFS Securities, net	191	(420)	(2,940)	(2,483)	(2,289)
<b>Total Tier I Capital</b>	<b>17,440</b>	<b>26,446</b>	<b>27,358</b>	<b>28,448</b>	<b>30,899</b>
<b>Community Bank Leverage Ratio (CBLR)</b>	<b>12.20%</b>	<b>12.30%</b>	<b>11.20%</b>	<b>11.00%</b>	<b>10.45%</b>
Common Shares Outstanding	2,109,000	2,552,231	2,552,231	2,552,231	2,552,231
Book Value Per Share	\$ 8.43	\$ 10.20	\$ 9.57	\$ 10.17	\$ 11.21
<b>Book Value Per Share, excluding OCI</b>	<b>\$ 8.27</b>	<b>\$ 10.36</b>	<b>\$ 10.72</b>	<b>\$ 11.15</b>	<b>\$ 12.11</b>
<b>Net Income (Loss) Before Taxes</b>	<b>\$ (851)</b>	<b>\$ 2,960</b>	<b>\$ 627</b>	<b>\$ 1,235</b>	<b>\$ 2,732</b>
PPP Interest Income and Fees	\$ 2,198	\$ 5,453	\$ 953	\$ 125	\$ 36
<b>PPP Related Interest Expense</b>	<b>\$ (255)</b>	<b>\$ (338)</b>	<b>\$ (567)</b>	<b>-</b>	<b>-</b>
<b>Adjusted Pretax Income (Loss)</b>	<b>\$ (2,794)</b>	<b>\$ (2,155)</b>	<b>\$ 241</b>	<b>\$ 1,110</b>	<b>\$ 2,696</b>
<b>Net Income (Loss)</b>	<b>\$ (851)</b>	<b>\$ 2,638</b>	<b>\$ 936</b>	<b>\$ 969</b>	<b>\$ 2,244</b>
<b>Net Interest Margin (NIM)</b>	<b>2.03%</b>	<b>3.23%</b>	<b>3.07%</b>	<b>3.76%</b>	<b>3.91%</b>
Return on Average Assets (ROAA)	NM	0.94%	0.39%	0.40%	0.79%
Return on Average Equity (ROAE)	NM	13.25%	3.88%	4.05%	8.24%
Efficiency Ratio	NM	63.80%	79.72%	75.29%	72.37%

(NM - Not Meaningful)

For Lexicon Bancorp's 2024 audited consolidated financial statements and other investor related information, visit [annualgeneralmeetings.com/lexicon](https://annualgeneralmeetings.com/lexicon).

During 2024, Lexicon continued our focus on providing excellent service to our clients, communities, and other stakeholders across Southern Nevada while delivering improved operating results for our shareholders. A few key highlights from 2024 are as follows:

- Consolidated Net Income for 2024 was \$2.24 million, up 131.58%.
  - Returns on Average Assets and Equity were 0.79% and 8.24%, respectively, for 2024.
- Consolidated Total Assets were \$288.10 million at December 31, 2024, up 5.07%.
  - Loans, excluding PPP loans, were \$171.97 million, up 7.93%.
  - Allowance for credit losses totaled \$2.64 million, or 1.54% of total loans.
  - Deposits were \$256.40 million, up 8.25%.
  - Consolidated Shareholders' Equity was \$28.61 million, reflecting a book value per share of \$11.21, up 10.19%.
  - Community Bank Leverage Ratio was 10.45%, above the required regulatory level of 9.00%.
  - On-balance sheet liquidity was \$111.70 million, consisting of cash, cash equivalents, and investment securities, representing 43.55% of total deposits.

Our growth and operating results underscore our strength and resilience in a dynamic environment, and we are well-positioned to continue meeting the needs of our current and future clients throughout our community.

For 13 consecutive quarters, we've earned a 5-Star Rating from BauerFinancial, Inc., recognizing our continued financial strength and stability. Our consistency has placed Lexicon Bank among the top-tier financial institutions in the country, underscoring our commitment to sound banking practices and exceptional service.

"Lexicon Bank's 5-Star Rating is a true testament to its leadership and dedication to both safety and service," notes Karen Dorway, President of BauerFinancial, Inc. "In a time of banking industry volatility, Lexicon Bank stands out as a model of consistency and trust."



# FINANCIAL PERFORMANCE OVERVIEW: INSIGHTS, TRENDS, AND KEY TAKEAWAYS

For 2024, consolidated net income totaled \$2.24 million, compared to \$969 thousand in 2023. Return on Average Assets (ROAA) and Return on Average Equity (ROAE) were 0.79% and 8.24%, respectively.

Interest income increased from \$12.03 million to \$15.00 million, attributable to overall balance sheet growth and higher yields on earning assets, while interest expense increased from \$2.96 million to \$4.50 million due to deposit growth and higher rates paid on deposits. Net interest margin increased by 15 basis points, from 3.76% to 3.91%.

The provision for credit losses totaled \$450 thousand, compared to \$1.24 million last year, driven by loan growth and provisions for an uncertain economic environment. Net charge-offs were \$237 thousand in 2024, compared to \$297 thousand in 2023.

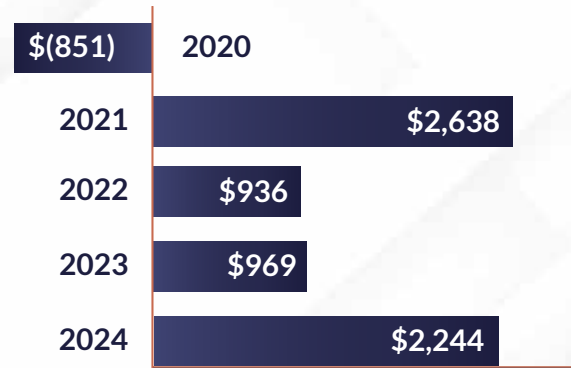
Noninterest income increased to \$1.02 million, compared to \$722 thousand last year, driven by a \$140 thousand increase in earnings from IconTrust, our investment made in 2023, as well as growth in deposit accounts.

Noninterest expenses totaled \$8.33 million in 2024, compared to \$7.32 million in 2023, an increase of 13.78%. The increase was primarily driven by \$579 thousand in salaries and employee benefits, \$298 thousand in technology expenses, and \$177 thousand in marketing and charitable contributions. Lexicon Bank's efficiency ratio improved from 75.29% in 2023 to 72.37% in 2024.

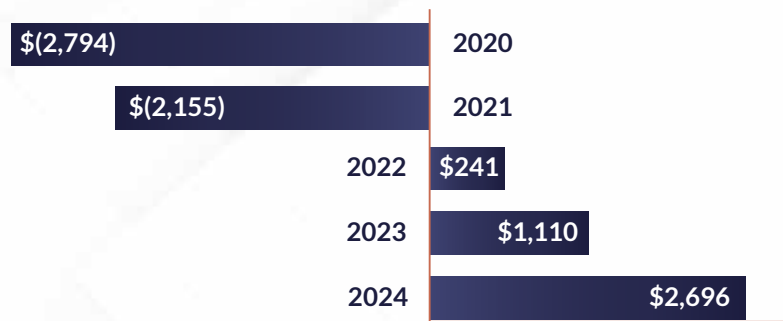
Our effective tax rate was 17.86% in 2024, compared to 21.50% in 2023.

Core loans, net of fees and excluding PPP loans, grew to \$171.97 million as of December 31, 2024, an increase of \$12.64 million from 2023. In 2024, the overall core loan portfolio's weighted average interest rate increased to 5.86%, up from 5.79% in 2023. PPP loans, net of fees, decreased by \$9.10 million in 2024 to \$416 thousand. As of December 31, 2024, Lexicon Bank had an allowance for credit losses of \$2.65 million, or 1.54% of core loans.

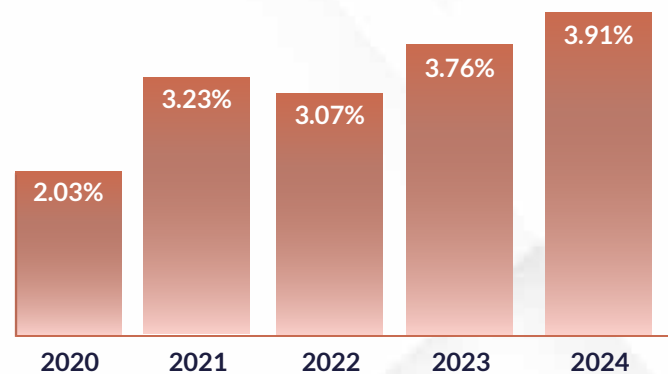
## NET INCOME (LOSS)



## ADJUSTED PRETAX INCOME (LOSS) EXCLUDING PPP



## NET INTEREST MARGIN



The year ended with cash and cash equivalents of \$81.33 million, or 31.72% of total deposits. Additionally, Lexicon Bank has unused credit lines available as additional funding, totaling \$82.50 million, or an additional 32.20% of total deposits. The Bank's total operating liquidity (cash plus available credit lines and unpledged securities) was \$179.60 million, or 70.04% of total deposits.

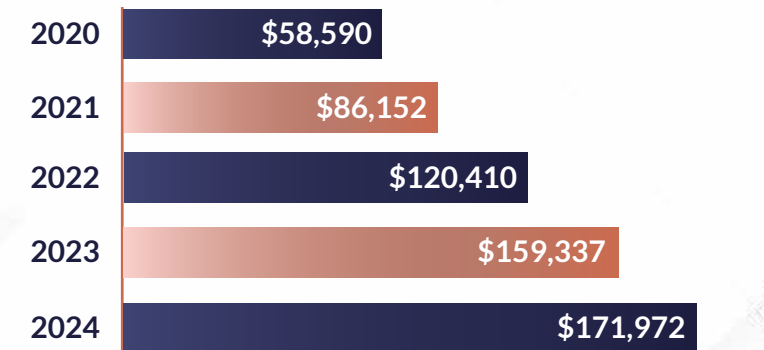
Total investment securities were \$29.58 million, comprised of \$26.62 million classified as available-for-sale securities (AFS), which include net unrealized losses of \$2.90 million before taxes recorded as a reduction of equity, and \$2.95 million classified as held-to-maturity (HTM), which exclude unrealized losses of \$1 thousand.

Total deposits increased to \$256.37 million as of December 31, 2024, including 772 new client accounts, representing approximately \$45.00 million in new deposits. The higher level of short-term interest rates by the Federal Reserve placed pricing pressure on deposit rates, increasing the rate on total deposits from 1.31% to 1.75%. Non-interest-bearing account balances were 47.54% of total deposits as of December 31, 2024, up from 44.72% on December 31, 2023.

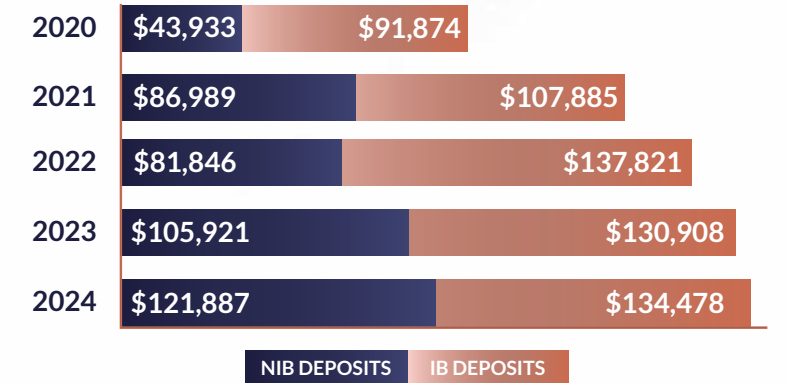
At year-end, stockholders' equity increased by \$2.60 million to \$28.61 million due to a \$194 thousand reduction in net unrealized losses, net of taxes on AFS, and an increase in retained earnings from net income of \$2.24 million in 2024.

As of December 31, 2024, Lexicon Bank's Tier 1 Capital was \$30.90 million, with a Community Bank Leverage Ratio (CBLR) of 10.45%. For reference, 9.00% is the minimum requirement to be designated a "well-capitalized bank" by the FDIC.

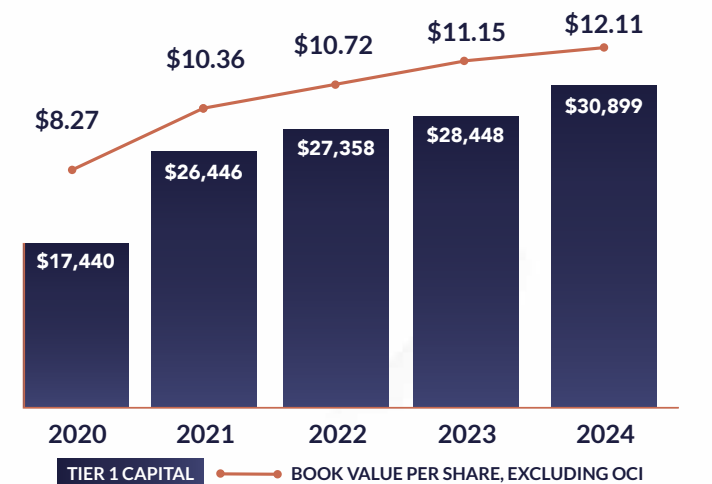
## CORE LOAN GROWTH



## TOTAL DEPOSITS



## TIER 1 CAPITAL





# CELEBRATING FIVE YEARS OF COMMUNITY SPOTLIGHT PARTNERS

“THANKS TO LEXICON BANK, THE CENTER HAS NOT ONLY WEATHERED ITS MOST CHALLENGING STORM BUT ALSO **EMERGED STRONGER**, PROVIDING HOPE AND VITAL RESOURCES TO THE COMMUNITY IT SERVES.”

- JOHN WALDRON, CEO OF THE CENTER



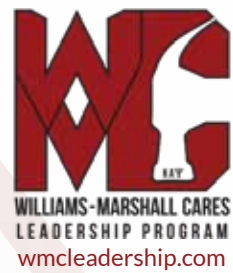
“THE LAS VEGAS AREA COUNCIL TAKES IMMENSE PRIDE IN OUR RELATIONSHIP WITH **LEXICON BANK.**”

- TODD WALTER, SCOUT EXECUTIVE/CEO

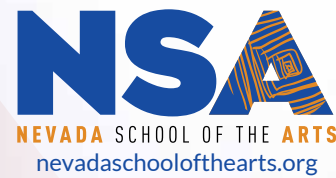


SCAN TO LEARN MORE





# 2024 COMMUNITY SPOTLIGHT PARTNERS



“Reflecting on another remarkable year, I am proud to say that Lexicon Bank continues to elevate the quality of life in our community. Through our community spotlight program, charitable giving, and volunteerism, we have provided valuable resources to Southern Nevadans from all walks of life. I look forward to building on these accomplishments together. It is fulfilling work that reflects our shared purpose and strengthens the community we live in and love.”

*Diana Bennett*

Board of Directors, Marketing Chair



## 2024 COMMUNITY AFFILIATIONS

- ABA Community Bankers Council California Community Banking Network
- Certified Commercial Investment Member Institute
- CREW Commercial Real Estate Women of LV Henderson Chamber of Commerce
- IWF – International Women’s Forum Junior Achievement of Southern Nevada
- Latin Chamber of Commerce Las Vegas Chamber of Commerce – Executive Women’s Council
- NAIOP CRE Development Association National Association of Women Business Owners
- Nevada Business Magazine Bankers Roundtable Nevada State University Foundation
- NV Corporate Giving Foundation Risk Management Association
- U.S. Small Business Administration
- UNLV Commercial Banking Advisory Board WSOP



SCAN TO  
NOMINATE

For more information on community sponsorships and to nominate a non-profit, visit [lexiconbank.com/community](https://lexiconbank.com/community)

## 2024 BRANCH DRIVES & VOLUNTEER EVENTS

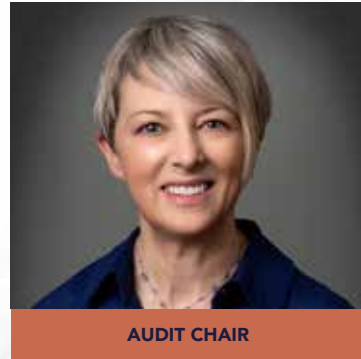
- CIS Fill the Bus School Supply Drive
- Children’s Heart Foundation Walk Booth
- Girl Scouts CEOs in Training
- Heart Walk Survivor Booth
- Junior Achievement Student Entrepreneur Booth
- Las Vegas Rescue Mission Food Drive
- Las Vegas Rescue Mission Meal Service
- LVMPD Candy Drive
- Make-A-Wish Walk Booth
- Nevada School of the Arts Booth
- Project Marilyn Supply Packing
- The Center Toiletry Packing for Giving Tuesday
- Toys for Tots Drive
- Women’s HerStory Booth
- World Book Day Donation Drive
- Your Perfect Footwear Foundation - Your Perfect Fit Event



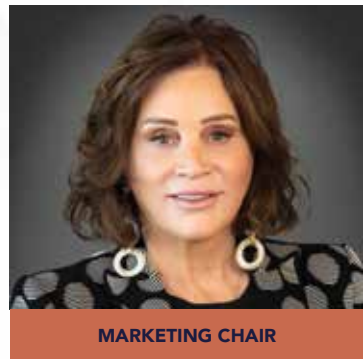
# BOARD OF DIRECTORS



**RUSSELL ROSENBLUM**  
CHAIRMAN



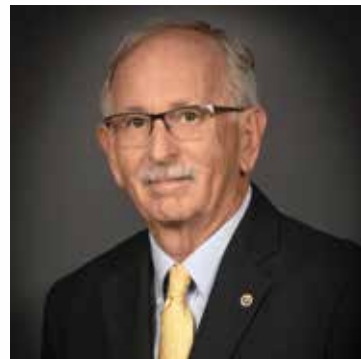
**ROBYN CASPERSEN**  
VICE-CHAIR



MARKETING CHAIR  
**DIANA BENNETT**



**CEDRIC CREAR**



**GENE GALLOWAY**



ASSET & LIABILITY CHAIR  
**ERIC HOUSSELS**



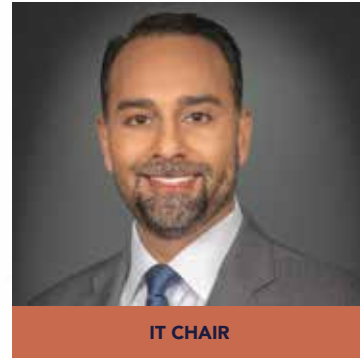
GOVERNANCE CHAIR/SECRETARY  
**SAMUEL JOHNSON**



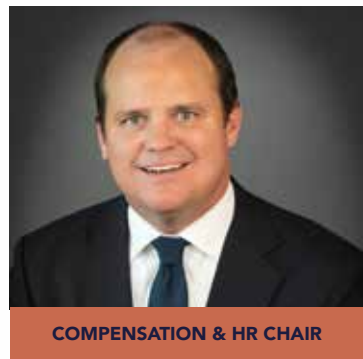
**BRADLEY MAYER**



**JOHN MILLER**



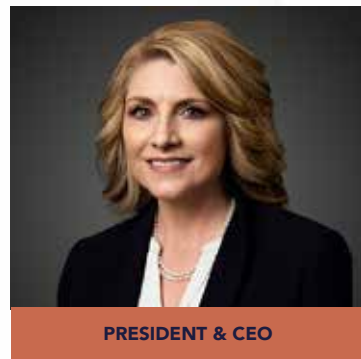
IT CHAIR  
**DR. ABRAHAM NAGY**



COMPENSATION & HR CHAIR  
**TIMOTHY R. O'REILLY**



DIRECTOR'S LOAN CHAIR  
**PERRY ROGERS**



PRESIDENT & CEO  
**STACY WATKINS**



**STACY WILLIAMS**

# EXECUTIVE MANAGEMENT TEAM



**STACY WATKINS**  
President & CEO



**JAMES GORDON**  
Executive Vice President, Chief Operating & Financial Officer



**LEO MOSCHIONI**  
Executive Vice President, Chief Credit Officer



**HILARY NELSON**  
Executive Vice President, Director of Operations & Compliance



**BEST BANK**



**COMMERCIAL BANK**



**COMMERCIAL LENDING**



**FINANCE CUSTOMER SERVICE**

## THE BANK FOR BUSINESS

Thank you for your continued support of Lexicon Bank. Because of your efforts, we are now the bank for business in Southern Nevada no matter the size. You play an important role in our future success and we could not be more grateful for your referrals. When referring colleagues, friends and family to the bank, please email [customerservice@lexiconbank.com](mailto:customerservice@lexiconbank.com). This will ensure your referral receives the highest level of attention by our team.



Scan to Schedule an Appointment.



# THE OFFICIAL BANK OF THE



## Lee's Family Forum



**LEXICON**  **BANCORP**



### CONTACT US

For a printed copy of investor materials, please contact us below:

702.780.7700 • [ir@lexiconbank.com](mailto:ir@lexiconbank.com) • 330 S. Rampart Blvd., Suite 150, Las Vegas, NV 89145

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Visit Lexicon

