



TRUXTON TRUST

A PRIVATE BANK

Truxton Corporation Reports Third Quarter 2024 Results

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NASHVILLE, Tenn., Oct. 17, 2024 (GLOBE NEWSWIRE) -- Truxton Corporation, the parent company for Truxton Trust Company ("Truxton" or "the Bank") and subsidiaries, announced its operating results for the quarter ended September 30, 2024. Third quarter net income attributable to common shareholders was \$4.57 million, or \$1.57 per diluted share, compared to \$4.56 million, or \$1.57 per diluted share, for the same quarter in 2023.

"Truxton once again produced strong performance in the third quarter despite some significant non-recurring expenses including those related to the conversion of our core system that should engender improved operations in the coming years," said Truxton Chairman Tom Stumb. "With net interest income up 10% and Wealth Management revenue up 14% from a year ago, we believe we are poised for excellent performance during the rest of the year and into 2025. Truxton thrives because our professional staff is distinctively capable, experienced and dedicated to service."

Key Highlights

- Non-interest income was \$5.5 million in the third quarter of 2024, which was \$12 thousand lower than the second quarter of 2024 and \$643 thousand over the third quarter of 2023. Wealth management constituted 95% of non-interest income in the third quarter of 2024, compared to 94% for both the second quarter of 2024 and third quarter of 2023.
- Non-interest expense in the third quarter of 2024 declined by \$147 thousand compared to the prior quarter. One-time expenses in the third quarter related to the bank's core system conversion totaled approximately \$400 thousand.
- Loans increased 2.5% to \$665 million at quarter end compared to \$648 million at June 30, 2024, and were up 3.6% compared to \$642 million at September 30, 2023.
- Total deposits increased by 6% from \$840 million at June 30, 2024, to \$889 million at September 30, 2024, and were 14% higher in comparison to \$781 million at September 30, 2023. Truxton continues to fund its growth from a single banking location led by its commitment to provide what it believes is superior deposit operations service and technology.
- Net interest margin for the third quarter of 2024 was 2.69%, a decline of 6 basis points from the 2.75% experienced in the quarter ended June 30, 2024, and an increase of 8 basis points from the 2.61% recorded in the quarter ended September 30, 2023. Cost of funds was 3.48% in the third quarter of 2024, up from 3.32% the second quarter of 2024, and 3.05% over the third quarter of 2023.
- Allowance for credit losses, excluding that for unfunded commitments, was \$6.4 million at quarter end September 30, 2024, compared to \$6.2 million at June 30, 2024, and \$6.0 million at September 30, 2023. For those three periods, such allowance amounts were 0.96%, 0.96%, and 0.94%, respectively, of gross loans outstanding at period end. For the same three periods, the Bank's allowance for unfunded commitments was \$409 thousand, \$438 thousand, and \$460 thousand, respectively.
- The Bank's capital position remains strong. Its Tier 1 leverage ratio was 10.46% at September 30, 2024, compared to 10.45% at June 30, 2024, and 10.36% at September 30, 2023. Book value per common share was \$33.30, \$31.85, and \$27.43 at September 30, 2024, June 30, 2024, and September 30, 2023, respectively.
- During the nine months ended September 30, 2024, Truxton Corporation paid dividends of \$2.29 per common share, inclusive of a \$1.00 special cash dividend, and repurchased 59,717 shares of its common stock for \$3.99 million in the aggregate, or an average price of \$66.73 per share.

About Truxton

Truxton is a premier provider of wealth, banking, 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 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.

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

	September 30, 2024*	June 30, 2024*	September 30, 2023*
ASSETS			
Cash and due from financial institutions	\$ 5,499	\$ 8,494	\$ 5,040
Interest bearing deposits in other financial institutions	24,678	3,851	7,589
Federal funds sold	4,816	-	956
Cash and cash equivalents	34,993	12,345	13,585
Time deposits in other financial institutions	245	490	740
Securities available for sale	295,905	286,977	259,543
Gross loans, excluding Paycheck Protection Program	664,630	648,300	641,697
Allowance for credit losses	(6,358)	(6,234)	(6,031)
Paycheck Protection Program Loans	27	38	69
Net loans	658,299	642,104	635,735
Bank owned life insurance	16,602	11,512	10,751
Restricted equity securities	2,261	1,802	1,940
Premises and equipment, net	3,328	3,406	129
Accrued interest receivable	4,954	4,744	4,310
Deferred tax asset, net	4,649	5,386	7,910
Other assets	14,017	16,633	13,922
Total assets	\$ 1,035,253	\$ 985,399	\$ 948,566
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Non-interest bearing	\$ 116,149	\$ 115,699	\$ 116,918
Interest bearing	\$ 772,612	\$ 724,251	\$ 663,950
Total deposits	888,761	839,950	780,868
Federal funds purchased	-	283	-
Swap counterparty cash collateral	1,890	5,000	4,820
Federal Home Loan Bank advances	13,250	2,250	4,500
Federal Reserve Bank Term Funding Program advances	10,000	20,000	55,000
Subordinated debt	14,401	14,213	14,291
Other liabilities	11,405	10,919	9,544
Total liabilities	939,707	892,615	869,023
SHAREHOLDERS' EQUITY			
Common stock, \$0.10 par value	\$ 285	\$ 290	\$ 288
Additional paid-in capital	28,729	31,381	31,335

Retained earnings		62,548		63,782		52,780
Accumulated other comprehensive income (loss)		(9,434)		(11,517)		(18,167)
Net Income		\$ 13,418		\$ 8,848		\$ 13,307
Total shareholders' equity		<u>95,546</u>		<u>92,784</u>		<u>79,543</u>
Total liabilities and shareholders' equity		<u>\$ 1,035,253</u>		<u>\$ 985,399</u>		<u>\$ 948,566</u>

*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)

	September 30,		Three Months Ended		September 30,		Year To Date		September 30,	
	2024*		June 30, 2024*		2023*		September 30, 2024*		2023*	
Non-Interest income										
Wealth management services	\$	5,267	\$	5,206	\$	4,608	\$	15,380	\$	13,222
Service charges on deposit accounts		92		90		117		275		398
Securities gains (losses), net		0		(213)		0		(213)		58
Bank owned life insurance income		90		62		54		209		159
Other		71		387		98		538		374
Total non-interest income		<u>5,520</u>		<u>5,532</u>		<u>4,877</u>		<u>16,189</u>		<u>14,212</u>
Interest income										
Loans, including fees	\$	10,654	\$	10,459	\$	9,715	\$	31,470	\$	27,308
Taxable securities		3,361		2,933		2,575		8,892		6,796
Tax-exempt securities		222		207		216		617		666
Interest bearing deposits		488		408		178		1,127		185
Federal funds sold		113		60		30		214		59
Other interest income		27		52		49		106		300
Total interest income		<u>14,865</u>		<u>14,119</u>		<u>12,763</u>		<u>42,426</u>		<u>35,315</u>
Interest expense										
Deposits		7,667		6,939		5,679		21,056		14,833
Short-term borrowings		260		327		682		1,204		167
Long-term borrowings		51		13		90		79		1,769
Subordinated debentures		188		188		195		564		583
Total interest expense		<u>8,166</u>		<u>7,467</u>		<u>6,646</u>		<u>22,903</u>		<u>17,353</u>
Net interest income		<u>6,699</u>		<u>6,652</u>		<u>6,117</u>		<u>19,523</u>		<u>17,962</u>
Provision for credit losses		<u>105</u>		<u>(27)</u>		<u>6</u>		<u>72</u>		<u>81</u>
Net interest income after provision for loan losses		<u>6,594</u>		<u>6,679</u>		<u>6,111</u>		<u>19,451</u>		<u>17,881</u>
Total revenue, net		<u>12,114</u>		<u>12,211</u>		<u>10,988</u>		<u>35,640</u>		<u>32,093</u>
Non interest expense										
Salaries and employee benefits		4,044		3,897		3,819		12,017		11,247
Occupancy		315		484		313		1,252		913
Furniture and equipment		115		73		7		192		52
Data processing		625		439		470		1,482		1,352
Wealth management processing fees		221		208		188		643		530
Advertising and public relations		27		48		58		110		139
Professional services		609		272		263		1,091		297
FDIC insurance assessments		80		120		85		390		235
Other		406		1,048		111		1,732		932
Total non interest expense		<u>6,442</u>		<u>6,589</u>		<u>5,314</u>		<u>18,909</u>		<u>15,698</u>
Income before income taxes		<u>5,672</u>		<u>5,622</u>		<u>5,674</u>		<u>16,731</u>		<u>16,395</u>
Income tax expense		<u>1,102</u>		<u>1,107</u>		<u>1,109</u>		<u>3,313</u>		<u>3,089</u>
Net income		<u>\$ 4,570</u>		<u>\$ 4,515</u>		<u>\$ 4,564</u>		<u>\$ 13,418</u>		<u>\$ 13,307</u>
Earnings per share:										
Basic	\$	1.58	\$	1.55	\$	1.57	\$	4.61	\$	4.58
Diluted	\$	1.57	\$	1.55	\$	1.57	\$	4.60	\$	4.57

*The information is preliminary, unaudited and based on company data available at the time of presentation. Totals may not foot due to rounding.

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

	September 30, 2024*	June 30, 2024*	September 30, 2023*
Per Common Share Data			
Net income attributable to common shareholders, per share			
Basic	\$1.58	\$1.55	\$1.57
Diluted	\$1.57	\$1.55	\$1.57
Book value per common share	\$33.30	\$31.85	\$27.43
Tangible book value per common share	\$33.30	\$31.85	\$27.43
Basic weighted average common shares	2,819,035	2,830,894	2,829,139
Diluted weighted average common shares	2,823,728	2,838,321	2,836,187
Common shares outstanding at period end	2,869,015	2,912,781	2,900,171
Selected Balance Sheet Data			
Tangible common equity (TCE) ratio	9.23%	9.42%	8.39%
Average Loans	\$652,624	\$655,486	\$634,180
Average earning assets (1)	\$1,006,370	\$980,123	\$943,585
Average total assets	\$1,029,802	\$998,799	\$949,755
Average shareholders' equity	\$94,225	\$90,929	\$80,535
Selected Asset Quality Measures			
Nonaccrual loans	\$0	\$0	\$0
90+ days past due still accruing	\$11	\$0	\$0
Total nonperforming loans	\$11	\$0	\$0
Total nonperforming assets	\$11	\$0	\$0
Net charge offs (recoveries)	\$9	\$0	(\$1)
Nonperforming loans to assets	0.00%	0.00%	0.00%
Nonperforming assets to total assets	0.00%	0.00%	0.00%
Nonperforming assets to total loans and other real estate	0.00%	0.00%	0.00%
Allowance for credit losses to total loans	0.96%	0.96%	0.94%

Net charge offs to average loans	0.00%	0.00%	0.00%
Capital Ratios (Bank Subsidiary Only)			
Tier 1 leverage	10.46%	10.45%	10.36%
Common equity tier 1	15.17%	14.62%	14.11%
Total risk-based capital	16.11%	15.54%	15.04%
Selected Performance Ratios			
Efficiency ratio	52.72%	52.72%	47.87%
Return on average assets (ROA)	1.77%	1.82%	1.91%
Return on average shareholders' equity (ROE)	19.29%	19.97%	22.48%
Return on average tangible common equity (ROTCE)	19.29%	19.97%	22.48%
Net interest margin	2.69%	2.75%	2.61%

*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, and investment securities.

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 September, 30 2024*			Three Months Ended June 30, 2024*			Three Months Ended September, 30 2023*		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
Earning Assets									
Loans	\$652,624	6.41	\$10,520	\$655,486	6.34	\$10,332	\$634,179	6.01	\$9,602
Loan fees	\$0	0.08	\$134	\$0	0.08	\$127	\$0	0.07	\$112
Loans with fees	652,624	6.49	\$10,654	\$655,486	6.42	\$10,459	634,180	6.08	\$9,714
Mortgage loans held for sale	\$0	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$0
Federal funds sold	\$8,367	5.28	\$113	\$4,476	5.32	\$60	\$2,293	5.20	\$30
Deposits with banks	\$35,784	5.43	\$488	\$27,887	5.88	\$408	\$13,213	5.34	\$178
Investment securities - taxable	\$273,488	4.92	\$3,361	\$257,470	4.56	\$2,933	\$255,822	4.03	\$2,575
Investment securities - tax-exempt	\$36,107	3.67	\$222	\$34,804	3.56	\$207	\$38,077	3.38	\$216
Total Earning Assets	\$1,006,370	5.92	\$14,838	\$980,123	5.81	\$14,067	\$943,585	5.40	\$12,713
Non interest earning assets									
Allowance for loan losses	(6,224)			(6,306)			(5,989)		
Cash and due from banks	\$6,529			\$6,856			\$5,814		
Premises and equipment	\$3,370			\$2,698			\$134		
Accrued interest receivable	\$3,746			\$3,975			\$3,443		
Other real estate	\$0			\$0			\$0		
Other assets	\$34,150			\$32,919			\$29,298		
Unrealized gain (loss) on inv. securities	(18,139)			(21,466)			(26,530)		
Total Assets	\$1,029,802			\$998,799			\$949,755		
Interest bearing liabilities									
Interest bearing demand	\$333,177	3.60	\$3,018	\$340,187	3.62	\$3,062	\$354,018	3.43	\$3,062
Savings and money market	\$195,751	3.60	\$1,773	\$175,264	3.55	\$1,546	\$132,842	2.67	\$895
Time deposits - retail	\$13,505	3.40	\$115	\$14,887	3.4	\$126	\$17,334	2.67	\$117
Time deposits - wholesale	\$226,673	4.85	\$2,761	\$201,005	4.41	\$2,205	\$147,046	4.33	\$1,605
Total interest bearing deposits	\$769,106	3.97	\$7,667	\$731,343	3.82	\$6,939	\$651,240	3.46	\$5,679
Federal Home Loan Bank advances	\$5,728	3.50	\$51	\$3,173	1.64	\$13	\$9,337	3.79	\$91
Subordinated debt	\$14,656	4.53	\$188	\$14,471	5.14	\$188	\$15,030	5.09	\$195,399
Other borrowings	\$24,011	4.22	\$259	\$30,973	4.18	\$327	\$60,606	4.40	\$877
Total borrowed funds	\$44,395	4.40	\$499	\$48,617	4.30	\$528	\$84,973	4.46	\$968
Total interest bearing liabilities	\$813,501	3.99	\$8,166	\$779,960	3.85	\$7,467	\$736,213	3.57	\$6,647
Net interest rate spread		1.93	\$6,672		1.96	\$6,600		1.83	\$6,067
Non-interest bearing deposits	\$118,216			\$124,029			\$127,389		
Other liabilities	\$3,860			\$3,881			\$5,308		
Shareholder's equity	\$94,225			\$90,929			\$80,535		
Total Liabilities and Shareholder's Equity	\$1,029,802			\$998,799			\$949,445		
Cost of funds		3.48			3.32			3.05	
Net interest margin		2.69			2.75			2.61	

*The information is preliminary, unaudited and based on company data available at the time of presentation. Totals may not foot due to rounding.

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:

	Nine Months Ended September 30, 2024*			Nine Months Ended September 30, 2023*		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
Earning Assets						
Loans	\$654,958	6.35	\$31,113	\$628,742	5.73	\$26,967
Loan fees	\$0	0.07	\$358	\$0	0.07	\$342
Loans with fees	654,958	6.42	\$31,471	628,742	5.81	\$27,309
Mortgage loans held for sale	\$0	0.00	\$0	\$0	0.00	\$0
Federal funds sold	\$5,377	5.22	\$214	\$1,544	5.08	\$59
Deposits with banks	\$27,765	5.42	\$1,126	\$13,532	4.91	\$497
Investment securities - taxable	\$258,878	4.58	\$8,892	\$247,046	3.67	\$6,796
Investment securities - tax-exempt	\$34,656	3.54	\$617	\$38,890	3.41	\$666
Total Earning Assets	\$981,634	5.8	\$42,320	\$929,754	5.12	\$35,327
Non interest earning assets						
Allowance for loan losses	(6,279)			(6,075)		
Cash and due from banks	\$6,220			\$6,148		
Premises and equipment	\$2,446			\$167		
Accrued interest receivable	\$3,733			\$3,169		
Other real estate	\$0			\$0		
Other assets	\$32,526			\$28,760		

Unrealized gain (loss) on inv. securities							
Total Assets							
Interest bearing liabilities							
Interest bearing demand	\$334,564	3.58	\$8,978	\$353,974	3.12	\$8,263	
Savings and Money Market	\$177,950	3.52	\$4,694	\$133,262	2.35	\$2,341	
Time deposits - Retail	\$14,646	3.41	\$374	\$17,446	2.33	\$304	
Time Deposits - Wholesale	\$200,511	4.67	\$7,010	\$136,564	3.84	\$3,926	
Total interest bearing deposits	\$727,671	3.87	\$21,056	\$641,247	3.09	\$14,833	
Federal home Loan Bank advances	\$4,107	2.53	\$79	\$15,002	4.1	\$467	
Subordinated debt	\$14,579	5.08	\$564	\$14,969	5.14	\$583	
Other borrowings	\$37,299	4.43	\$1,204	\$43,646	4.44	\$2,052	
Total borrowed funds	\$55,985	4.34	\$1,847	\$73,617	4.51	\$2,519	
Total interest bearing liabilities	\$783,657	3.90	\$22,903	\$714,864	3.24	\$17,353	
Net interest rate spread		1.90	\$19,417		1.89	\$17,975	
Non-interest bearing deposits	\$120,343			\$139,068			
Other liabilities	\$4,178			\$4,251			
Shareholder's equity	\$91,542			\$77,561			
Total Liabilities and Shareholder's Equity	\$999,720			\$935,744			
Cost of funds		3.38			2.71		
Net interest margin		2.68			2.63		

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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.