



Truxton Corporation Reports First Quarter 2024 Results

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NASHVILLE, Tenn., April 18, 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 March 31, 2024. First quarter net income attributable to common shareholders was \$4.33 million, or \$1.48 per diluted share, compared to \$4.29 million, or \$1.47 per diluted share, for the same quarter in 2023. Net income and fully diluted earnings per share for the quarter both rose by 1% compared to the first quarter of 2023.

"We are pleased to start 2024 with another quarter of financial growth lead by our core businesses," said Chairman and CEO Tom Stumb. "Truxton Wealth revenue increased by 15% while total deposits were 9% higher compared to the same quarter last year, both driven by superior client service and key relationship growth."

On May 28, 2024, we anticipate opening our new office location at 20 Burton Hills Blvd, Suite 200, Nashville, TN, 37215. Our original location served us well for almost 20 years. However, we are excited to be in a new space that allows us to accelerate organizational growth, elevate our service experience, and enhance the convenience and safety of our clients and employees. We look forward to seeing you there.

Key Highlights

- Non-interest income grew to \$5.1 million in the first quarter of 2024, which was up \$929 thousand over the fourth quarter of 2023 and \$629 thousand over the first quarter of 2023. The fourth quarter of 2023 included \$445 thousand of net losses on the sale of securities while the first quarter of 2023 included \$58 thousand of net gains on sales of securities. There were no gains or losses on the sale of securities in the first quarter of 2024. Excluding securities gains and losses, non-interest income in the first quarter of 2024 was up 10% compared to the prior quarter and 15% compared to the first quarter of 2023. Wealth management constituted 96% of non-interest income in the first quarter of 2024, compared to 95% and 94%, for the fourth quarter of 2023 and first quarter of 2023, respectively, when excluding gains and losses on sales of securities.
- Loans increased by less than 1% to \$660 million at quarter end compared to \$658 million on December 31, 2023, and were up 5% compared to \$626 million on March 31, 2023.
- Total deposits increased by 9% from \$782 million at December 31, 2023, to \$850 million at March 31, 2024, and were 10% higher in comparison to \$771 million at March 31, 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 first quarter of 2024 was 2.62%, a decrease of 16 basis points from the 2.78% experienced in the quarter ended December 31, 2023, and a decrease of 13 basis points from the 2.75% in the quarter ended March 31, 2023. Cost of funds was 3.33% in the first quarter of 2024, up from 3.15% for the quarter ended December 31, 2023, and up from 2.27% for the quarter ended March 31, 2023.
- The build-out of Truxton's new headquarters began this past January along with the accounting for the new lease. As a result, occupancy expenses rose by 67% compared to the prior quarter due to the dual accounting cost for our current and new Nashville office leases. After the move in late May, Truxton will only have the cost of the new Nashville headquarters lease but will have higher depreciation expenses for the capitalized costs associated with the new office.
- Allowance for credit losses, excluding that for unfunded commitments, was \$6.3 million at quarter end March 31, 2024, compared to \$6.3 million at December 31, 2023, and \$6.0 million at March 31, 2023. For those three periods, such allowance amounts were 0.96%, 0.96%, and

0.95%, respectively, of gross loans outstanding at period end. For the same three periods, the Bank's allowance for unfunded commitments was \$374 thousand, \$411 thousand, and \$507 thousand, respectively.

- The Bank's capital position remains strong. Its Tier 1 leverage ratio was 10.40% at March 31, 2024, compared to 10.53% at December 31, 2023, and 10.29% at March 31, 2023. Book value per common share was \$30.61, \$30.31, and \$25.71 at March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
- During the three months ended March 31, 2024, Truxton Corporation paid dividends of \$1.43 per common share, inclusive of a \$1.00 special cash dividend paid on March 25, 2024.

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)

	March 31, 2024*	December 31, 2023*	March 31, 2023*
ASSETS			
Cash and due from financial institutions	\$ 4,909	\$ 4,272	\$ 8,955
Interest bearing deposits in other financial institutions	34,361	3,417	4,322
Federal funds sold	6,733	1,537	10
Cash and cash equivalents	46,003	9,226	13,288
Time deposits in other financial institutions	490	490	1,260
Securities available for sale	256,517	259,926	253,372
Gross loans, excluding Paycheck Protection Program	659,622	657,781	625,626
Allowance for credit losses	(6,324)	(6,304)	(5,961)
Paycheck Protection Program Loans	48	59	90
Net loans	653,346	651,536	619,754
Bank owned life insurance	10,865	10,808	10,644
Restricted equity securities	1,822	1,858	5,391
Premises and equipment, net	2,089	189	222
Accrued interest receivable	4,522	4,388	9,752
Deferred tax asset, net	5,576	6,010	6,842
Other assets	16,484	10,839	1,369
Total assets	\$ 997,714	\$ 955,270	\$ 921,894
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Non-interest bearing	\$ 126,838	\$ 123,918	\$ 151,956
Interest bearing	\$ 723,645	\$ 658,061	\$ 619,542
Total deposits	850,483	781,979	771,499
Federal funds purchased	-	-	2,417
Swap counterparty cash collateral	5,570	4,060	2,860
Federal Home Loan Bank advances	3,250	4,500	9,500
Federal Reserve Bank Term Funding Program advances	22,700	53,800	40,000
Subordinated debt	14,514	14,327	14,752
Other liabilities	11,712	8,922	6,078

Total liabilities	908,229	867,588	847,106
SHAREHOLDERS' EQUITY			
Common stock, \$0.10 par value	\$ 290	\$ 289	\$ 289
Additional paid-in capital	31,881	31,457	31,336
Retained earnings	65,035	51,679	54,990
Accumulated other comprehensive income (loss)	(12,055)	(13,279)	(16,118)
Net Income	\$ 4,334	\$ 17,536	\$ 4,291
Total shareholders' equity	89,485	87,682	74,788
Total liabilities and shareholders' equity	\$ 997,714	\$ 955,270	\$ 921,894

*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)

	Three Months Ended		
	March 31, 2024*	December 31, 2023*	March 31, 2023*
Non-interest income			
Wealth management services	\$ 4,907	\$ 4,435	\$ 4,171
Service charges on deposit accounts	91	111	136
Securities gains (losses), net	0	(445)	58
Bank owned life insurance income	58	56	52
Other	81	52	91
Total non-interest income	5,137	4,208	4,508
Interest income			
Loans, including fees	\$ 10,357	\$ 10,495	\$ 8,487
Taxable securities	2,599	2,554	1,954
Tax-exempt securities	188	210	233
Interest bearing deposits	231	194	61
Federal funds sold	41	41	11
Other interest income	27	63	65
Total interest income	13,441	13,558	10,812
Interest expense			
Deposits	6,450	6,048	4,216
Short-term borrowings	618	685	58
Long-term borrowings	15	23	237
Subordinated debentures	188	187	194
Total interest expense	7,270	6,943	4,705
Net interest income	6,171	6,615	6,107
Provision for credit losses	(6)	215	59
Net interest income after provision for loan losses	6,177	6,400	6,048
Total revenue, net	11,315	10,608	10,556
Non interest expense			
Salaries and employee benefits	4,076	3,563	3,766
Occupancy	453	272	286
Furniture and equipment	4	24	25
Data processing	418	389	427
Wealth management processing fees	214	166	176
Advertising and public relations	34	109	46
Professional services	209	285	116
FDIC insurance assessments	190	225	75
Other	278	322	397

Total non interest expense	5,877	5,355	5,314
Income before income taxes	5,438	5,253	5,242
Income tax expense	1,104	1,029	951
Net income	<u>\$ 4,334</u>	<u>\$ 4,225</u>	<u>\$ 4,291</u>
Earnings per share:			
Basic	\$ 1.49	\$ 1.46	\$ 1.48
Diluted	\$ 1.48	\$ 1.46	\$ 1.47

*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)

	March 31, 2024*	December 31, 2023*	March 31, 2023*
Per Common Share Data			
Net income attributable to shareholders, per share			
Basic	\$1.49	\$1.46	\$1.48
Diluted	\$1.48	\$1.46	\$1.47
Book value per common share	\$30.62	\$30.31	\$25.71
Tangible book value per common share	\$30.62	\$30.31	\$25.71
Basic weighted average common shares	2,831,217	2,821,846	2,820,892
Diluted weighted average common shares	2,838,003	2,828,274	2,830,504
Common shares outstanding at period end	2,922,761	2,893,064	2,908,483
Selected Balance Sheet Data			
Tangible common equity (TCE) ratio	8.97%	9.18%	8.11%
Average Loans	\$656,790	\$653,804	\$622,012
Average earning assets (1)	\$958,138	\$956,793	\$912,603
Average total assets	\$970,227	\$960,852	\$918,440
Average shareholders' equity	\$89,441	\$81,759	\$75,557
Selected Asset Quality Measures			
Nonaccrual loans	\$0	\$0	\$0
90+ days past due still accruing	\$0	\$0	\$0
Total nonperforming loans	\$0	\$0	\$0
Total nonperforming assets	\$0	\$0	\$0
Net charge offs (recoveries)	\$11	(\$8)	\$12
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%	0.95%
Net charge offs to average loans	0.00%	0.00%	0.00%
Capital Ratios (Bank Subsidiary Only)			
Tier 1 leverage	10.40%	10.53%	10.29%
Common equity tier 1	14.26%	14.58%	13.79%
Total risk-based capital	15.19%	15.53%	14.74%
Selected Performance Ratios			
Efficiency ratio	51.6%	47.1%	51.3%
Return on average assets (ROA)	1.80%	1.75%	1.89%
Return on average shareholders' equity (ROE)	19.49%	20.52%	23.05%
Return on average tangible common equity (ROTCE)	19.49%	20.52%	23.05%
Net interest margin	2.62%	2.78%	2.75%

*The information is preliminary, unaudited and based on company data available at the time of presentation.

**Ratios do not include reserve for unfunded commitments

(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 March 31, 2024*			Three Months Ended December 31, 2023*			Three Months Ended March 31, 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	\$ 656,790	6.28	\$ 10,261	\$ 653,804	6.18	\$ 10,183	\$ 622,012	5.46	\$ 8,376
Loan fees	\$ 0	0.06	\$ 95	\$ 0	0.19	\$ 312	\$ 0	0.07	\$ 111
Loans with fees	\$ 656,790	6.34	\$ 10,356	\$ 653,804	6.37	\$ 10,495	\$ 622,012	5.53	\$ 8,487
Mortgage loans held for sale	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0
Federal funds sold	\$ 3,255	4.93	\$ 41	\$ 2,985	5.41	\$ 41	\$ 866	5.15	\$ 11
Deposits with banks	\$ 19,536	4.75	\$ 231	\$ 14,240	5.51	\$ 198	\$ 11,749	4.38	\$ 127
Investment securities - taxable	\$ 245,516	4.23	\$ 2,599	\$ 248,778	4.11	\$ 2,554	\$ 237,601	3.29	\$ 1,954
Investment securities - tax-exempt	\$ 33,041	3.4	\$ 188	\$ 36,986	3.39	\$ 210	\$ 40,376	3.45	\$ 233
Total Earning Assets	\$ 958,138	5.66	\$ 13,415	\$ 956,793	5.65	\$ 13,498	\$ 912,604	4.84	\$ 10,812
Non interest earning assets									
Allowance for loan losses	(6,309)			(6,123)			(6,279)		
Cash and due from banks	\$ 5,270			\$ 5,402			\$ 6,547		
Premises and equipment	\$ 1,260			\$ 119			\$ 202		
Accrued interest receivable	\$ 3,478			\$ 3,575			\$ 2,843		
Other real estate	\$ 0			\$ 0			\$ 0		
Other assets	\$ 30,494			\$ 30,404			\$ 28,601		
Unrealized gain (loss) on inv. securities	(22,103)			(29,318)			(26,077)		
Total Assets	\$ 970,227			\$ 960,852			\$ 918,441		
Interest bearing liabilities									
Interest bearing demand	\$ 330,343	3.53	\$ 2,898	\$ 345,966	3.42	\$ 2,984	\$ 366,260	2.80	\$ 2,529
Savings and money market	\$ 162,640	3.4	\$ 1,375	\$ 138,244	2.95	\$ 1,027	\$ 127,422	1.70	\$ 533
Time deposits - retail	\$ 15,557	3.43	\$ 133	\$ 16,343	3.18	\$ 131	\$ 18,256	1.93	\$ 87
Time deposits - wholesale	\$ 173,570	4.74	\$ 2,044	\$ 165,756	4.56	\$ 1,906	\$ 133,704	3.24	\$ 1,067
Total interest bearing deposits	\$ 682,110	3.8	\$ 6,450	\$ 666,309	3.6	\$ 6,048	\$ 645,642	2.65	\$ 4,216
Federal Home Loan Bank advances	\$ 3,401	1.7	\$ 15	\$ 4,500	1.98	\$ 23	\$ 16,844	4.09	\$ 172
Subordinated debt	\$ 14,610	5.09	\$ 188	\$ 14,422	5.08	\$ 187	\$ 15,001	5.17	\$ 194
Other borrowings	\$ 57,060	4.28	\$ 618	\$ 60,859	4.39	\$ 685	\$ 11,451	4.29	\$ 123
Total borrowed funds	\$ 75,071	4.32	\$ 821	\$ 79,781	4.39	\$ 895	\$ 43,296	4.52	\$ 489
Total interest bearing liabilities	\$ 757,181	3.85	\$ 7,271	\$ 746,090	3.69	\$ 6,943	\$ 688,938	2.77	\$ 4,705
Net interest rate spread		1.81	\$ 6,144		1.96	\$ 6,555		2.08	\$ 6,107
Non-interest bearing deposits	\$ 118,809			\$ 126,534			\$ 150,259		
Other liabilities	\$ 4,796			\$ 6,469			\$ 3,686		
Shareholder's equity	\$ 89,441			\$ 81,759			\$ 75,557		
Total Liabilities and Shareholder's Equity	\$ 970,227			\$ 960,852			\$ 918,440		
Cost of funds		3.33			3.15			2.27	
Net interest margin		2.62			2.78			2.75	

*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.