



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.

Investor Relations

Austin Branstetter
615-250-0783
austin.branstetter@truxtontrust.com

Media Relations

Swan Burrus
615-250-0773
swan.burrus@truxtontrust.com

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	95,546	92,784	79,543
Total liabilities and shareholders' equity	\$ 1,035,253	\$ 985,399	\$ 948,566

*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			Year To Date	
	September 30, 2024*	June 30, 2024*	September 30, 2023*	September 30, 2024*	September 30, 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	6,699	6,652	6,117	19,523	17,962
Provision for credit losses	105	(27)	6	72	81
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	1,102	1,107	1,109	3,313	3,089
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

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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%

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(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		<u>3.48</u>			<u>3.32</u>			<u>3.05</u>	
Net interest margin		<u>2.69</u>			<u>2.75</u>			<u>2.61</u>	

*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	(20,560)			(26,074)		
Total Assets	\$999,720			\$935,849		
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		<u>3.38</u>			<u>2.71</u>	
Net interest margin		<u>2.68</u>			<u>2.63</u>	

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