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TRUXTON CORPORATION REPORTS SECOND QUARTER 2015 RESULTS

NASHVILLE, Tenn., July 16, 2015 –Truxton Corporation (OTCPK: TRUX), a bank holding company and the parent of Truxton Trust Company, reported consolidated net income of \$1,270,000 for the second quarter of 2015, a 20 percent increase compared with \$1,062,000 for the second quarter of 2014. Earnings per fully diluted share for the three months were \$0.48 for 2015 compared to \$0.42 for the comparable period in 2014, a 14% increase. For the six month period ending June 30, 2015, net income rose from \$2,001,000 to \$2,271,000, an increase of 14% from the same period a year ago. Earnings per fully diluted share for the same periods rose from \$0.81 to \$0.86, a 6% rise.

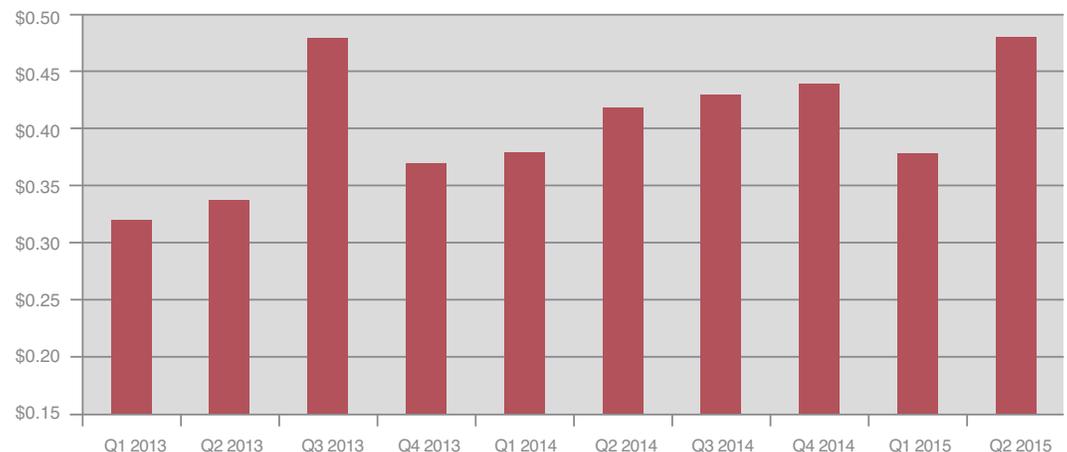
At June 30, 2015, the company reported total assets of \$356.2 million, a 7 percent increase from June 30, 2014. Over the same period, total loans increased 17 percent to \$241.1 million, while deposits grew 6 percent to \$283.3 million. At June 30, 2015, the Bank's estimated Tier I leverage ratio was 11.20%.

Non-interest income for the second quarter of 2015 was \$2,190,000, compared to \$1,718,000 for the same period in 2014, an increase of 27 percent.

Tangible Book Value per share at June 30, 2015 was \$15.43 compared to \$14.32 at the same time a year ago.

“Wealth Management and Private Banking have both experienced strong results so far this year,” said CEO Tom Stumb. “Clients who need thoughtful, knowledgeable help with their critical financial decisions keep finding their way to Truxton. Our strong financial results are the fruit of growing numbers of relationships between our team and our clients.” ■

EARNINGS PER SHARE





CHAIRMAN'S CORNER

AUGUST 2015

By *Charlie Cook*

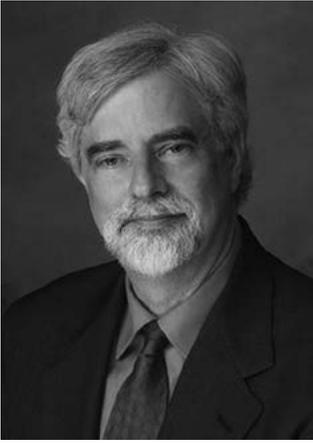
In the past two issues of our quarterly newsletter, I have focused on our people and our wealth management activities. We are also a very good commercial bank, and I want to bring you up to date on how well this aspect of our business is performing. Because we have done so well in managing money for others and handling trust and estate matters, many people have lost sight of the fact that we have been a successful banking company.

As of June 30, Truxton Trust was a bank with total assets of \$356 million consisting principally of \$241 million in the loan portfolio and \$96 million in the bank's investment portfolio. While many banks have reported sluggish loan growth, our loans grew 17% from June a year ago. Deposits totaled \$283 million at June's month end, up 6% from last year. Our main concern, which is shared with banks throughout the country, is the compression in net interest margin – the difference in what we earn on loans and what we pay for our funding – due to the continuation of historically low interest rates. Over the past two years, our margin has declined from 3.39% to 3.23%.

Perhaps the most unusual aspect of our bank is the fact that we have only had one loan loss in the nearly eleven years we have been in business. Even that was a small loss which may be recovered in full from the sale of the house that secured the loan sometime this summer. In short, we have learned to grow loans while maintaining disciplined underwriting. This approach is of particular interest to our shareholders, as it helps preserve their equity interest in our company; but it also should be of interest to our customers and prospects since we go through a thorough due diligence process prior to funding every loan so that we have happy outcomes for both the borrower and the lender.

All of this success would not happen without the expertise of our seasoned group of relationship managers who have been in the lending business for many years. They not only have brought customer relationships with them when they joined the bank, but they also have brought expertise that allows them to underwrite and structure loans for positive outcomes. When a loan is poorly underwritten, it frequently becomes a problem loan; and the relationship with the borrower becomes strained. We try to avoid strained relationships by doing the right thing at the beginning of the process, so that we and the borrower develop confidence in one another.

Whether you need interim financing while you await the sale of a home while buying another one or your business has a need to borrow to meet new growth opportunities, build a new building, or develop a rental property, we are open to discussing these and any other credit needs with you. Just remember, we are a commercial bank. ■



THE POWER OF DIVIDENDS

By John Diffendal, CFA

When most investors focus on (and fret over) the day to day movements of our stock market, we often forget that in the background lies the power of dividends as a significant component of total return. In 2014, 16.8% of the total return of the S&P 500 came from dividends and in some years such as 2011 100% of the “market” return was derived from dividends.

Importantly, it’s not just the current return that dividends provide, but when dividends are reinvested, an investor’s overall returns are enhanced especially over time. Over the past 10 years through June, the annualized return of the S&P 500 was 5.63%. However, when dividends are reinvested, annualized return balloons to 7.77%, a 2.14% pickup. Over a 20 year timeframe the annualized S&P 500 return was 6.98%, but with reinvested dividends the annualized return became 8.93%.

That can go a long way toward defeating the ravages of inflation. While inflation has trended down in recent years, the average rate of inflation since 2010 has been 1.86% which is the lowest since the decade of the 1950s (1.82%). However, many of us remember the 1970s (7.25%) and 1980s (5.82%). It makes sense to use all the tools in an investor’s arsenal to maximize return as well as protect against inflation and dividend reinvestment is certainly an important element. ■

WHAT IS WEALTH MANAGEMENT AT TRUXTON?

By Derrick Jones

In spite of what is often seen in this industry, wealth management is not a synonym for insurance and annuity sales. Wealth management is not the same as selling a bunch of mutual funds. Wealth management is not even just about finance.

The wealth management team at Truxton is a group of very experienced and highly credentialed professionals that are committed to providing comprehensive wealth management for the families we are honored to serve. They are investment professionals (CFAs), tax experts, lawyers, certified financial planners, insurance professionals, IRA specialists, and so on. Our mission is to protect and enhance livelihoods utilizing not only our expertise but our knowledge of the client and what matters to them.



Sure, very often investment management is at the center of what we are doing. We must responsibly manage assets (marketable or otherwise) in a way that supports the clients’ objectives, taking into account taxes, market risks, inflation, spending habits, anticipated liquidity events, family challenges, philanthropic interests, etc. It all has to work together.

The term “wealth management” is used by many. After all, there are over 4,250 broker dealers employing 630,000 licensed representatives; 16,000 registered investment advisors (RIAs) with about 300,000 individual representatives; 800 mutual fund companies employing 170,000 people; and more than 1 million people in the U. S. with insurance licenses. No wonder it all seems to run together.

A significant factor distinguishing Truxton from the aforementioned cluster is our trust powers. Truxton can serve multiple generations as an institutional trustee. Additionally, Truxton can serve as executor, co-executor, or agent for executor, permitting us to manage the host of tasks and issues related to estate settlement. Indeed it is an honor to serve families in these capacities while delivering not only reliable, continuous expertise, but also peace-of-mind as the circle of life impacts us all.

Our first decade of being in business at Truxton included one of the most challenging times in our nation’s history. While unpleasant for all of us, it served as a time to demonstrate thoughtfulness. A time to emphasize preserving lifestyles vs. just looking at beating benchmarks. A time to remember that return of principal is more important than the return on principal. A time to be available, communicative, and comforting.

While the breadth and complexity of the service will differ from client to client, and will evolve in each case, Wealth Management at Truxton is about doing what needs to be done and doing it the right way. From day one, our focus has been steadfast on doing the right thing for each client every day. In good times and in bad times. This focus hasn’t wavered, and it has served our clients and our company extremely well. ■

WELCOME TO THE TEAM



Rudy Edelen

Rudy joined Truxton Trust in May 2015 to assist the Wealth Management team as a Portfolio Analyst. He graduated in 2015 from the University of Louisville where he was an All-American swimmer and Finance major. His favorite restaurants are The Local Taco and Peg Leg Porker BBQ.



Sumner Dalrymple

Sumner joined Truxton Trust in May 2015 as a Business Analyst. She graduated from Sewanee in May 2013. Prior to joining Truxton, she worked as a political fundraiser at Kaegi Resources and served as Deputy Finance Director for Governor Haslam and Senators Lamar Alexander and Bob Corker. Her favorite restaurant is Rolf & Daughters.
