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ANDREW L. MAY
President & Chief Financial Officer

J. OVERTON COLTON
Chief Administrative & Risk Officer

DERRICK A. JONES
Chief Fiduciary Officer

JULIE MARR
Chief Treasury Officer

THOMAS R. SNYDER
Chief Lending Officer

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TRUXTON TRUST'S GROWTH AND SUCCESS CONTINUE INTO 2016

Truxton Trust experienced tremendous growth in 2015. We reported a consolidated net income of \$1,496,000 for the fourth quarter of 2015, a 32 percent increase from the fourth quarter of 2014. Earnings per fully diluted share for the quarter ended December 31, 2015 totaled \$0.57.

We ended 2015 with a net income of \$5,031,000 and earnings per fully diluted share rose to \$1.92 for year end. Truxton Trust assets totaled \$405.5 million at the end of 2015. Deposits also increased 20 percent to \$339 million, while total loans grew 12 percent to \$257.2 million.

Non-interest income for Truxton's fourth quarter was \$2,489,000. For 2015, non-interest income totaled \$8,370,000 compared to \$6,887,000 for 2014, representing a 22 percent increase. Wealth Management Services provide over 80% of our non-interest income.

The company experienced unusual gains in the fourth quarter because of a sale of other real estate owned and the maturity of a bank-owned life insurance policy. This increased our EPS by \$.08 for the fourth quarter after relevant taxes and other related accruals.

"Our performance this year was excellent," said CEO Tom Stumb. "We saw double-digit loan growth. Non-interest income, mostly from wealth management, rose by more than 20% again. We delivered return on average equity (ROAE) above 12%. Truxton's great professionals and loyal clients deserve the deep gratitude of the shareholders for another superb year."

VININGS SPARKS' CHIEF ECONOMIST TALKS TO TRUXTON CLIENTS



Truxton Senior Vice President John Diffendal and Rick Oliver enjoy cocktails and conversation prior to Craig Dismuke's thoughts on the future of the US economy and interest rates.



Truxton CEO Tom Stumb, Guest Speaker Craig Dismuke, Truxton President Andy May and Vining Sparks' McNeill Wells gather together in anticipation of Dismuke's upcoming presentation.

On Thursday February 25 Craig Dismuke, Chief Economist for Vining Sparks IBG, spoke to clients and employees at Belle Meade Country Club. Craig is responsible for the projection and publication of Vining Sparks' economic and interest rate forecasts. He regularly appears on CNBC, Fox Business and Bloomberg TV. ■



CHAIRMAN'S CORNER - WINTER 2016

By Tom Stumb

March 1, 2003 is an important day in the history of our business. On that day, there was a meeting arranged by a handful of the founders of our company to discuss the pros and cons of starting a *different* kind of bank and trust business, from scratch. Two of our founding directors were successfully recruited to join our effort at that meeting (Buzz Davis and Bill Wire). And that same day, I made up my own mind to become an organizer of this company we now call Truxton.

Today, as I pause to think about how far we have come in these past thirteen years, the thought that dominates this reflection is how vitally important the people are who have dedicated themselves to our company's success: people like Overton Colton, Tom Snyder and Lynn May who were also at that March 1st meeting. People like our founding Chairman Don Thurmond, and our second Chairman Charlie Cook, joined us later in 2003; and, it would be impossible to quantify adequately the value that their experience, wisdom and talent have had upon our business. Altogether in 2003, we assembled a group of 20 men and women to organize this business; and, their names have adorned the front cover of every one of these newsletters we've ever published.

We opened for business on August 30, 2004, after raising \$20 million of capital and securing a charter from the State of Tennessee's Department of Financial Institutions. We had just 12 employees on that first day. Every day since then has gone

by quite quickly. Today we have 51 employees whose hard work generated over \$5 million of net income in 2015. We started with \$20 million of capital; at the end of 2015 we had over \$42 million. If you bought stock in 2003 at the introductory share price of \$10 per share, Truxton's 2015 dividend of 60 cents represented a 6% yield against your original investment.

In the beginning, our founders believed strongly that if we focused foremost on *doing the right thing* every day for our clients, the financial performance of our business could, should and would become exceptional. Today, it is very clear to me that this singular focus is indeed the key ingredient for our success. The culture that has developed on top of this simple, client-centric commitment is something that we cherish reverently. Each and every one of our clients, shareholders and employees have made important contributions to Truxton's development. This collective group of people are responsible for our superlative performance and enviable reputation. To all of you, I am extremely grateful.

So in this, my first ever stab at penning a Chairman's Corner article, please allow me to simply say *thank you*. If you are reading this now, it is likely that you are one of the aforementioned people who have helped build this company into what it is today. We could not have done it without you, and I appreciate your support. ■

TRUXTON TRAVELS TO HAITI

Truxton Trust's own Derrick Jones, Miles Kirkland, Susan Ney and Brooke Rice traveled to Haiti the week of February 14 with Live Beyond. Live Beyond is a faith-based, humanitarian organization bringing medical and maternal healthcare to Thomazeau, Haiti. Live Beyond was brought to Haiti by Dr. David and Laurie Vanderpool, formerly of Nashville. "Tremendous progress is being made in Thomazeu, Haiti. "Truxton is proud to be a part of changing the lives of these destitute but lovely people" said Derrick Jones. He added, "Truxton's involvement in Thomazeau over the past three years has been meaningfully helpful to the Haitians and even more rewarding for us."



Back row: Derrick Jones, Dr. David Vanderpool, Miles Kirkland, Andy Jones
Bottom row: Laurie Stallings Vanderpool, Brooke Rice, Susan Ney

WEALTH STRATEGY WITHOUT TAX STRATEGY IS BAD STRATEGY

By Brad Dunlavy

The forecast for 2015 tax changes called for tax legislation to be shelved until after the 2016 election cycle. This proved to be wrong as Congress was busy in 2015! The most significant bill was the "PATH Act". After years of routine temporary extensions, Congress, through PATH, made several annual extenders permanent, extended a few through 2019, and left the rest as temporary extenders through 2016. The most significant permanent extensions include deduction for state and local sales taxes and tax free charitable distributions from IRAs for individuals 70 ½ and older.

Taxes play an important part in all aspects of financial planning during life and at death. Death and taxes are inevitable but planning for taxes can lessen their impact on you presently and your heirs at your passing. In the last few years tax legislation has changed almost as often and quickly as the weather. The failure to keep up with the changes can be costly. Recent changes in the federal and state tax laws in the estate area have shifted the emphasis for many taxpayers from estate tax planning to income tax planning. Unless you have had your estate plan reviewed or changed very recently, these changes in the tax laws may have rendered your estate planning documents obsolete.

Upper income taxpayers have witnessed income tax laws change significantly through higher taxes due to impact of the Affordable Care Act. The 3.8% tax on investment income and .9% tax on earned income for taxpayers with Adjusted Gross Incomes in excess of (\$200,000 singles and \$250,000 for married couples) were new in 2013. Additionally for taxpayers in the top tax bracket the highest income tax rate has increased from 15% to 20% tax on long term capital gains and qualified dividends and the top individual tax bracket increased from 35% to 39.6%. Determining after tax returns of investment income and the choice of tax efficient investments has made proper planning more difficult and certainly more vital in making the proper investment choices.

In summary, taxes should be considered when structuring your will (estate taxes and capital gains taxes), selecting your investments (taxable or tax free), choosing an investment advisor (turnover rate, funds vs individual securities), influencing asset allocation (IRAs vs taxable accounts), distribution decisions from tax deferred accounts and irrevocable trusts (how much, when, charitable), whether to sell now or later (short term gains vs long term), which shares to sell (tax lot selection) for managing gains and losses.

Does your personal and estate tax planning maximize your current and long-term wealth? Truxton professionals help our clients answer these questions. ■

SECURITY AWARENESS: TAX RETURN IDENTITY THEFT

File Your Taxes Early to Avoid Tax Identity Theft

If you're like many Americans, you may not start thinking about filing your tax return until the April 15 deadline (this year, April 18) in just a few weeks — or perhaps even just a few days — away. But there's another date you should keep in mind: January 19. That's the date the IRS began accepting 2015 returns, and filing as close to that date as possible could protect you from tax identity theft.

How can filing your tax return early help? Tax filing scams are becoming more common, thieves use victims' personal information to file fraudulent tax returns electronically and claim bogus refunds. When the real taxpayers file, they're notified that they're attempting to file duplicate returns. Tax identity theft can cause major headaches to straighten out and significantly delay legitimate refunds. But if you file first, it will be the thief who's filing the duplicate return, not you. ■



COMPUTER SOFTWARE SERVICE FRAUD

A call claiming it is Microsoft and your PC has been infected, it is a scam

Many Americans get calls like this every day. A caller calls your home and claims to work for Microsoft or some other generic sounding organization and they have identified vulnerability on your computer. Microsoft will not initiate a call to you. This is a scam.

The caller may ask you to provide them with your user name, password, or ask you to go to a web site to download software to install on your computer. Once you do this you have given the caller access to every keystroke you make on your computer as well as all the files you have stored on that computer. This could give them access to Online Banking IDs and passwords, access to tax returns and any other personal information you have stored on your computer.

How do you protect yourself if you get a call like this?

- Hang up.
- DO NOT purchase any software or software services
- DO NOT give the caller control of your computer
- DO NOT ever give out your user name, password, social security number, credit card information or other financial information to anyone calling you that you don't know. ■

WELCOME TO THE TEAM



Drew Mallory

Drew joined Truxton Trust as Managing Director of Wealth Management Services in January. He will be working alongside our very experienced Wealth Management team members to support our clients and their families in all aspects of their wealth management needs. Prior to joining Truxton, Drew led a \$12 billion portfolio management team at Reliance Trust Company in Atlanta, Georgia. Drew is a CFA charterholder with a B.S. in Finance from the University of Georgia and a MBA from Kennesaw State University. Drew is a member of the CFA Society of Nashville and the Atlanta Society of Finance and Investment Professionals.

Drew is a native of Marietta Georgia and enjoys spending time with his wife Holly, a native of Memphis Tennessee, and their daughters Marly and Presley. Drew's favorite Nashville restaurant is McCabe's in Sylvan Park.

ANNOUNCEMENT

The Truxton Trust ATM is now taking deposits. Many thanks to our operations team for working tirelessly to ensure our new ATM is running smoothly!



TRUXTON TRUST
A PRIVATE BANK

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