



TRUXTON TRUST

A PRIVATE BANK

FIG Partners Community Bank CEO Forum  
September 18-19, 2019



# Truxton Basics

- Founded in 2004
- Nashville, TN, with a Trust Production Office in Athens, GA
- Private Banking and Wealth Management delivered as a Multi-Family Office
- Assets: \$488 Million
- Gross Loans: \$336 Million
- Wealth Management AUM: \$1.1 Billion; Annualized 2019 Revenue: \$11 million



# Who We Are: Management



**Thomas S. Stumb**

*Chairman and Chief Executive Officer*

Tom Stumb is the Chairman and Chief Executive Officer for Truxton Trust and has also served as a member of its Board of Directors since the firm's inception in 2004. His prior experience was in Healthcare IT and Commercial Banking at SunTrust.



**Andrew L. May**

*President and Chief Financial Officer*

Andrew May serves as President and Chief Financial Officer for Truxton Trust. He became President in 2016 and Chief Financial Officer in 2010. Previously, Mr. May was a Managing Director at Jefferies, a New York-headquartered securities firm, and Partner and Director of Equity Research at J.C. Bradford and Company.



**Derrick A. Jones, J.D., CFP, CTFA**

*Senior Managing Director, Wealth Management Services and Chief Fiduciary Officer*

Derrick Jones is Senior Managing Director for Truxton Trust Wealth Management Services and Chief Fiduciary Officer. He joined Truxton Trust during its initial organization in 2004. Prior to Truxton Trust, Mr. Jones served as a Senior Vice President, Fiduciary Services Manager for SunTrust.



# Who We Are: Management



## **Thomas R. Snyder**

*Senior Managing Director, Private Banking and Chief Lending Officer*

Tom Snyder is Senior Managing Director of Private Banking and Chief Lending Officer at Truxton Trust. Mr. Snyder previously served as Executive Vice President of Private Banking at National Bank of Commerce and as Senior Vice President of the Private Client Group at SunTrust Bank.



## **J. Overton Colton**

*Managing Director, Operations and Chief Administrative & Risk Officer*

Overton Colton is Truxton Trust's Managing Director of Operations and Chief Administrative and Risk Officer. Mr. Colton served for over 16 years in both marketing and management capacities with NationsBank / Bank of America and First American National Bank in private banking and large corporate banking.



## **Julie M. Marr, AAP**

*Managing Director, Finance and Chief Treasury Officer*

Julie Marr is Managing Director for Finance and Chief Treasury Officer at Truxton Trust. Prior to joining Truxton Trust, she was Operations Manager and Business Analyst for Troy Group, Inc., where she served as an Automated Clearing House (ACH) Operations Consultant.



# Two Lines of Business

1. Wealth Management Services
2. Private Banking



# About Wealth Management

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## At-A-Glance

- \$1.09 billion assets under management
- \$5.2 million average relationship size
- Revenue grew at a 16.74% compound annual growth rate (CAGR) over the last five years
- 186 current client relationships
- Clients in 19 states
- 21 wealth management professionals
- 27 average number of client relationships per Wealth Advisor

*As of 6/30/19*

# About Private Banking

## At-A-Glance

- Total loans of \$336 million
- YTD net interest income of \$7.4 million, up 9%
- Total number of loans = 827
- 9 private bankers
- Relationships with successful Nashville families and the businesses they control

*As of 6/30/19*



# Q2 2019 Financial Highlights

Continued balance sheet growth year over year

Income Summary	Q2 2019	Q2 2018	Change (%)
Net Interest Income	\$3,859,000	\$3,540,000	9.01
Provision for Loan Losses	\$55,000	\$8,000	587.50
Non-Interest Income	\$2,992,000	\$2,662,000	12.40
Non-Interest Expense	\$3,609,000	\$3,669,000	(1.64)
Earnings Before Taxes	\$3,187,000	\$2,525,000	26.22
Income Tax Expense	\$668,000	\$479,000	39.46
Net Income	\$2,519,000	\$2,046,000	23.12
Earnings Per Share Diluted	\$0.90	\$0.74	21.62

Net Income



23.12%

## Balance Sheet

Assets	\$487,808,000	\$447,188,000	9.08
Loans	\$335,639,000	\$305,223,000	9.97
Deposits	\$401,024,000	\$372,483,000	7.66
Stockholders' Equity	\$61,963,000	\$52,243,000	18.61

## Asset Quality

Allowance for Loan Losses	\$3,411,000	\$3,131,000	8.94
Allowance to Gross Loans	1.02%	1.03%	-0.93

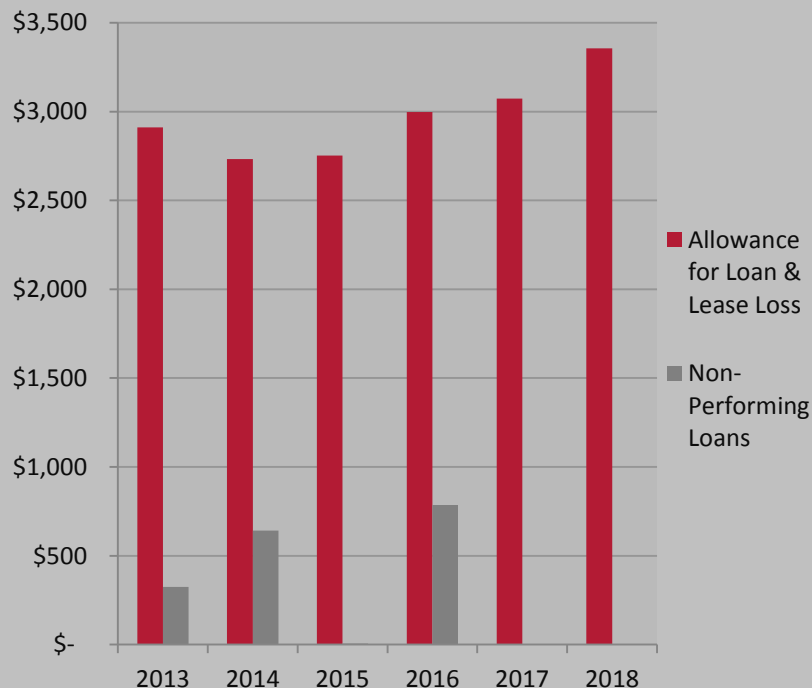




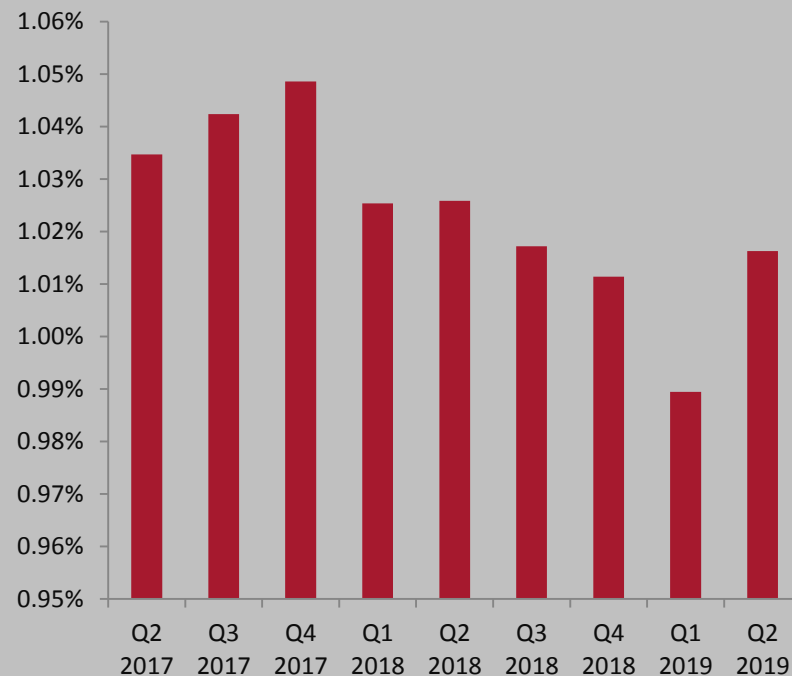
# Safe and Reliable Credit Quality

- Only one low income housing loan 30 days+ past due: total \$100.00
- No non-performing assets (NPAs)
- No other real estate owned (OREO) loans

## Allowance vs. Non-Performing (\$000's)



## Reserves / Loans

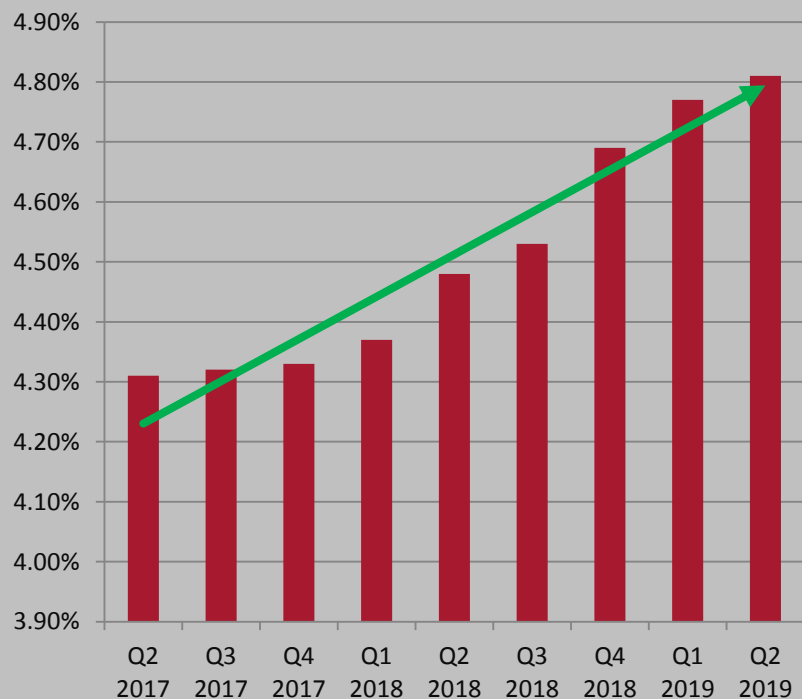




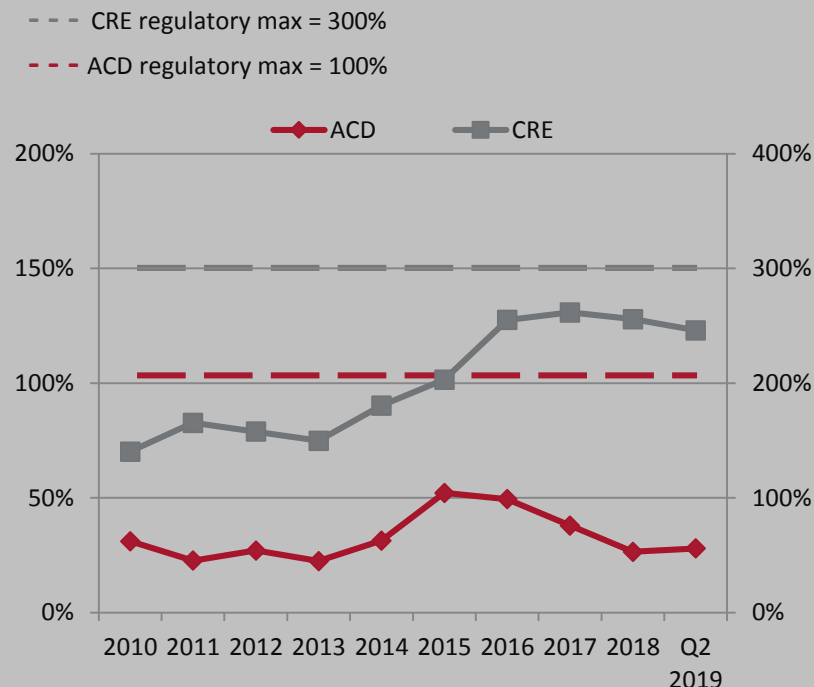
# Loans, cont.

- Our average loan yield continues to grow quarter over quarter
- Riskier loan classes remain well below regulatory limits: 1) commercial real estate (CRE) and 2) acquisition, construction & development (ACD)

### Average Loan Yield



### Commercial Real Estate

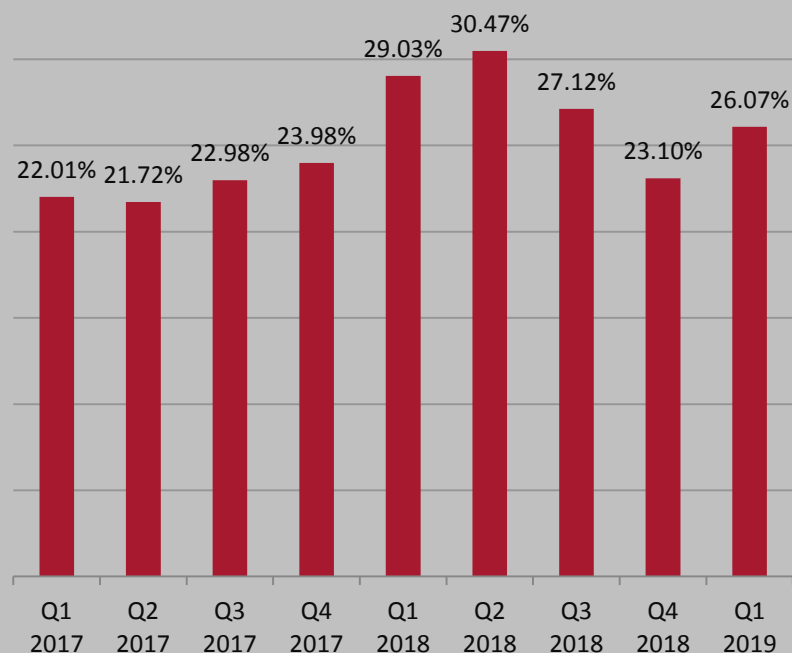




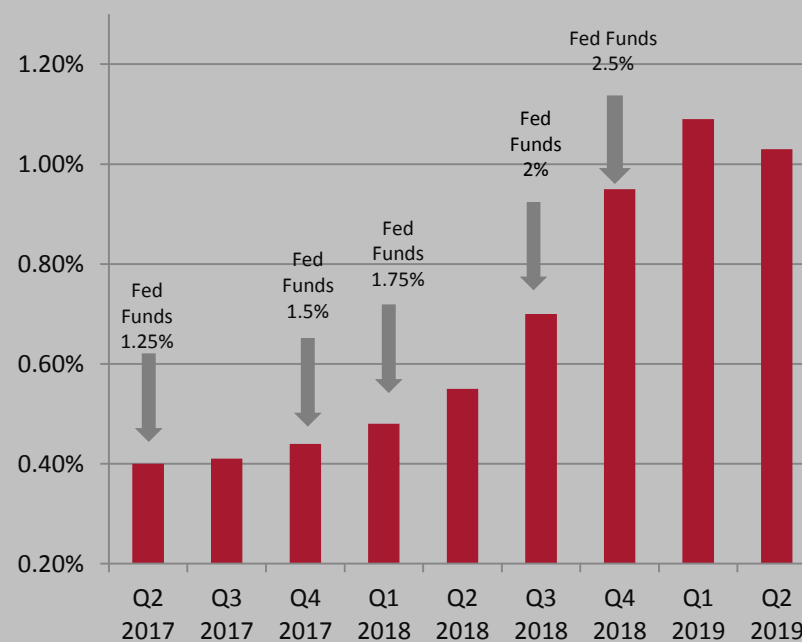
# Deposits Cost Stabilizes

- Non-interest-bearing accounts (NIBAs) are a key part of our funding and become more valuable as interest rates rise
- Deposit cost declined slightly compared to Q1; NIBA was a larger share of total deposits

### NIBA / Total Deposits



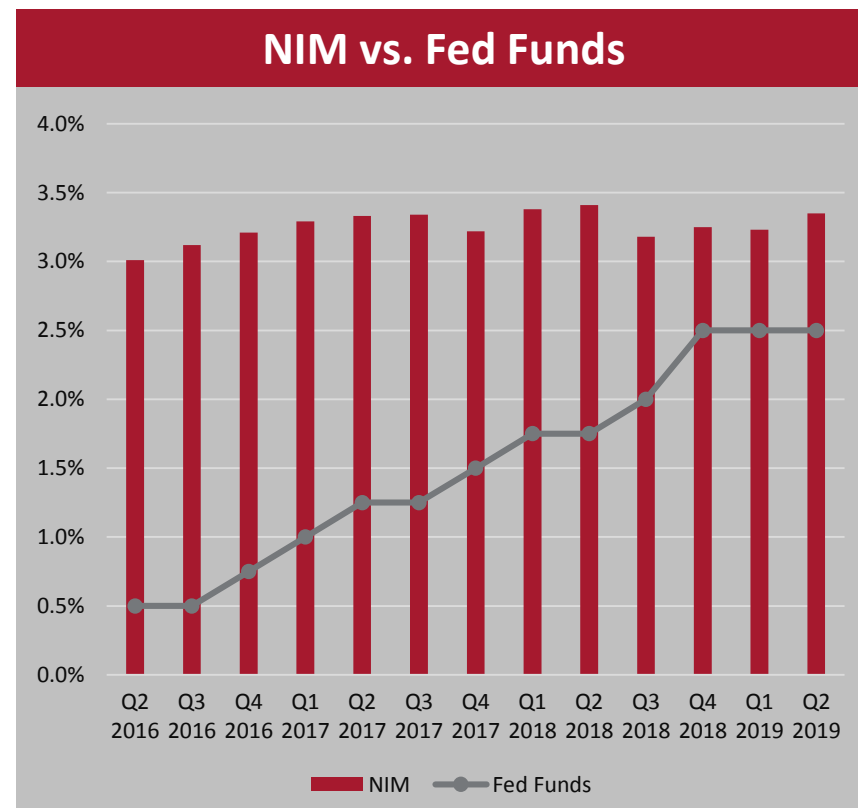
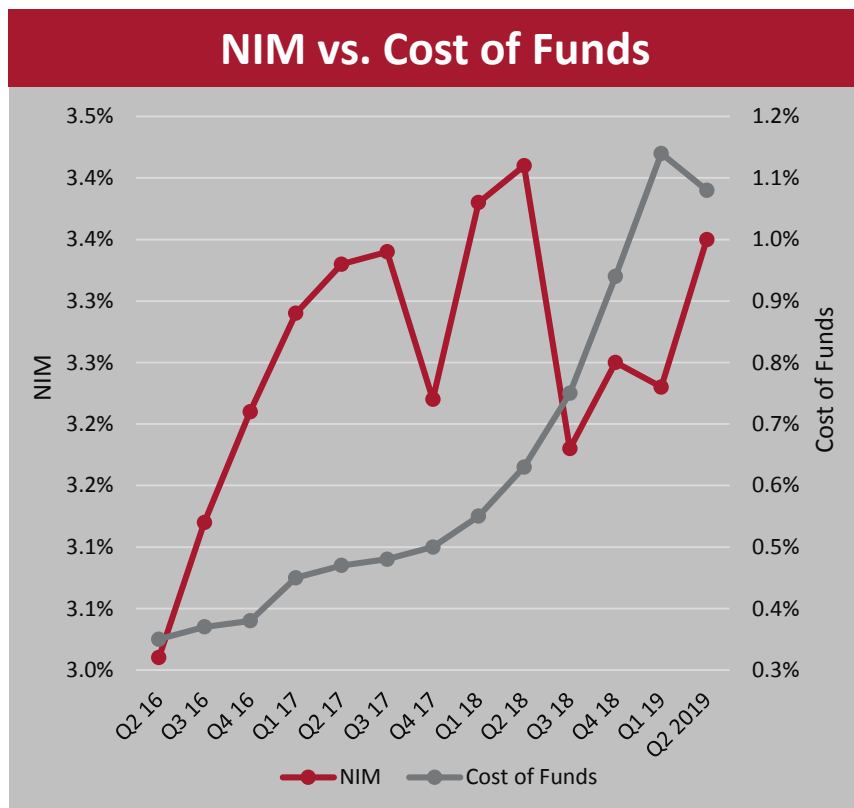
### Cost of Deposits After Effect of NIBA





# Net Interest Margin Stabilized in Q2

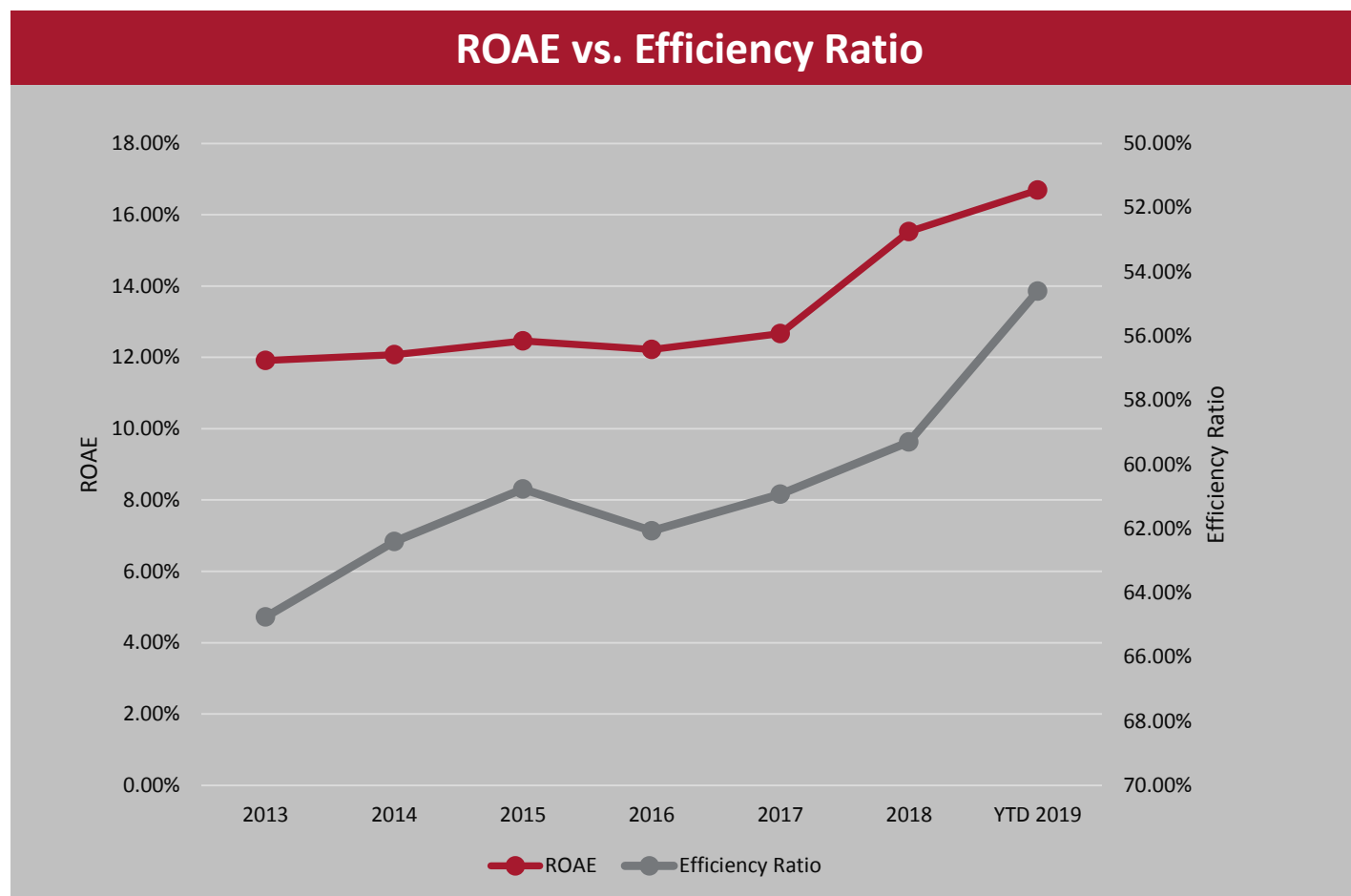
- Yield on Assets Rose and Cost of Funds fell vs. Q1 2019
- NIM is still below Q2 2018





# ROAE and Efficiency Ratio: Best Ever in Q2

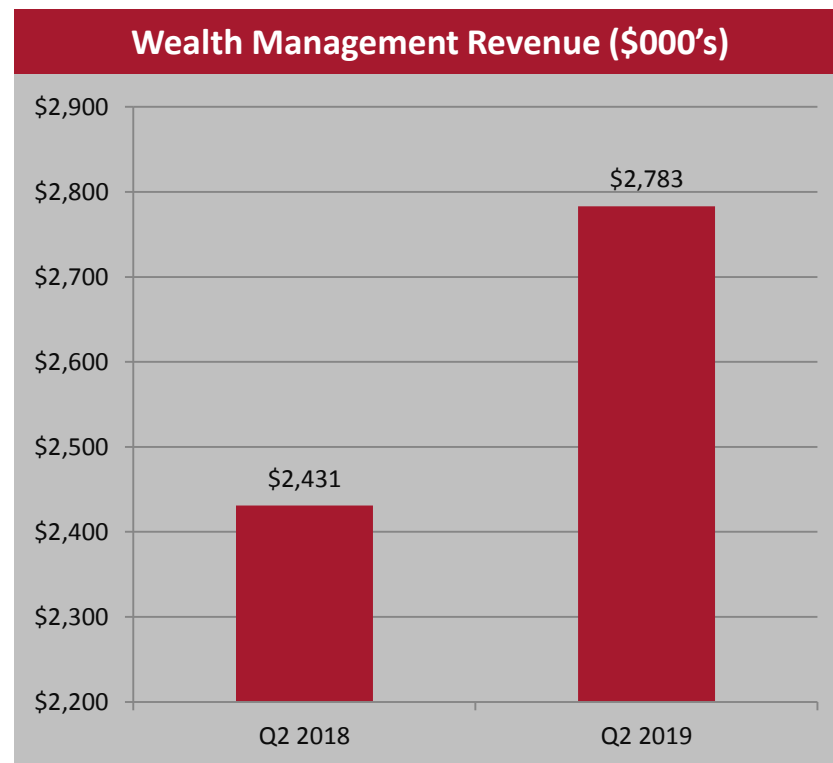
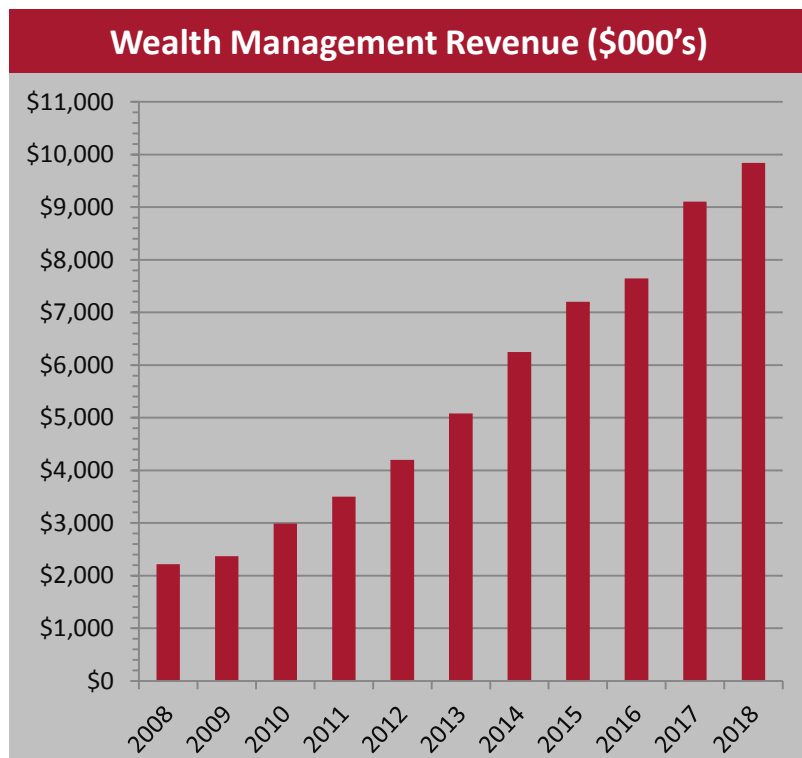
- Efficiency Ratio (please note inverted scale)





# Wealth Management Growth Continues

- Non-interest income constituted 46% of total revenue in 2019 YTD
- Wealth management services represents 87% of total non-interest income YTD 2019
- Wealth management revenue increased 14.5% in Q2 2019 compared to Q2 2018



# TRUX Financial Returns are Excellent



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## Q2 2019 compared to Q2 2018

- Efficiency ratio solidly under 60% again
- Net interest margin (NIM) decline vs Q2 2018 , but stabilizing along with rates
- Return on Average Assets (ROAA) up 20 bps from Q2 2018
- Return on Average Equity (ROAE) up 89 bps, exceeding 16% in Q2 2019
- Tier 1 Leverage Ratio for the Bank remains very conservative – making the returns more impressive

Capital Ratios	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Efficiency Ratio	59.72%	56.24%	56.73%	58.53%	54.60%
Net Interest Margin	3.41%	3.18%	3.25%	3.23%	3.35%
ROAA	1.85%	1.85%	1.70%	1.81%	2.05%
ROAE	15.80%	16.97%	15.29%	15.41%	16.69%
Tier 1 Leverage Ratio (Bank)	11.25%	10.55%	10.76%	11.14%	11.15%
Tangible Equity / Tangible Assets	11.68%	10.56%	11.61%	12.00%	12.70%



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