



# TRUXTON TRUST

A PRIVATE BANK

FOR IMMEDIATE RELEASE

## Truxton Corporation Reports Fourth Quarter 2019 Results

**NASHVILLE, TN, January 30, 2020** – Truxton Corporation (OTCPK: TRUX), the parent company for Truxton Trust Company (“Truxton” or “the Bank”) and subsidiaries, announced its operating results for the year and quarter ended December 31, 2019. Fourth quarter net income attributable to common shareholders was \$2.5 million or \$0.88 per diluted share compared to \$2.1 million or \$0.76 per diluted share for the same quarter in 2018. Net income rose by 17% and earnings per diluted share rose by 16% for the quarter when compared to the fourth quarter of 2018. For the twelve months ended December 31, 2019, net income increased by 19% to \$9.7 million from \$8.2 million in 2018. For the twelve months ended December 31, 2019, earnings per diluted share rose from \$2.95 to \$3.46, an increase of 17%.

“Truxton had a remarkable 2019,” said Truxton Trust Chairman and CEO Tom Stumb. “We achieved double-digit loan growth for the year and returned 15.8% on our average equity capital despite very conservative capital ratios. These profitability levels allowed us to declare \$2.00 per share in cash dividends in 2019 including the \$1.00 special dividend payable next week. Truxton’s dedicated staff continued to attract and meet the needs of new clients with complex financial needs.”

### Key Highlights

- Non-interest income grew to \$2.8 million in the fourth quarter of 2019, an increase of 7% from the same period of 2018. Wealth management services constituted 93% of non-interest income in the quarter ended December 31, 2019.
- Net loans rose by 10% to \$360 million compared to December 31, 2018, and were up 7% compared to September 30, 2019.
- Average deposits increased 7% compared to December 31, 2018. Truxton continues to fund its growth from a single banking location through superior deposit operations service and technology.
- Net interest margin for the fourth quarter of 2019 was 3.21%. That represents a decline of 5 basis points from the 3.26% experienced in the quarter ended September 30, 2019, and a decline of 4 basis points from the quarter ended December 31, 2018. Cost of funds decreased to 0.95% in the fourth quarter of 2019 from 0.98% for the quarter ended September 30, 2019, but rose from 0.94% for the quarter ended December 31, 2018.
- Asset quality remains sound at Truxton. Truxton had no non-performing assets at December 31, 2019. Truxton had no charge-offs in the quarter ended December 31, 2019, and none in the trailing quarter, nor in the same quarter a year ago.
- Allowance for loan losses was \$3.4 million, \$3.4 million, and \$3.4 million as of December 31, 2019, September 30, 2019, and December 31, 2018, respectively. At those same dates, the bank’s allowance was 0.94%, 1.01%, and 1.01%, respectively, of gross loans outstanding at period end.

- The Bank’s capital position remains strong. Tier 1 leverage ratio was 11.3% for December 31, 2019, 11.33% for September 30, 2019, and 10.76% for December 31, 2018. Book value per common share was \$22.84, \$23.28, and \$20.63 at December 31, 2019, September 30, 2019, and December 31, 2018, respectively. During the twelve months ended December 31, 2019, Truxton Corporation paid dividends of \$1.00 per common share and declared a \$1.00 per share special dividend to be paid on February 3, 2020. December 31, 2019 book value reflects the payment of the special dividend which is shown at year end as a “dividend payable” deducted from shareholder’s equity.

### **About Truxton Trust**

Truxton Trust Company is a provider of private banking, wealth management, trust, 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 Trust 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](http://truxtontrust.com).

### **Investor Relations**

Andrew May  
615-515-1707  
[andrew.may@truxtontrust.com](mailto:andrew.may@truxtontrust.com)

### **Media Relations**

Tamara Schoeplein  
615-515-1714  
[tamara.schoeplein@truxtontrust.com](mailto:tamara.schoeplein@truxtontrust.com)

###

**Truxton Corporation**  
**Consolidated Balance Sheets**  
(000's)  
(Unaudited)

	December 31, 2019*	September 30, 2019*	December 31, 2018
<b>ASSETS</b>			
Cash and due from financial institutions	\$ 8,868	\$ 9,038	\$ 7,139
Interest bearing deposits in other financial institutions	19,519	32,633	3,660
Federal funds sold	8,808	1,569	6
Cash and cash equivalents	37,195	43,240	10,805
Time deposits in other financial institutions	5,157	5,651	18,268
Securities available for sale	116,032	116,549	109,696
Gross loans	363,784	339,182	331,809
Allowance for loan losses	(3,409)	(3,411)	(3,356)
Net loans	360,375	335,771	328,453
Mortgage loans held for sale, net	350	300	-
Bank owned life insurance	9,973	9,918	9,755
Restricted equity securities	2,599	2,593	2,578
Premises and equipment, net	273	311	429
Accrued interest receivable	1,842	1,704	1,804
Deferred tax asset, net	520	348	1,022
Other assets	4,448	4,626	2,322
Total assets	<u>\$ 538,764</u>	<u>\$ 521,011</u>	<u>\$ 485,132</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits			
Non-interest bearing	\$ 119,999	\$ 125,985	\$ 93,464
Interest bearing	328,077	304,966	311,218
Total deposits	448,076	430,951	404,682
Federal Home Loan Bank advances	18,411	18,647	19,249
Federal funds purchased	-	-	1,282
Other liabilities	8,914	7,075	3,525
Total liabilities	475,401	456,673	428,738
<b>SHAREHOLDERS' EQUITY</b>			
Additional paid-in capital	29,770	29,366	28,527
Retained earnings	33,511	34,483	29,283
Accumulated other comprehensive income (loss)	82	489	(1,415)
Total shareholders' equity	63,363	64,338	56,395
Total liabilities and shareholders' equity	<u>\$ 538,764</u>	<u>\$ 521,011</u>	<u>\$ 485,133</u>

\*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 Ended	
	December 31, 2019*	September 30, 2019*	December 31, 2018	December 31, 2019*	December 31, 2018
<b>Non-interest income</b>					
Wealth management services	\$ 2,596	\$ 2,694	\$ 2,476	\$ 10,746	\$ 9,843
Service charges on deposit accounts	82	78	86	303	344
Securities gains (losses), net	0	149	(86)	131	(74)
Bank owned life insurance income	54	55	55	218	220
Other	57	40	74	271	220
Total non-interest income	<u>2,789</u>	<u>3,016</u>	<u>2,605</u>	<u>11,669</u>	<u>10,553</u>
<b>Interest income</b>					
Loans, including fees	\$ 4,062	\$ 4,007	\$ 3,819	\$ 16,083	\$ 13,828
Taxable securities	584	506	494	2,060	1,672
Tax-exempt securities	196	208	232	887	982
Interest bearing deposits	125	302	231	744	656
Federal funds sold	8	14	16	34	54
Other interest income	45	25	51	153	156
Total interest income	<u>5,020</u>	<u>5,062</u>	<u>4,843</u>	<u>19,961</u>	<u>17,348</u>
<b>Interest expense</b>					
Deposits	984	1,013	940	4,120	2,596
Short-term borrowings	1	-	2	17	11
Long-term borrowings	90	90	87	412	374
Total interest expense	<u>1,075</u>	<u>1,103</u>	<u>1,029</u>	<u>4,549</u>	<u>2,981</u>
Net interest income	3,945	3,959	3,814	15,412	14,367
Provision for loan losses	<u>0</u>	<u>0</u>	<u>226</u>	<u>55</u>	<u>283</u>
Net interest income after provision for loan losses	<u>3,945</u>	<u>3,959</u>	<u>3,588</u>	<u>15,357</u>	<u>14,084</u>
<b>Total Revenue, net</b>	<u>6,734</u>	<u>6,975</u>	<u>6,193</u>	<u>27,026</u>	<u>24,637</u>
<b>Non interest expense</b>					
Salaries and employee benefits	2,671	2,661	2,683	10,699	10,339
Occupancy	200	200	202	808	764
Furniture and equipment	27	27	28	108	157
Data processing	342	290	295	1,209	1,135
Wealth management processing fees	126	114	92	462	442
Advertising and public relations	121	20	43	198	111
Professional services	211	125	142	596	602
FDIC insurance assessments	(73)	35	19	32	124
Other	195	279	207	879	942
Total non interest expense	<u>3,820</u>	<u>3,751</u>	<u>3,711</u>	<u>14,991</u>	<u>14,616</u>
<b>Income before income taxes</b>	2,914	3,224	2,482	12,035	10,021
Income tax expense	<u>441</u>	<u>661</u>	<u>373</u>	<u>2,293</u>	<u>1,827</u>
<b>Net income</b>	<u>\$ 2,473</u>	<u>\$ 2,563</u>	<u>\$ 2,109</u>	<u>\$ 9,742</u>	<u>\$ 8,194</u>
<b>Earnings per share:</b>					
Basic	\$0.89	\$0.93	\$ 0.78	\$3.53	\$ 3.02
Diluted	\$0.88	\$0.91	\$ 0.76	\$3.46	\$ 2.95

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

**Truxton Corporation**  
**Selected Quarterly Financial Data**  
**at or for the Three Months Ended**  
**(000's)**  
**(Unaudited)**

	December 31, 2019*	September 30, 2019*	December 31, 2018
<b>Per Common Share Data</b>			
Net income attributable to shareholders, per share			
Basic	\$0.89	\$0.93	\$0.78
Diluted	\$0.88	\$0.91	\$0.76
Book value per common share	\$22.84	\$23.28	\$20.63
Tangible book value per common share	\$22.84	\$23.28	\$20.63
Basic weighted average common shares	2,699,777	2,690,981	2,644,318
Diluted weighted average common shares	2,754,101	2,746,171	2,703,971
Common shares outstanding at period end, including participating shares	2,774,655	2,763,407	2,728,975
<b>Selected Balance Sheet Data</b>			
Tangible common equity (TEC) ratio	11.76%	12.35%	11.62%
Average loans	\$348,635	\$333,950	\$323,421
Average earning assets (1)	\$492,829	\$490,536	\$475,145
Average total assets	\$518,902	\$516,252	\$492,767
Average stockholders' equity	\$65,457	\$63,455	\$54,756
<b>Selected Asset Quality Measures</b>			
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)	1	(2)	(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 loan losses to total loans	0.94%	1.01%	1.01%
Allowance for loan losses to nonperforming loans	NA	NA	NA
Net charge offs (recoveries) to average loans	0.00%	0.00%	0.00%
<b>Capital Ratios (Bank Subsidiary Only)</b>			
Tier 1 leverage	11.30%	11.33%	10.76%
Common equity tier 1	13.70%	14.93%	14.20%
Total risk-based capital	14.51%	15.81%	15.07%
<b>Selected Performance Ratios</b>			
Efficiency ratio	55.67%	57.97%	56.73%
Return on average assets (ROA)	1.89%	1.97%	1.70%
Return on average stockholders' equity (ROE)	15.77%	16.02%	15.53%
Return on tangible common equity (ROTCE)	15.77%	16.02%	15.53%
Net interest margin	3.21%	3.26%	3.25%

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

(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, investment securities and restricted equity 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 December 31, 2019*			Three Months Ended September 30, 2019*			Three Months Ended December 31, 2018		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
<b>Earning assets</b>									
Loans	\$348,635	4.60	\$4,044	\$333,950	4.76	\$4,007	\$323,421	4.69	\$3,811
Loan fees	\$0	0.03	\$24	\$0	0.02	\$15	\$0	0.01	\$10
Loans with fees	\$348,635	4.63	\$4,068	\$333,950	4.78	\$4,022	\$323,421	4.70	\$3,821
Mortgage loans held for sale	\$13	3.55	\$0	\$70	5.30	\$1	\$19	3.84	\$0
Federal funds sold	\$1,944	1.66	\$8	\$2,423	2.26	\$14	\$2,464	2.46	\$15
Deposits with banks	\$25,747	1.93	\$125	\$48,513	2.47	\$302	\$38,160	2.41	\$231
Investment securities - taxable	\$89,614	2.61	\$584	\$76,620	2.64	\$506	\$77,923	2.54	\$494
Investment securities - tax-exempt	\$26,876	3.93	\$196	\$28,961	3.88	\$208	\$33,158	4.18	\$232
<b>Total earning assets</b>	<b>\$492,829</b>	<b>4.07</b>	<b>\$4,981</b>	<b>\$490,537</b>	<b>4.15</b>	<b>\$5,053</b>	<b>\$475,145</b>	<b>4.11</b>	<b>\$4,793</b>
<b>Non interest earning assets</b>									
Allowance for loan losses	(3,411)			(3,411)			(3,261)		
Cash and due from banks	\$8,263			\$7,799			\$6,664		
Premises and equipment	\$1,623			\$1,727			\$325		
Accrued interest receivable	\$1,600			\$1,569			\$1,459		
Other real estate	\$0			\$0			\$0		
Other assets	\$16,343			\$16,152			\$15,331		
Unrealized gain (loss) on inv. securities	1,656			1,879			(2,897)		
<b>Total assets</b>	<b>\$518,903</b>			<b>\$516,252</b>			<b>\$492,766</b>		
<b>Interest bearing liabilities</b>									
Interest bearing demand	\$28,241	0.41	\$29	\$27,779	0.71	\$50	\$25,337	0.44	\$28
Savings and money market	\$349,734	0.84	\$737	\$348,146	1.04	\$916	\$348,923	0.99	\$868
Time deposits - retail	\$14,023	1.83	\$65	\$11,930	1.54	\$46	\$15,268	1.06	\$41
Time deposits - wholesale	\$8,695	6.99	\$153	\$10,585	0.05	\$1	\$1,243	1.16	\$4
Total interest bearing deposits	\$400,693	0.97	\$984	\$398,440	1.01	\$1,013	\$390,771	0.95	\$941
Federal Home Loan Bank advances	\$18,490	1.89	\$90	\$18,711	1.89	\$90	\$19,345	1.75	\$87
Other borrowings	\$1,417	0.21	\$1	\$1,463	0.03	\$0	\$307	2.64	\$2
Total borrowed funds	\$19,907	1.77	\$91	\$20,174	1.75	\$90	\$19,652	1.77	\$89
<b>Total interest bearing liabilities</b>	<b>\$420,600</b>	<b>1.01</b>	<b>\$1,074</b>	<b>\$418,614</b>	<b>1.04</b>	<b>\$1,103</b>	<b>\$410,423</b>	<b>0.99</b>	<b>\$1,029</b>
<b>Net interest rate spread</b>		<b>3.06</b>	<b>\$3,907</b>		<b>3.11</b>	<b>\$3,950</b>		<b>3.12</b>	<b>\$3,765</b>
Non-interest bearing deposits	\$27,422			\$29,269			\$24,842		
Other liabilities	\$5,423			\$4,816			\$2,746		
Stockholder's equity	\$65,457			\$63,455			\$54,756		
<b>Total liabilities and stockholder's equity</b>	<b>\$518,902</b>			<b>\$516,154</b>			<b>\$492,767</b>		
Cost of funds		<b>0.95</b>			<b>0.98</b>			<b>0.94</b>	
<b>Net interest margin</b>		<b>3.21</b>			<b>3.26</b>			<b>3.25</b>	

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

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:

	Twelve Months Ended December 31, 2019*			Twelve Months Ended December 31, 2018		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
<b>Earning assets</b>						
Loans	\$338,675	4.74	\$16,038	\$306,900	4.52	\$13,841
Loan fees	\$0	0.03	\$87	\$0	0.00	\$15
Loans with fees	\$338,675	4.76	\$16,125	\$306,900	4.53	\$13,856
Mortgage loans held for sale	\$55	3.29	\$2	\$27	4.48	\$1
Federal funds sold	\$1,570	2.16	\$34	\$2,510	2.10	\$53
Deposits with banks	\$30,857	2.41	\$744	\$30,364	2.16	\$656
Investment securities - taxable	\$79,071	2.61	\$2,060	\$71,720	2.33	\$1,672
Investment securities - tax-exempt	\$30,856	3.89	\$887	\$35,664	4.11	\$982
<b>Total earning assets</b>	<b>\$481,084</b>	<b>4.19</b>	<b>\$19,852</b>	<b>\$447,185</b>	<b>3.97</b>	<b>\$17,220</b>
<b>Non interest earning assets</b>						
Allowance for loan losses	(3,393)			(3,151)		
Cash and due from banks	\$7,290			\$6,408		
Premises and equipment	\$1,537			\$386		
Accrued interest receivable	\$1,597			\$1,334		
Other real estate	\$0			\$0		
Other assets	\$16,111			\$14,821		
Unrealized gain (loss) on inv. securities	607			(1,873)		
<b>Total assets</b>	<b>\$504,833</b>			<b>\$465,110</b>		
<b>Interest bearing liabilities</b>						
Interest bearing demand	\$27,131	0.69	\$187	\$26,550	0.43	\$113
Savings and money market	\$342,244	1.05	\$3,584	\$321,274	0.73	\$2,351
Time deposits - retail	\$12,203	1.49	\$181	\$13,167	0.83	\$109
Time deposits - wholesale	\$7,131	2.35	\$167	\$1,718	1.32	\$23
Total interest bearing deposits	\$388,709	1.06	\$4,119	\$362,709	0.72	\$2,596
Federal Home Loan Bank advances	\$20,957	1.94	\$412	\$21,153	1.75	\$374
Other borrowings	\$1,817	0.93	\$17	\$481	2.22	\$11
Total borrowed funds	\$22,774	1.86	\$429	\$21,634	1.76	\$385
<b>Total interest bearing liabilities</b>	<b>\$411,483</b>	<b>1.10</b>	<b>\$4,548</b>	<b>\$384,343</b>	<b>0.77</b>	<b>\$2,981</b>
<b>Net interest rate spread</b>		<b>3.09</b>	<b>\$15,304</b>		<b>3.19</b>	<b>\$14,239</b>
Non-interest bearing deposits	\$27,400			\$25,963		
Other liabilities	\$4,141			\$2,030		
Stockholder's equity	\$61,783			\$52,759		
<b>Total liabilities and stockholder's equity</b>	<b>\$504,807</b>			<b>\$465,095</b>		
Cost of funds		1.04			0.73	
<b>Net interest margin</b>		<b>3.25</b>			<b>3.30</b>	

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

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.