



FOR IMMEDIATE RELEASE

Truxton Corporation Reports Fourth Quarter 2018 Results

NASHVILLE, TN, January 31, 2019 – Truxton Corporation (OTCPK: TRUX), a financial holding company and the parent of Truxton Trust Company (the “Bank”), reported consolidated net income of \$2,109,000 for the fourth quarter of 2018, a 45 percent increase compared with \$1,453,000 for the fourth quarter of 2017. Earnings per fully diluted share for the quarter ended December 31, 2018, totaled \$0.76 versus \$0.54 for the same period in 2017.

For the twelve months ended December 31, 2018, the company reported net income of \$8,194,000 compared to \$6,178,000 for the comparable 2017 period, an increase of 32.6 percent. Earnings per fully diluted share for the twelve months ended December 31, 2018, totaled \$2.95 versus \$2.28 in 2017.

A year ago, the company reported adjusted earnings, adding back the negative effects of a downward revision in its deferred tax asset and the losses taken on certain bond sale transactions. Both adjustments were a response to the reduction in Federal Income Tax Rates contained in the Tax Cuts and Jobs Act of 2017.

Compared to the adjusted 2017 earnings per share of \$0.64 and \$2.39 for the fourth quarter and full year, respectively, adjusted earnings per share for 2018 rose 19 percent for the quarter and 23 percent for the full year.

At December 31, 2018, the company reported total assets of \$485 million, a 10.8 percent increase from December 31, 2017. Over the same period, total loans increased 13.2 percent to \$331.8 million, while deposits grew 11.5 percent to \$404.7 million. At December 31, 2018, the Bank’s Tier 1 leverage ratio was 10.71 percent.

Non-interest income for the fourth quarter of 2018 was \$2,605,000 compared to \$2,355,000 for the same period in 2017, an increase of 10.6 percent.

Tangible Book Value per share at December 31, 2018, was \$20.63 compared to \$18.92 at the same time a year ago.

“Loan growth in 2018 was excellent. Our private banking team and our clients worked together to meet many unique personal and commercial lending needs. Our treasury management team attracted the deposit relationships that allowed us to fund these loans at moderate cost in a rising rate environment,” said CEO Tom Stumb. He continued, “Wealth management grew revenues at a double-digit pace despite challenging market volatility that intensified in the fourth quarter.”

About Truxton Trust

[Truxton Trust](#) is a full-service private bank and trust company founded in 2004. Since its inception, Truxton Trust has been focused on a singular guiding principle: do the right thing. Truxton Trust delivers the highest level of personal service through its vastly experienced and credentialed team of professionals who provide comprehensive and customized financial solutions to individuals, their families and their business interests.

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

	December 2018*	December 2017
ASSETS		
Cash and due from financial institutions	\$ 7,139	\$ 6,425
Interest bearing deposits in other financial institutions	3,660	3,750
Federal funds sold	6	6
Cash and cash equivalents	10,805	10,181
Time deposits in other financial institutions	18,268	11,544
Securities available for sale	109,696	109,295
Gross loans	331,809	293,117
Allowance for loan losses	(3,356)	(3,074)
Net loans	328,453	290,043
Bank owned life insurance	9,755	9,535
Restricted equity securities	2,578	2,556
Premises and equipment, net	429	731
Accrued interest receivable	1,804	1,444
Other real estate owned	-	-
Deferred tax asset, net	1,022	363
Other assets	2,323	1,990
Total assets	<u>\$ 485,133</u>	<u>\$ 437,682</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 93,464	\$ 87,049
Interest bearing	311,218	275,906
Total deposits	404,682	362,955
Federal Home Loan Bank advances	19,249	20,198
Federal Funds purchased	1,282	1,071
Other liabilities	3,525	2,681
Total liabilities	428,738	386,905
SHAREHOLDERS' EQUITY		
Additional paid-in capital	28,527	27,253
Retained earnings	29,283	23,569
Accumulated other comprehensive income (loss)	(1,415)	(45)
Total shareholders' equity	<u>56,395</u>	<u>50,777</u>
Total liabilities and shareholders' equity	<u>\$ 485,133</u>	<u>\$ 437,682</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		Twelve Months Ended	
	December 2018 *	December 2017	December 2018 *	December 2017
Non-interest income				
Wealth management services	\$ 2,476	\$ 2,406	\$ 9,843	\$ 9,108
Service charges on deposit accounts	86	87	344	341
Securities gains (losses), net	(86)	(210)	(74)	(189)
Bank owned life insurance income	55	56	220	231
Other	74	16	220	100
Total non-interest income	<u>2,605</u>	<u>2,355</u>	<u>10,553</u>	<u>9,591</u>
Interest income				
Loans, including fees	\$ 3,819	\$ 3,138	\$ 13,828	\$ 12,531
Taxable securities	494	294	1,672	1,140
Tax-exempt securities	232	250	982	795
Interest bearing deposits	231	131	656	313
Federal funds sold	16	11	54	22
Other Interest Income	51	48	156	139
Total interest income	<u>4,843</u>	<u>3,872</u>	<u>17,348</u>	<u>14,940</u>
Interest expense				
Deposits	940	411	2,596	1,451
Short-term borrowings	2	-	11	3
Long-term borrowings	87	85	374	332
Total interest expense	<u>1,029</u>	<u>496</u>	<u>2,981</u>	<u>1,786</u>
Net interest income	3,814	3,376	14,367	13,154
Provision for loan losses				
Net interest income after provision for loan losses	<u>226</u>	<u>0</u>	<u>283</u>	<u>75</u>
Net interest income after provision for loan losses	3,588	3,376	14,084	13,079
Total revenue, net	<u>6,193</u>	<u>5,731</u>	<u>24,637</u>	<u>22,670</u>
Non-interest expense				
Salaries and employee benefits	2,683	2,607	10,339	9,557
Occupancy	202	180	764	718
Furniture and equipment	28	61	157	217
Data processing	295	328	1,135	1,218
Wealth management processing fees	92	99	442	475
Advertising and public relations	43	54	111	172
Professional services	142	55	602	617
FDIC insurance assessments	19	35	124	140
Other	207	194	942	801
Total non-interest expense	<u>3,711</u>	<u>3,613</u>	<u>14,616</u>	<u>13,915</u>
Income before income taxes	2,482	2,118	10,021	8,755
Income tax expense				
Income tax expense	<u>373</u>	<u>665</u>	<u>1,827</u>	<u>2,577</u>
Net income	<u>\$ 2,109</u>	<u>\$ 1,453</u>	<u>\$ 8,194</u>	<u>\$ 6,178</u>
Earnings per share:				
Basic	\$ 0.78	\$ 0.55	\$ 3.02	\$ 2.32
Basic: Excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	\$ 0.78	\$ 0.65	\$ 3.02	\$ 2.42
Diluted	\$ 0.76	\$ 0.54	\$ 2.95	\$ 2.28
Diluted: Excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	\$ 0.76	\$ 0.64	\$ 2.95	\$ 2.39

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

Truxton Corporation
Operating Statistics
(000's)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 2018*	December 2017	December 2018*	December 2017
Performance Ratios				
Efficiency Ratio	56.73%	61.46%	59.30%	60.93%
Net Interest Margin	3.25%	3.22%	3.30%	3.31%
Capital Ratios				
Return on Average Assets	1.70%	1.31%	1.76%	1.46%
ROAA excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	1.70%	1.55%	1.76%	1.52%
Return on Average Equity	15.29%	11.51%	15.53%	12.67%
ROAE excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	15.29%	13.67%	15.53%	13.23%
Tier 1 Leverage Ratio (Bank)			10.71%	10.54%
Asset Quality Data				
Net Loan Charge-Offs	\$	-	\$	-
Non-Performing Loans	\$	-	\$	-

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