



TRUXTON TRUST
A PRIVATE BANK

FOR IMMEDIATE RELEASE

Truxton Corporation Reports Fourth Quarter 2017 Results

NASHVILLE, TN, January 25, 2018— Truxton Corporation (OTCPK: TRUX), a financial holding company and the parent of Truxton Trust Company (the “Bank”), reported consolidated net income of \$1,453,000 for the fourth quarter of 2017, a 13.6 percent decrease compared with \$1,682,000 for the fourth quarter of 2016. Earnings per fully diluted share for the quarter ended December 31, 2017, totaled \$0.54 versus \$0.62 for the same period in 2016.

For the twelve months ended December 31, 2017, the company reported net income of \$6,178,000 compared to \$5,505,000 for the comparable 2016 period, an increase of 12.2 percent. Earnings per fully diluted share for the twelve months ended December 31, 2017, totaled \$2.28 versus \$2.06 for the same period in 2016.

As seen industry wide, there were two items negatively impacting the firm’s most recent quarter and annual results for 2017:

- Strategic, pre-tax investment securities losses of \$210,000 for the three months and \$189,000 for twelve months ended December 31, 2017
- Resulting from the new corporate tax rate, after-tax charges related to the revaluation of the company’s deferred tax assets of \$164,000 for the three months and twelve months ended December 31, 2017

Excluding these two items, earnings per fully diluted share were \$0.64 and \$2.39 for the three months and twelve months ended December 31, 2017, respectively.

At December 31, 2017, the company reported total assets of \$437.7 million, a 7.5 percent increase from December 31, 2016. Over the same period, total loans increased 1.7 percent to \$293.1 million, while deposits increased 7.1 percent at \$363.0 million. At December 31, 2017, the Bank’s estimated Tier 1 leverage ratio was 10.54 percent.

Non-interest income for 2017 was \$9,730,000 compared to \$8,508,000 for 2016, an increase of 14.4 percent.

Tangible Book Value per share at December 31, 2017, was \$18.92 compared to \$17.41 at the same time a year ago, an 8.7 percent increase after paying \$0.80 per share in dividends in the trailing twelve months.

“We had an excellent year in 2017, increasing fully diluted, adjusted EPS by 17 percent. Truxton Trust benefits from long-term relationships with our clients who value our remarkable professionals’ advice and guidance.

We believe the tax law passed at year end 2017 will be very positive for Truxton Trust and our shareholders,” said Tom Stumb, Chairman and Chief Executive Officer.

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 Sheet
(000's)
(Unaudited)

	December 2017*	December 2016
ASSETS		
Cash and due from financial institutions	\$ 6,425	\$ 6,547
Interest bearing deposits in other financial institutions	3,750	3,467
Federal funds sold	6	294
Cash and cash equivalents	10,181	10,308
Time deposits in other financial institutions	11,544	16,628
Securities available for sale	109,295	78,988
Gross loans	293,117	288,096
Allowance for loan losses	(3,074)	(2,998)
Net loans	290,043	285,098
Bank owned life insurance	9,535	9,304
Restricted equity securities	2,556	2,543
Premises and equipment, net	731	817
Accrued interest receivable	1,444	1,261
Other real estate owned	-	-
Deferred tax asset, net	363	830
Other assets	1,991	1,448
Total assets	\$ 437,683	\$ 407,225
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 87,049	\$ 76,035
Interest bearing	275,906	262,896
Total deposits	362,955	338,931
Federal Home Loan Bank advances	20,198	20,522
Federal Funds purchased	1,071	-
Other liabilities	2,681	1,644
Total liabilities	386,905	361,097
SHAREHOLDERS' EQUITY		
Common Stock & Additional paid-in capital	27,253	26,734
Retained earnings	23,570	19,519
Accumulated other comprehensive income (loss)	(45)	(125)
Total shareholders' equity	50,778	46,128
Total liabilities and shareholders' equity	\$ 437,683	\$ 407,225

*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 2017*	December 2016	December 2017*	December 2016
Non-interest income				
Wealth management services	\$ 2,406	\$ 1,972	\$ 9,108	\$ 7,646
Service charges on deposit accounts	87	88	341	325
Bank owned life insurance income	56	61	231	244
Other	(146)	91	50	293
Total non-interest income	<u>2,403</u>	<u>2,212</u>	<u>9,730</u>	<u>8,508</u>
Interest income				
Loans, including fees	\$ 3,138	\$ 2,921	\$ 12,531	\$ 11,310
Taxable securities	294	224	1,140	954
Tax-exempt securities	250	177	795	745
Interest bearing deposits	131	73	313	287
Federal funds sold	11	4	22	21
Total interest income	<u>3,824</u>	<u>3,399</u>	<u>14,801</u>	<u>13,317</u>
Interest expense				
Deposits	411	285	1,451	1,046
Short-term borrowings	-	62	332	266
Long-term borrowings	85	0	3	12
Total interest expense	<u>496</u>	<u>347</u>	<u>1,786</u>	<u>1,324</u>
Net interest income	3,328	3,052	13,015	11,993
Provision for loan losses	0	7	75	248
Net interest income after provision for loan losses	<u>3,328</u>	<u>3,045</u>	<u>12,940</u>	<u>11,745</u>
Total revenue, net	5,731	5,257	22,670	20,253
Non-interest expense				
Salaries and employee benefits	2,607	2,007	9,557	8,192
Occupancy	180	159	718	664
Furniture and equipment	61	42	217	171
Data processing	328	375	1,218	1,158
Wealth management processing fees	99	178	475	523
Advertising and public relations	54	23	172	166
Professional services	55	126	617	663
FDIC insurance assessments	35	9	140	171
Other	194	93	801	876
Total non-interest expense	<u>3,613</u>	<u>3,012</u>	<u>13,915</u>	<u>12,584</u>
Income before income taxes	2,118	2,245	8,755	7,669
Income tax expense	<u>665</u>	<u>563</u>	<u>2,577</u>	<u>2,164</u>
Net income	<u>\$ 1,453</u>	<u>\$ 1,682</u>	<u>\$ 6,178</u>	<u>\$ 5,505</u>
Earnings per share:				
Basic	\$ 0.55	\$ 0.63	\$ 2.32	\$ 2.09
Basic: Excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	\$ 0.65	\$ 0.63	\$ 2.42	\$ 2.07
Diluted	\$ 0.54	\$ 0.62	\$ 2.28	\$ 2.06
Diluted: Excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	\$ 0.64	\$ 0.62	\$ 2.39	\$ 2.04

*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 2017	December 2016	December 2017	December 2016
Performance Ratios				
Efficiency Ratio	61.46%	58.99%	60.93%	62.07%
Net Interest Margin	3.22%	3.21%	3.31%	3.15%
Capital Ratios				
Return on Average Assets	1.31%	1.63%	1.46%	1.33%
ROAA excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	1.55%	1.63%	1.52%	1.31%
Return on Average Equity	11.51%	14.36%	12.67%	12.22%
ROAE excluding gains and losses on sales of investment securities and revaluation of deferred tax assets	13.67%	14.36%	13.23%	12.09%
Tier 1 Leverage Ratio (Bank)			10.54%	10.50%
Asset Quality Data				
Net Loan Charge-Offs	\$ -	\$ -	\$ -	\$ 4
Non-Performing Loans	\$ -	\$ 786	\$ -	\$ 786

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