



FOR IMMEDIATE RELEASE

Truxton Corporation Reports Fourth Quarter 2020 Results

NASHVILLE, TN, January 28, 2021 – Truxton Corporation (OTCPK: TRUX), the parent company for Truxton Trust Company (“Truxton” or “the Bank”) and subsidiaries, announced its operating results for the quarter ended December 31, 2020. Fourth quarter net income attributable to common shareholders was \$3.5 million or \$1.23 per diluted share compared to \$2.5 million or \$0.88 per diluted share for the same quarter in 2019. Net income increased by 43.2% and earnings per diluted share increased by 39.7% for the quarter compared to the fourth quarter of 2019. For the twelve months ended December 31, 2020, net income increased by 14.4% to \$11.1 million from \$9.7 million in the comparable period in 2019. For the twelve months ended December 31, 2020, earnings per diluted share rose to \$3.90 from \$3.46, an increase of 12.7% from the comparable period in 2019.

During the fourth quarter, Truxton received notice from the Small Business Administration (SBA) that 134 loans totaling \$22.2 million had been forgiven under the terms of the Paycheck Protection Program (PPP). Truxton recognized as income in the quarter the unamortized fees associated with these loans. In the quarter ended December 31, 2020, Truxton recognized \$670 thousand of income from PPP fees. As of December 31, 2020, Truxton had \$24.5 million in PPP loans outstanding with \$429 thousand in unamortized fees. In addition, Truxton made loans in the quarter which qualify for tax credits under the Community Investment Tax Credit (CITC) program of the State of Tennessee. These credits reduced Truxton’s state tax provision by \$325 thousand in the final quarter of 2020.

Chairman and CEO Tom Stumb remarked, “Truxton appreciates the patience and loyalty of our clients and the courage and dedication of our remarkable team of employees during a trying year. We were able to deliver a 16.1% return on our average equity capital (ROAE) for the full year, the highest in our history because Truxton performed superbly for clients throughout the year. Whether it was working nights and weekends to master the intricacies of the PPP loan program, or assisting families in managing wealth during a period of economic and political uncertainty, the Truxton team enhanced business and personal relationships with wonderful families and the businesses they own.”

Key Highlights

- Wealth management revenue rose 19.5% in the fourth quarter of 2020 compared to the fourth quarter of 2019. Wealth management services constituted 95% of non-interest income in the fourth quarter ended December 31, 2020.
- Loans rose by 15.4% to \$420 million compared to December 31, 2019 and were up 1.3% compared to September 30, 2020.
- We ended the fourth quarter with \$24.5 million in loans outstanding pursuant to the Paycheck Protection Program (PPP) provisions of the CARES Act. These loans assisted our small business clients in covering payrolls and other essential costs during the pandemic period.
- Total deposits grew to \$624 million or 39.3% since December 31, 2019, inclusive of deposits added as a result of funding PPP loans and new business growth. Truxton continues to fund its growth

from a single banking location through superior deposit operations service and technology. As a result, occupancy expenditures and fixed asset investments are significantly less than many of our peers.

- Net interest margin for the fourth quarter of 2020 was 2.95%. That represents an increase of 11 basis points from the 2.84% experienced in the quarter ended September 30, 2020, and a decline of 26 basis points from the quarter ended December 31, 2019. Cost of funds increased to 0.47% in the fourth quarter of 2020 from 0.35% for the quarter ended September 30, 2020 but declined from 0.95% for the quarter ended December 31, 2019. Net interest margin was negatively impacted by the PPP loans, which carry a 1% interest rate.
- Asset quality remains sound at Truxton. Truxton had \$2.0 million in non-performing assets at December 31, 2020, up from \$0 at December 31, 2019. A single residential mortgage comprises over 95% of our non-performing loans.
- Provision for loan losses was \$228 thousand for the quarter ended December 31, 2020, an increase from no provision in the same quarter in 2019 and down from \$262 thousand in the quarter ended September 30, 2020. Allowance for loan losses was \$4.5 million, \$4.3 million, and \$3.4 million as of December 31, 2020, September 30, 2020, and December 31, 2019, respectively. For the three periods, the bank's allowance was 1.07%, 1.03%, and 0.94%, of gross loans outstanding at period end, respectively. There is no allowance associated with the \$24.5 million of PPP loans outstanding at December 31, 2020.
- The Bank's capital position remains strong. Tier 1 leverage ratio was 9.38% at December 31, 2020, 9.43% at September 30, 2020, and 11.30% at December 31, 2019. The reduction in Tier 1 leverage ratio for the year was principally the result of the significant asset growth experienced in the year. Book value per common share was \$26.77, \$25.27, and \$22.84 at December 31, 2020, September 30, 2020, and December 31, 2019, respectively. During the 12 months ended December 31, 2020, Truxton Corporation paid dividends of \$2.12 per common share.
- With the onset of the pandemic in March 2020, Truxton began providing borrowers interest and/or principal payment deferrals for up to 180 days in an amount eventually impacting \$63.6 million in loans, or 17% of non-PPP total loan balances. As of December 31, 2020, those loans still receiving borrower payment deferrals totaled \$5.8 million or 1.47% of non-PPP loans.

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.

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Truxton Corporation
Consolidated Balance Sheets
(000's)

	December 31, 2020*	September 30, 2020*	December 31, 2019*
ASSETS			
Cash and due from financial institutions	\$ 9,742	\$ 12,772	\$ 8,868
Interest bearing deposits in other financial institutions	84,429	90,836	19,519
Federal funds sold	169	2,223	8,808
Cash and cash equivalents	94,340	105,831	37,195
Time deposits in other financial institutions	2,687	2,938	5,157
Securities available for sale	206,318	156,558	116,032
Gross loans, excluding Paycheck Protection Program (PPP)	395,106	367,689	363,784
Loans			
PPP Loans	24,522	46,684	-
Allowance for loan losses	(4,490)	(4,257)	(3,409)
Net loans	415,138	410,116	360,375
Mortgage loans held for sale, net	-	-	350
Bank owned life insurance	10,185	10,132	9,973
Restricted equity securities	3,214	3,206	2,599
Premises and equipment, net	507	538	273
Accrued interest receivable	2,653	2,850	1,842
Deferred tax asset, net	-	106	520
Other assets	6,576	7,044	4,448
Total assets	\$ 741,618	\$ 699,319	\$ 538,764
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Non-interest bearing	\$ 170,251	\$ 150,083	\$ 119,999
Interest bearing	453,774	388,959	328,077
Total deposits	624,025	539,042	448,076
Federal Home Loan Bank advances	17,673	17,867	18,411
Paycheck Protection Program Liquidity Facility advances	-	46,639	-
Subordinated debt	14,529	14,574	-
Deferred tax liability, net	479	-	-
Other liabilities	8,254	9,527	8,914
Total liabilities	664,960	627,649	475,401
SHAREHOLDERS' EQUITY			
Additional paid-in capital	31,651	30,832	29,770
Retained earnings	41,433	38,696	33,511
Accumulated other comprehensive income	3,574	2,142	82
Total shareholders' equity	76,658	71,670	63,363
Total liabilities and shareholders' equity	\$ 741,618	\$ 699,319	\$ 538,764

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

Truxton Corporation
Consolidated Statements of Net Income
(000's)

	Three Months Ended			Year Ended	
	December 31, 2020*	September 30, 2020*	December 31, 2019*	December 31, 2020	December 31, 2019
Non-interest income					
Wealth management services	\$ 3,101	\$ 2,832	\$ 2,596	\$ 11,469	\$ 10,746
Service charges on deposit accounts	59	59	82	256	303
Securities gains, net	-	-	-	-	131
Bank owned life insurance income	53	53	54	212	218
Other	65	15	57	262	271
Total non-interest income	3,278	2,959	2,789	12,199	11,669
Gross loans, excluding Paycheck Protection Program (PPP) Loans					
PPP Loans	\$ 4,616	\$ 4,126	\$ 4,062	\$ 17,201	\$ 16,083
Taxable securities	646	472	584	2,137	2,060
Tax-exempt securities	347	299	196	1,088	887
Interest bearing deposits	79	90	125	332	744
Federal funds sold	1	2	8	19	34
Other interest income	35	13	45	94	153
Total interest income	5,724	5,002	5,020	20,871	19,961
Interest expense					
Deposits	451	389	984	1,941	4,120
Short-term borrowings	-	-	1	-	17
Subordinated debentures	194	-	-	194	-
Long-term borrowings	115	134	90	468	412
Total interest expense	760	523	1,075	2,603	4,549
Net interest income	4,964	4,479	3,945	18,268	15,412
Provision for loan losses	228	262	0	1,093	55
Net interest income after provision for loan losses	4,736	4,217	3,945	17,175	15,357
Total Revenue, net	8,014	7,176	6,734	29,374	27,026
Non interest expense					
Salaries and employee benefits	2,872	2,781	2,671	11,380	10,699
Occupancy	219	228	200	868	808
Furniture and equipment	46	46	27	153	108
Data processing	319	296	342	1,169	1,209
Wealth management processing fees	163	102	126	520	462
Advertising and public relations	66	30	121	163	198
Professional services	112	190	211	626	596
FDIC insurance assessments	52	45	(73)	150	32
Other	168	238	195	887	879
Total non interest expense	4,017	3,956	3,820	15,916	14,991
Income before income taxes	3,997	3,220	2,914	13,458	12,035
Income tax expense	457	693	441	2,309	2,293
Net income	\$ 3,540	\$ 2,527	\$ 2,473	\$ 11,149	\$ 9,742
Earnings per share:					
Basic	\$1.25	\$0.89	\$0.89	\$3.94	\$3.53
Diluted	\$1.23	\$0.88	\$0.88	\$3.90	\$3.46

*The information is 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)

	December 31, 2020*	September 30, 2020*	December 31, 2019*
Per Common Share Data			
Net income attributable to shareholders, per share			
Basic	\$1.25	\$0.89	\$0.89
Diluted	\$1.23	\$0.88	\$0.88
Book value per common share	\$26.77	\$25.27	\$22.84
Tangible book value per common share	\$26.77	\$25.27	\$22.84
Basic weighted average common shares	2,768,270	2,758,375	2,699,777
Gross loans, excluding Paycheck Protection Program (PPP) Loans	2,794,461	2,789,562	2,754,101
PPP Loans	2,863,671	2,836,451	2,774,655
Selected Balance Sheet Data			
Tangible common equity (TEC) ratio	10.34%	10.32%	11.76%
Average loans	\$420,106	\$413,716	\$348,635
Average earning assets (1)	\$683,594	\$642,326	\$492,829
Average total assets	\$719,206	\$677,985	\$518,902
Average stockholders' equity	\$73,764	\$71,183	\$65,457
Selected Asset Quality Measures			
Nonaccrual loans	\$2,017	\$2,044	0
90+ days past due still accruing	\$11	\$0	0
Total nonperforming loans	\$2,017	\$2,044	0
Total nonperforming assets	\$2,017	\$2,044	0
Net charge offs (recoveries)	\$12	\$0	\$1
Nonperforming loans to assets	0.27%	0.29%	0.00%
Nonperforming assets to total assets	0.27%	0.29%	0.00%
Nonperforming assets to total loans and other real estate	0.48%	0.49%	0.00%
Allowance for loan losses to gross loans	1.07%	1.03%	0.94%
Net charge offs (recoveries) to average loans	0.00%	0.00%	0.00%
Capital Ratios (Bank Subsidiary Only)			
Tier 1 leverage	9.38%	9.43%	11.30%
Common equity tier 1	14.10%	14.60%	13.70%
Total risk-based capital	15.05%	15.58%	14.51%
Selected Performance Ratios			
Efficiency ratio	46.95%	53.01%	55.67%
Return on average assets (ROA)	1.96%	1.48%	1.89%
Return on average stockholders' equity (ROE)	19.09%	14.12%	15.77%
Return on tangible common equity (ROTCE)	19.09%	14.12%	15.77%
Net interest margin	2.95%	2.84%	3.21%

*The information is 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)

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, 2020*			Three Months Ended September 30, 2020*			Three Months Ended December 31, 2019*		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
Earning assets									
Gross loans, excluding Paycheck Protection Program (PPP) Loans	\$420,106	3.75	\$3,957	\$413,716	3.74	\$3,891	\$348,635	4.60	\$4,044
PPP Loans	\$0	0.63	\$665	\$0	0.23	\$240	\$0	0.03	\$24
Loans with fees	\$420,106	4.38	\$4,622	\$413,716	3.97	\$4,131	\$348,635	4.63	\$4,068
Mortgage loans held for sale	\$78	3.33	\$1	\$0	0.00	\$0	\$13	3.55	\$0
Federal funds sold	\$2,581	0.14	\$1	\$4,340	0.17	\$2	\$1,944	1.66	\$8
Deposits with banks	\$77,539	0.41	\$79	\$83,360	0.43	\$90	\$25,747	1.93	\$125
Investment securities - taxable	\$127,864	2.02	\$646	\$96,081	1.96	\$471	\$89,614	2.61	\$584
Investment securities - tax-exempt	\$55,425	3.39	\$347	\$44,829	3.61	\$299	\$26,876	3.93	\$196
Total earning assets	\$683,593	3.39	\$5,696	\$642,326	3.16	\$4,993	\$492,829	4.07	\$4,981
Non interest earning assets									
Allowance for loan losses	(4,359)			(4,122)			(3,411)		
Cash and due from banks	\$11,611			\$11,256			\$8,263		
Premises and equipment	\$500			\$484			\$1,623		
Accrued interest receivable	\$2,573			\$2,502			\$1,600		
Other real estate	\$0			\$0			\$0		
Other assets	\$20,416			\$20,485			\$16,343		
Unrealized gain (loss) on inv. securities	4,871			5,053			1,656		
Total assets	\$719,205			\$677,984			\$518,903		
Interest bearing liabilities									
Interest bearing demand	\$30,668	(0.08)	(\$6)	\$31,416	(0.03)	(\$3)	\$28,241	0.41	\$29
Savings and money market	\$487,041	0.34	\$415	\$454,105	0.31	\$351	\$349,734	0.84	\$737
Time deposits - retail	\$8,538	1.13	\$24	\$9,796	1.20	\$30	\$14,023	1.83	\$65
Time deposits - wholesale	\$22,451	0.31	\$18	\$15,285	0.27	\$11	\$8,695	6.99	\$153
Total interest bearing deposits	\$548,698	0.33	\$451	\$510,603	0.30	\$389	\$400,693	0.97	\$984
Federal Home Loan Bank advances	\$17,738	1.92	\$87	\$25,435	1.43	\$93	\$18,490	1.89	\$90
Subordinated debt	\$14,629	5.19	\$194	\$0	0.00	\$0	\$0	0.00	\$0
Other borrowings	\$31,730	1.10	\$28	\$48,454	0.33	\$41	\$1,417	0.21	\$1
Total borrowed funds	\$64,097	1.88	\$309	\$73,889	0.71	\$134	\$19,907	1.77	\$91
Total interest bearing liabilities	\$612,795	0.49	\$760	\$584,492	0.35	\$523	\$420,600	1.01	\$1,074
Net interest rate spread		2.90	\$4,936		2.81	\$4,470		3.06	\$3,907
Non-interest bearing deposits	\$24,645			\$14,564			\$27,422		
Other liabilities	\$7,787			\$7,745			\$5,423		
Shareholder's equity	\$73,764			\$71,183			\$65,457		
Total liabilities and shareholder's equity	\$718,991			\$677,984			\$518,902		
Cost of funds		0.47			0.35			0.95	
Net interest margin		2.95			2.84			3.21	

*The information is 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 or changes in average rates (rate change) for earning assets and sources of funds on which interest is received or paid.

Truxton Corporation
Yield Tables
for the Periods Indicated
(000's)

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, 2020			Twelve Months Ended December 31, 2019		
	Average Balances	Rates/ Yields (%)	Interest Income/ Expense	Average Balances	Rates/ Yields (%)	Interest Income/ Expense
Earning assets						
Gross loans, excluding Paycheck Protection Program	\$405,363	3.97	\$16,099	\$338,675	4.74	\$16,038
PPP Loans	\$0	0.28	\$1,132	\$0	0.03	\$87
Loans with fees	\$405,363	4.25	\$17,231	\$338,675	4.76	\$16,125
Mortgage loans held for sale	\$72	3.86	\$3	\$55	3.29	\$2
Federal funds sold	\$3,857	0.05	\$18	\$1,570	2.16	\$34
Deposits with banks	\$59,043	0.56	\$332	\$30,857	2.41	\$744
Investment securities - taxable	\$100,529	2.13	\$2,138	\$79,071	2.61	\$2,060
Investment securities - tax-exempt	\$40,452	3.63	\$1,088	\$30,856	3.89	\$887
Total earning assets	\$609,316	3.48	\$20,810	\$481,084	4.19	\$19,852
Non interest earning assets						
Allowance for loan losses	(3,900)			(3,393)		
Cash and due from banks	\$10,074			\$7,290		
Premises and equipment	\$423			\$1,537		
Accrued interest receivable	\$2,181			\$1,597		
Other real estate	\$0			\$0		
Other assets	\$19,973			\$16,111		
Unrealized gain (loss) on inv. securities	3,579			607		
Total assets	\$641,646			\$504,833		
Interest bearing liabilities						
Interest bearing demand	\$32,004	0.20	\$65	\$27,131	0.69	\$187
Savings and money market	\$429,755	0.39	\$1,671	\$342,244	1.05	\$3,584
Time deposits - retail	\$9,948	1.26	\$126	\$12,203	1.49	\$181
Time deposits - wholesale	\$11,369	0.69	\$79	\$7,131	2.35	\$167
Total interest bearing deposits	\$483,076	0.40	\$1,941	\$388,709	1.06	\$4,119
Federal Home Loan Bank advances	\$24,942	1.47	\$372	\$20,957	1.94	\$412
Subordinated debt	\$3,816	5.00	\$194	\$0	0.00	\$0
Other borrowings	\$28,566	1.50	\$96	\$1,817	0.93	\$17
Total borrowed funds	\$57,324	1.14	\$662	\$22,774	1.86	\$429
Total interest bearing liabilities	\$540,400	0.48	\$2,603	\$411,483	1.10	\$4,548
Net interest rate spread		3.00	\$18,207		3.09	\$15,304
Non-interest bearing deposits	\$24,472			\$27,400		
Other liabilities	\$7,302			\$4,141		
Shareholder's equity	\$69,413			\$61,783		
Total liabilities and shareholder's equity	\$641,587			\$504,807		
Cost of funds		0.46			1.04	
Net interest margin		3.05			3.25	

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 or changes in average rates (rate change) for earning assets and sources of funds on which interest is received or paid.