

TRUXTON CORPORATION DIVIDENDS REACH KEY MILESTONE



TRUXTON TRUST
A PRIVATE BANK



Andrew L. May
President and
Chief Financial Officer

Truxton Corporation, as of March 25, 2022, has paid cumulative dividends since inception of \$10.26 per share. Allow me to pause a minute and bask in warmth of that number. It is very important to us.

Truxton Trust was founded in 2004 and “called” its initial capital in August 2004. \$20 million in common stock; 2 million shares at \$10 each. We grew our assets but always grew the profitability fast enough that no additional external capital was required to support our asset base. We’ve added more shares and accumulated more capital but only through a) retained earnings and b) issuance to our employees and directors so their incentives are aligned with yours (if you are a shareholder). By 2013, we’d become profitable enough, at the tail end of the Great Recession, to begin paying cash dividends. We started small, paying out \$0.20 per share in that first year. Remember, conservative banks typically keep at least 10% of assets in equity capital. As the assets grow, the equity must grow. If the bank is profitable (and grows moderately), it need not retain all its profits. The bank can pay dividends, returning capital to the shareholders who, after all, own the place.

As of 2022, we’ve increased our indicated regular dividend for ten consecutive years reaching \$1.36 in 2022. Beginning in 2019 our lowered tax rate allowed us to begin to declare special dividends as well. This year we’re paying \$1.00 a share. Our shareholders love these cash flows. At Truxton, executive officers and directors own about 20% of the common stock, so we’re more than a little interested in the dividend.

March 25, 2022 is a special day in Truxton history. As of today, our original shareholders have received dividends exceeding their purchase price of the stock. Most of our shares, we believe, are owned by people who paid \$10.00 for them in the years before we paid the first distribution. They’ve gotten all their money back and still own a share that last traded at \$73.00. And that original \$20 million of capital had risen to \$84 million by the end of 2021 after our paying \$24.5 million in cumulative dividends to that point. Today the market values our equity at over \$212 million.

We're proud of this accomplishment and also humbled by the faith those original investors placed in the Truxton team. There's a certain integrity in growing to over \$900 million in assets without ever needing to turn to the capital markets for equity all the while making large annual distributions. We don't know what the future holds, but the values that got us this far are still in place. ■

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