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Studio Bank reaches nearly \$400 million in assets ahead of schedule

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Despite Nashville's competitive banking landscape — and a global pandemic — Aaron Dorn says Studio Bank is beating forecasts.

A little more than two years after Dorn launched the city's first homegrown lender in a decade, Studio has reached more than \$395 million in assets — 20% higher than where the founders expected to be at this time when they started the bank in 2018, Dorn said.

And after losing more than \$3 million during its first year of operations, the Gulch-based lender has registered its first profitable quarter.

Since June of last year, Studio has recorded growth across multiple vertices, including loan value, from \$114.5 million to \$247.6 million; deposits, from \$123.1 million to \$334.1 million; and total assets, from \$162.9 million to \$395.1 million, according to recent filings.

What has also grown is Studio's spending on talent — from \$3.8 million spent on salaries and benefits last year to \$7.2 million, according to filings — but it's also one of the keys to the bank's success, Dorn said.



NATHAN MORGAN | NASHVILLE BUSINESS JOURNAL

Aaron Dorn of Studio Bank

“We’ve a got a wonderful group of bankers who are simply outperforming,” said Dorn, who is Studio's chairman, president and CEO. “Another contributing factor is we did build a 400-plus member coalition of owners of Studio Bank that live and work and own companies here in Nashville. They are great ambassadors for the company and believe in what we’re doing.”

Studio’s launch came amid one of the most competitive times in Nashville banking history, as several out-of-town lenders have entered the market, eager for their own piece of Greater Nashville's boom. In the past decade, Nashville’s pool of available deposits has surged by 66% — to \$64.1 billion, up from \$38.5 billion, according to federal data. Earlier this year, JPMorgan Chase & Co. (NYSE: JPM) opened its second and third area locations, highlighted by a downtown branch at the corner of Church Street and Fourth Avenue. In September, PNC Bank (NYSE: PNC) opened the doors to its first downtown Nashville branch, its third in Middle Tennessee, which includes a Sumner County location.

Studio has been able to weather the economic fallout of Covid and the area’s intense competition in part due to its tech infrastructure, Dorn said. The bank was able to start out with the latest technology, which became more valuable during the pandemic, while other banks had to integrate new platforms with its existing tech.

Studio also got in on the Paycheck Protection Program, making 253 loans valued at a total of \$12.7 million, according to filings.

While much is uncertain about what 2021 will look like economically for Nashville, Dorn expects Studio to continue its upward trajectory.

“We’ve built a really strong foundation for the bank. ... And the hope and the expectation for the next 12 months is more of the same,” Dorn said. “This is just part one of the company. This is a key milestone for any new company is to reach profitability and to grow a little bit faster than your forecast, and we’ve certainly done that.”

Joel Stinnett

Reporter

Nashville Business Journal

