



# The Town Crier

TOWN & COUNTRY BANK BI-MONTHLY NEWSLETTER

MARCH-APRIL 2015

## Strong Quarterly Profits Continue

### Bank has 2nd Best Quarterly Earnings on Record

It's becoming the norm. For the last six quarters now, Town & Country Bank has registered net income of at least a quarter of a million dollars. The first three months of 2015 produced robust earnings of \$388,000, or \$0.31 per share, representing the second highest quarterly profit since the bank opened in 2008. Only the \$405,000 earned during the first quarter of 2014 tallied better. The positive earnings during the first three months of this year enabled the bank to notch its 15th profitable quarter out of the last 16.



Executive Vice President & Chief Financial Officer Brad Hales, said, "We've gotten off to another great start this year. Our earnings are solid and our customer base is steadily growing. While it's early, 2015 appears to have the same potential for profitability as our record year in 2014." In that year, Town & Country Bank generated results in every quarter that kept it among the top 3-5 percent of all U.S. banks in terms of return on assets and return on equity.

Assets at the bank as of March 31, 2015 rose to \$90.3 million, representing a 6.6 percent year-over-year increase. Net loans climbed 18.3 percent from a year earlier to \$69.7 million, while deposits increased by 5.7 percent to \$79.8 million.

Loans that were delinquent by 30 days or more during the first quarter dwindled to just 0.75 percent of the total portfolio. Other real estate owned and other repossessed assets were zero as of quarter-end.



EVP & CFO Brad Hales

Executive Vice President & Chief Financial Officer Brad Hales, said, "We've gotten off to another great start this year. Our earnings

## Bank's President Named "CEO of the Year" and "Community Banker of the Year"

March 2015 will long be remembered by President/CEO Bruce Jensen. That's when the state's leading business publication Utah Business presented Bruce with its "CEO of the Year" award and the Western Independent Bankers Association named him its "Community Banker of the Year".

"The bars must have been lowered this year," jokes Bruce. "Actually, these wonderful awards were earned collectively by our whole team. Our team members have put Town & Country Bank on the map."

Bruce received his CEO award at a luncheon held on March 18th at the Grand America Hotel in Salt Lake City. A video of his achievements and philosophy was shown to the audience. Bruce was also featured in the March issue of Utah Business magazine. The magazine says its award "honors those who exude innova-



Town & Country  
BANK



▲ Bruce gives his acceptance speech at the "CEO of the Year" ceremony in Salt Lake City



tion, show sound business judgment and have seen proven financial success."

Chosen from eleven nominees by his peers, Bruce was given his Community Banker award in Maui, Hawaii at the Western Independent Bankers Association's annual conference for executive officers

◀ "Community Banker of the Year" award is presented to Bruce in Maui, Hawaii

and directors. The association is comprised of community banks in 13 western states and U.S. territories. Its May/June edition of *Western Banker* magazine also featured a tribute to Bruce. The award is bestowed on bankers "for contributions to their community" according to the association.

## Bank Hosts Business-to-Business Gathering

On March 25, 2015, Town & Country Bank hosted an evening Business-to-Business



CEO Bruce Jensen chats with B2B attendees (Photo courtesy of Alisha Shaw, *One Memory at a Time*)

ness (B2B) gathering for local professionals wanting to promote their businesses and to simply get acquainted with other local movers and shakers. Organized by N2 Publishing, the event was well attended, and the two Town & Country bankers who participated met at least a dozen business owners/representatives they hadn't previously known.

"The value of networking is priceless, and you never know how someone can help your business and how you can help theirs," says Tyler Pack, Area Director for N2. "Very true," agrees Town &

Country Bank Executive Assistant Elsa Picklesimer, one of the bankers who attended. "We live in a community where word-of-mouth is the most valuable advertising there is." CEO Bruce Jensen was able to make a short presentation on the many benefits Town & Country offers the community.

Any business interested in attending a future B2B event can contact Tyler Pack at (801) 885-3868 or [tyler.pack@n2pub.com](mailto:tyler.pack@n2pub.com). The next such event will be held at Town & Country Bank on June 3rd at 5:30 PM.

## Board Welcomes New Member

On March 30th, Town & Country Bank announced that real estate developer Darcy Stewart joined its Board of Directors.

Darcy is the visionary behind the successful active-adult community of Sun River St. George, and has been involved in a variety of real estate development and construction projects, including the construction and development of The Boulders, St. James Place, Copper Hills, the Sun River Professional Plaza, Parkway Plaza, Virgilia Terrace, and others.

Prior to his career as a developer, Darcy worked at Dean Witter, where he provided financial planning, insurance and portfolio management services. He cur-

rently serves on the Major Gifts Committee of the Foundation of Dixie Regional Medical Center; and on the board of directors for many organizations, including the Foundation for Dixie State University, the Dinosaur Discovery Museum, and Dixie Applied Technology College.

Town & Country Board Chairman Kurt Johnson says, "Darcy's business expertise will be of great value to our institution. He is financially savvy and well-connected in our community." Darcy replaces former St. George Mayor Dan McArthur, who was recently called as a Mission President in Monterey, Mexico for The Church of Jesus Christ of Latter-day Saints.



*New Director Darcy Stewart*

## New Lender Joins Bank



*VP Matt Ashton*

There's a new kid on the block. Okay, Vice President Matthew Ashton isn't actually a kid, but he is the newest addition to Town & Country's fabled

loan team. Like his colleagues, Matt (as he prefers to be called) is an experienced and highly successful lending professional, and he has joined the growing crew in the bank's very successful Sandy loan production office.

Matt brings more than nine years of lending experience to Town & Country, and he has special expertise in structuring Small Business Administration and U.S. Department of Agriculture guaranteed financing.

A native of the Salt Lake Valley, Matt graduated from the University of Utah. He later obtained a J.D. degree from Gonzaga University and an M.B.A. de-

gree from Eastern Washington University. During his first semester of law school he met his wife, Amber (a graduate of BYU) at church. At the time, she was the art director for a local family magazine and women's magazine. After graduating, Matt and Amber returned to the Salt Lake Valley where he began his career in lending.

Matt and Amber have been married

for 13 years and have three girls and four boys, ranging in age from two to twelve. Their three older children are learning to play the piano and the boys enjoy golfing with Matt. Four of their children are in Chinese immersion for half of the day at their elementary school. Their family enjoys baking treats and arm wrestling contests.



*Matt and family*

## WEST'S WORLD: *Status of Local Lending*



**By West Martin,  
Executive Vice  
President & Chief  
Lending Officer**

As you have seen from the year-end and First Quarter 2015 reports, the Bank's loan portfolio is growing. One segment of our portfolio, that has been very lucrative for the Bank, is our residen-

tial construction loans.

VP Shannon Walker, our excellent construction loan specialist, reports that since the Washington County Home Show, construction loan demand has been very brisk. As of this writing, the bank has \$4.4 million in outstanding construction loans with another \$6.2 million in process of being advanced. She further reports that the demand for this type of loan is also due to the time of year, and the fact that many families wish to get into a home now that they have received

their tax refunds. Mortgage interest rates remain very attractive on a historic basis and qualification criteria are finally showing some stability.

Shannon also reports that she has not had to cut rates or loan terms in order to garner construction loans. However, we all know that the secret is being "out there" in the community, and letting the public know that our Bank is anxious to help them achieve their dream. Thank you, Shannon for all your excellent work in doing this, and in getting the deals done!

## Community Appreciation Event is a Mega Hit!

Bankers aren't known as partiers, but Town & Country Bank hosted a revelry on April 24th that was nothing short of sensational. An estimated 1,000 people, or about 1.3 percent of the St. George population, attended Town & Country's first annual Customer Appreciation Event—despite the fact that the gathering was held at midday during the work week.

Country music legend Collin Raye headlined the free event. The four-time platinum album star performed for just over an hour to an enthusiastic crowd assembled behind the bank. Complimentary lunch was provided for attendees, who also could avail themselves of free services inside the bank, such as jewelry appraisal, coin appraisal and document

shredding in the parking lot—all donated by local businesses. Attendees also came inside the bank to enter drawings for more than a hundred valuable giveaways, nearly all provided by area merchants, hoteliers and restaurants.

Town & Country Bank CEO Bruce Jensen said, "The bank has performed so well financially, that we wanted to give something back to our community." Bruce said he was moved by the number of people who approached him with thanks for offering such an event. "We thought people would have a good time, but the comments I got showed deep felt expression for what they didn't think a bank would ever do. I know we won new friends and customers from our party."

Attendees continue to call and write the bank to say thanks for the great time they enjoyed. And, who ever said bankers didn't know how to party???



SVP Wendy Holt announces prize winners



EVP West Martin, SVP Brian Taylor and AVP Russ Carnahan serve free meals



Jeweler Tom McArthur appraises jewelry for an attendee



Country music star Collin Raye delights the free concert crowd

## MESSAGE FROM THE PRESIDENT

### *How We'll Fare in Dixie When Rates Rise*

It's widely expected that the Federal Reserve will boost interest rates before the end of the year. I believe this too, unless economic growth unexpectedly stalls out and/or job creation disappoints. But I'm not sure the increase will come as early as June, which many predict. For months, the hoopla has been building among economists and financial analysts as to the exact timing of Fed action. They're obsessing over it.

Wall Street's counting the days to an interest rate hike, in some ways, reminds me of a young child's eager anticipation of Christmas. Both a boost in rates and December 25th will inevitably come, and both events generate excitement as the dates draw nearer. But unlike the arrival of Christmas, higher interest rates may not cause everyone to sing *fa la la la la*. It will depend on one's circumstances. Some in Southern Utah should benefit, while others may suffer.

Those who are likely to gain are folks with cash on hand, as higher interest rates will increase the earnings power in a savings, money market or interest-bearing checking account. This is good news for Southern Utah seniors on a fixed budget, though rates have a ways to climb in order to make a huge difference in return. Higher interest rates also encourage more savings.

Southern Utahns planning to travel overseas should also benefit. The U.S. Dollar should strengthen further in value, as higher interest rates make dollar-denominated investments more attractive to foreign investors. Incredibly, over half of all sovereign Eurobonds currently have negative yields.

Town & Country Bank itself should also be well positioned for a rise in rates.



The vast majority of our outstanding loans are variable-rate in nature, and they will begin earning more for us as rates tick up. We also have plenty of low-cost core deposits, and we have locked up a significant amount of them at historically low rates. We have a very small number of investment securities in our portfolio, so higher rates with their negative impact on securities valuation won't be an issue for us.

However, there are others here in Dixie who may not fare so well when interest rates trend upward. New borrowers and holders of adjustable loans will see an escalation in monthly payment amounts. As a result, consumer's disposable income will diminish.

The impact of rising rates would particularly have an effect on the real estate sector, which comprises so much of the Southern Utah economy. Money will become more expensive and new projects will accordingly become more costly. Higher project financing costs will likely be passed along to the end purchaser(s), driving prices up. While mortgage rates are not tied directly to the overnight Fed Funds rate—the rate Fed policymakers will upwardly adjust—the market will likely assume a “rising tide lifts all boats” mentality. That would mean mortgage rates, and other longer term interest rates, would go up. In reality, long term rates have already been climbing since last spring.

Southern Utah residents who invest in bonds and bond funds may also take a hit when rates climb, as bond prices fall when rates rise. One analyst alleges that the Vanguard Total Bond Fund, for example, would see a 5.6% capital loss with just a 1% rise in rates. Actual impact on a particular bond fund will depend on the composition of the fund, including its maturities.

And for anyone exporting goods from Southern Utah to other parts of the world, it would probably become more difficult to sell U.S. products because of a strengthened dollar.

There are other possible side effects associated with ascending interest rates. For example, with an upsurge in rates, our federal and state governments will see their debt payments increase. That could ultimately result in higher taxes to support their payments.

Of course, no one knows how high or how frequently the Fed will move interest rates, so the measure of impact is unpredictable. Typically, when the Fed “tightens” by raising interest rates, it's because they want to ward off inflation and forestall chances of an overheating economy. Right now, we have extremely low inflation, and though the economy is growing, it doesn't appear to be anywhere near overheating. Therefore, I believe any Fed action will occur only when we see more robust GDP growth, and when the national jobs numbers become a bit more encouraging.

Whenever the Fed acts, be ready Southern Utahns. Because some of us will win, and some of us will lose.



**Bruce T. Jensen**  
President & Chief  
Executive Officer  
[bjensen@tcbankutah.com](mailto:bjensen@tcbankutah.com)

## Banker Prominent at Women's Conference—Again!



SVP Wendy Holt

Senior Vice President Wendy Holt has completed yet another year of service on the Utah Bankers Association's Women in Banking Conference Committee. The conference, held on April 15th in Sandy, was another well-attended gathering with

dynamic speakers and information. This year was Wendy's fifth year on the Committee. She chaired it during 2012.

Presenters this year included six inspirational women achievers in various fields. During a presentation by Vicki Varela, Managing Director-Utah Office of Tourism, Film & Global Branding, a few high-powered and accomplished risk takers were profiled. Among them, projected on screen for all to admire, was Town & County's own Wendy Holt!

## Bank Closed on Memorial Day

Town & Country Bank will be closed on Monday, May 25th in observance of Memorial Day. The bank will re-open the following day at 8:00 AM at the drive-through teller and 9:00 AM in the main office.



## CUSTOMER SPOTLIGHT

### PLAYERS SPORTS GRILL

1688 S. Convention Center Drive  
St. George, UT 84790  
Tel. (435) 634-9211  
www.playerssportsgrillrestaurant.com



After being rejected by some name-brand restaurant franchisors, four guys got together in late 2006 to discuss their vision of opening a sports-themed restaurant in St. George. Kim Jensen, Steve Dockstader, Neil Roberts and Pat Oki kicked the idea around, and thought, "Who needs a franchisor?" And they determined to enthusiastically pursue their dream!

"We decided to develop an independent concept that would fit what we wanted," says Pat. What Kim wanted was a special place where he could take clients and golf buddies to mingle and have a bite to eat. They all thought how awesome it would be to create an environment where people could soak up sports on TV screens that could be viewed from every seat in the house, while enjoying a

more polished dining experience.

The group visited and evaluated several sports grill operations throughout the country. Many had a generic "sports bar" feel—something the foursome were guarding against. "They were dark, cluttered, noisy and somewhat claustrophobic," Pat says. "We decided on a blend of a few different concepts we had discovered along the way." BJ Brewhouse, Boston's Sports Bar and Grill, Chili's and even the defunct Tony Roma's all lent a bit of design into the final Players concept. With the help of Richardson's Design of Salt Lake City, and input from all the partners, the plans were developed and put



into motion. In the winter of 2007, the present site on Convention Center Drive was obtained, and ground was broken in December of that year.

While construction was in its early phase, the menu needed to be developed. Having extensive background in restaurant operations, Neil and Pat began developing and listing food offering concepts. Everything was "on the table" in the beginning. The original list included more than 200 items, but the four restaurateurs realized that a more scalable menu would better suit a typical 5-8 family member sit-down meal on Sundays. The restaurant opened with a still vast menu that included over 120 items. In the end, that number was reduced somewhat, but still boasts over 100 items.

The menu includes a variety of appetizers, salads, sandwiches, burgers, prime



rib, chicken, seafood, pizza and pasta choices. Players Sports Grill also has a full-service liquor license, giving patrons the option of a cocktail or brew with their meals. Food is required if liquor is ordered. There really is something for everyone!

Players Sports Grill opened in July of 2008, just as the great recession set in. With building contractors and their subs closing down or leaving the area, the restaurant's customer base shrunk to a low level in 2009. "Notwithstanding, our banking partner, Town & Country Bank,



hung in there with us while we worked to attract more patrons," Pat remembers. "We were able to remain in business, and we're now about to celebrate our seventh year of operations."

Pat also says, "Town & Country's mode of operation has always impressed us. Like our restaurant, Town & Country delivers a unique customer experience. They understand how to take care of customers and respond to both immediate and long term needs. We give a discount to the bank's Town Card holders when they eat at Players, and we appreciate that the Town Card program drives additional business to the restaurant."

Town & Country Bank recognizes quality when it sees it, and Players Sports Grill fits that description. Like the bank, Players is intimately involved in the community, supporting a variety of local programs and charities. And just as Town & Country has expanded its winning concept into Northern Utah, Players is now in process of doing so in Midvale. Town & Country Bank salutes Players Sports Grill!

## The center of our universe:



### In other words, YOU.

*As Washington County's only locally owned and headquartered bank, we understand you better than any other financial institution. We're here to improve the quality of life in Southern Utah, and we're passionate about that. It shows, too. Less than 5% of all banks in the United States are more profitable than Town & Country Bank. Our strength comes from you.*

Discover us!



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*Where banking is a simple pleasure*

Member  
**FDIC**



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