



Hear ye, hear ye

The Town Crier

OFFICIAL NEWSLETTER OF TOWN & COUNTRY BANK



Town & Country
BANK

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BANK POSTS SOLID THIRD QUARTER EARNINGS

Town & Country Bank reported third quarter net income of \$92,700 and year-to-date earnings of \$200,400. The bank remains well capitalized, increasing its risk based capital ratio at quarter-end to 16.2%—more than double the regulatory requirement.

Though the economy in Washington County continues to struggle, Town & Country saw significant improvement in the quality of its credit portfolio over the quarter. Loans on non-accrual status fell by 10% to \$1,419,000 and loan delinquencies over 90 days dropped to zero. The year-to-date provision for loan loss was also at zero. Notably, Other Real Estate Owned (OREO) decreased from the previous quarter by 61% to \$516,000, and other repossessed assets fell by 8% to \$382,000.



Assets at Town & Country as of September 30, 2011 declined to \$64,800,000 as did outstanding loans of \$48,950,000 and deposits of \$56,528,000. Management reports that loans and assets slipped due to the pay-off of one of its largest loans and because new loans from qualified borrowers have been harder to obtain.

Bruce Jensen, President & Chief Executive Officer said, "We continue to see consistent income from general operations, despite weak economic conditions and intense regulatory pressures. Our focus continues to be on managing credit quality and expense control. Barring any surprises, we expect ongoing and solid performance in the foreseeable future."

Board Welcomes New Director

Robert E. Morse joins the bank's Board of Directors on October 19th. Bob is CEO of Morse & Associates, a consulting firm handling long term accounts such as Micro-

soft and HP. Previously, he served in key marketing communications positions for various companies, including Freightliner, Georgia Pacific, Tektronix and one of the top advertising agencies in the world, BBDO. In 1989, Bob started his own public relations firm in Seattle catering to technology companies, and grew it to over 35 people in ten years. He is also the current Chief Marketing Officer for Mutual Benefit International Group, a St. George-based financial counseling and wealth management firm.

Bob served for over a year on Town & Country's Advisory Board, and was instrumental in accelerating the bank's marketing of the Town Card. Bank Chairman Jim Bingham says, "We look forward to employing Bob's skills and business acumen as we continue the forward progress of the bank."



Bob Morse

New Loan Processor Joins Bank

On September 1st, Russell Carnahan became the newest team member of Town & Country Bank, replacing Loan Processor Cindy Brown, who recently was named as the bank's Compliance Officer. Russ was born in St. George and grew up in nearby Washington.

After high school, he attended Dixie College for two years and then moved to Logan where he obtained a bachelor's degree in business/finance at Utah State University. Returning to St. George after graduation, Russ took a position at SunFirst



Russ Carnahan

Bank, where he remained until joining Town & Country. In December, he will have spent ten years in the banking industry.

Russ loves to be in the outdoors camping, riding bikes, and spending time with family. He has a son and

daughter with whom he loves to hike in the rocks and play in the local splash pads.

Bank Co-Sponsors Financial Planning Seminar

On September 23rd, Town & Country Bank and McPartland Group Financial Services conducted a free community workshop entitled, "Ten Keys to Stay in Financial Balance". The evening event consisted of an hour-and-a-half's worth of information that addressed financial protection, debt elimination, tax mitigation, budgeting and savings and investment strategies.



CEO Bruce Jensen, VP Wendy Holt and Ryan Michler of McPartland Group Financial Services

Ryan Michler of the McPartland Group was the featured speaker. A portion of his presentation discussed "The Living Balance Sheet", a unique method of aggregating assets, liabilities, protection and cash flow into a single, wide angle view.

Attendees left the seminar with a fresh perspective on building and protecting wealth, and requests for a follow up session were submitted.

Town & Country Aids Community Recycling

True to the color of the bank's logo, Town & Country promotes "green" endeavors and was a major participant in the Fourth Annual Washington County Solid Waste "Recycling Rocks" event held on September 26th.

Students at Vista Charter School competed in a recycling-themed essay contest for three savings account prizes from Town & Country. First Place, and winner of a \$100 account, went to 4th grader Madison Seery for her essay, "Recycling for Life". The \$50 account Second Place winner was Tiaree Towler, also a 4th grade student, who wrote "The Three R's". Although not present at the event, Third Place and a \$25 account went to Portia Hiatt, a 6th

grader whose essay was entitled, "What We Get Out of Reducing, Reusing and Recycling". Bank VP Wendy Holt, sporting her "I Love Town & Country Bank" t-shirt, presented the awards.



VP Wendy Holt presents Madison Seery with her First Place award.



Tiaree Towler received her Second Place award from Wendy, as well.

Attendees at the event learned how recycling works in Washington County and enjoyed music, games and food. A kids' treasure hunt was also held.

Bank Closed On Columbus Day And Veterans Day

In observance of both the Columbus Day and Veterans Day federal holidays, Town & Country Bank will be closed. On Monday, October 10th the bank will close for Columbus Day, and will reopen on Tuesday the 11th at 8 AM at the drive-thru window and 9 AM at the main office. On Friday, November 11th, the bank will close for Veterans Day and will reopen on Monday, November 14th at 8 AM at the drive-thru window and 9 AM at the main office.



Message From The President

Former Chicago Bears quarterback and free spirit Jim McMahon once quipped, "Yes, risk taking is inherently failure-prone. Otherwise, it would be called sure-thing taking." McMahon knows what he's talking about. Down 45-25 with less than 4 minutes to go in the 1980 Holiday Bowl, Jersey Jim led his collegiate BYU team to victory over SMU with three hasty offensive touchdowns, the last being a "Hail Mary" pass with no time left on the clock. The triumph is widely regarded as one of the great come-from-behind

wins in college football.

To be sure, the fragile economy and reeling markets offer potential “come-from-behind” return opportunities for tough skinned risk takers. Most of us, however, have neither the elephant hide of Jim McMahon nor his swaggering appetite for excessive risk. The



Jim McMahon

unusually wide stock market swings of late, caused by worldwide economic uncertainty, are disconcerting, to say the least. We’ve become understandably gun shy when it comes to investing our assets. The investment playing field has changed over the past three years and we’re still trying to figure out the new rules of the game. Many of us have experienced significant depreciation in the values of our homes and 401(k)’s. We’ve aptly learned to shun the greed and excesses of former years, and it’s now all about protecting what’s left—at least until we’re comfortable with a more predictable economic landscape and investment environment.

In tumultuous economic times such as ours, a financial “flight to safety” commonly takes root, meaning that investors play “defense” and shift assets to more stable holdings. Such holdings often include precious metals and U.S. Treasury securities that bear the “full faith and credit of the U.S. government”. One other popular defensive move consists of transferring assets to FDIC-insured bank deposits, which likewise carry the full faith guarantee of the government. Since the FDIC was established in 1933, no depositor has ever lost a single penny of FDIC-insured funds, and FDIC-insured deposits are covered up to \$250,000—although coverage may be extended by structuring accounts under differing categories of account ownership.

While current yields on deposits at FDIC-insured institutions seem ridiculously low by historic standards, there is no principal volatility risk associated with them. That’s huge, given the recent, gargantuan market swings. Have you considered purchasing a 5-year CD? Yes, a 5-year CD. While most banks assess a penalty for early withdrawal on certificates of deposits (CDs), consider this: First, the 2% return available on some local 5-year CDs is about 1.5% or more higher than savings or money market

account (MMA) rates; and the way things are going, that 2% rate may hold up as optimal over most—if not all—of the holding period. Second, if you withdraw before maturity, the early withdrawal penalty would typically be much less than the 1.5% yield pick up over the current savings and MMA rates, therefore providing optimal return over the shorter holding period. The 5-year CD thus becomes a viable option for those seeking asset protection.

Risk taking should always fit one’s circumstances. Jim McMahon’s ’80 Holiday Bowl come-from-behind performance bears out the wisdom of Mark Twain, who said, “Necessity is the mother of taking chances.” Perhaps if SMU would have played better defense, however, *they* might have prevailed. Unless an investor is ready to roll the dice in the face of another possible recession, playing it safe defensively might be the better option.



Bruce T. Jensen

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Chief Executive Officer
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Customer Spotlight

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What the staff at Educational Tours really loves about their work is that they assist people in being able to discover new ideas, learn about history, expand their horizons, and visit unique locations throughout the United States and world.

Travel means different things to different people. At Educational Tours, travel means coordinating airfare, motorcoach transportation, lodging, activities, meals, sight-seeing and local tour guides as part of the complete

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tour experience they provide. Their niche in the travel industry is providing the greatest value for traveling groups by allowing them to tailor their travel to their specific needs.



Founded in 1974, and located in St. George since 1996, Educational Tours specializes in coordinating customized tours for pre-formed groups. Over the years, the company has worked with tens of thousands of travelers. In fact, Educational Tours has a large base of returning clients, including groups that began traveling with the company since its founding. Today, if you were to visit their office at 1079 East Riverside Drive in St. George, you would find Neila Swapp, Kathy Mayette, Jan Baker and co-owners Rex Davis and Todd Jones busy preparing for the next tour.

An easy way to understand the type of benefits that Educational Tours provides to their group participants is to think of the services provided by a quality travel agency, but specifically tailored to the unique needs of group travel. Since 1985, Educational Tours has been a member of the National Tour Association (NTA), and in 1998 the company joined the Student Youth Travel Association (SYTA). Being members of these travel consortiums gives Educational Tours the right to say they are part of an elite group of travel professionals who take pride in being the very best.

"Every time we are out on tour with one of our groups, people are very interested in how we were able to get involved with such a fun and interesting



business," says co-owner Todd Jones. "People often ask us, 'What is the best trip you have ever been on? Where do you get to go next?' Both are great questions, and of course people are interested in that. Our honest answer is that the trip that we are on is the best trip, and since we always have another one coming up, we briefly tell them about it, as that raises their interest in another destination that they may have not yet visited."

For information on how Educational Tours can

assist with your group travel needs, you may call, or stop by their office. They offer free group tour quotes at no cost and without obligation.

Says Todd, "Educational Tours finds it is a pleasure to work with the professional and efficient staff at Town & Country Bank. We really appreciate the convenience of having our deposits picked up at our place of business. All it takes is a phone call, and we receive a friendly visit from Town & Country Bank. They're wonderful." Town & Country Bank likewise finds it a pleasure to work with these incredible travel specialists. We salute Educational Tours and heartily recommend them to any group wanting to travel the globe!

We could make beautiful music together.



String along with us—the banking maestros.

And join us for our free Friday Concert Series, every Friday at 12 noon at the bank

Discover us!



Town & Country
BANK

Where banking is a simple pleasure

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