



For Immediate Release

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Town & Country Bank Survey Shows Business Optimism

ST. GEORGE, UT—Town & Country Bank announced results of its first annual Washington County Business Climate Survey, which was created to measure expectations for business conditions in 2014. Overall, a clear majority of business owners believe the Washington County economy is improving.

A total of 263 survey respondents classified their company as being in one of the following six business sectors: Construction/Real Estate, Hospitality/Travel, Manufacturing, Professional, Retail or Service. Respondents also classified their 2013 annual revenue within the following five brackets, as follows: Loss, \$0-250,000, \$251,000-500,000, \$501,000-1,000,000 and Over \$1,000,000.

A full 78% of all respondents believe local business conditions in 2014 will be either much better or marginally better than last year. Optimism for national business conditions this year, however, was noticeably less, with 54% of all respondents believing the broader economy will be either much better or marginally better. Optimism was universally prevalent in each business sector and in each revenue bracket.

A total of 88% of Washington County business owners expect their annual earnings to exceed those of 2013, though 74% said the year-over-year increase would be 25% or less. Businesses expecting the largest increase were those that reported a 2013 loss. These companies reported an anticipated annual increase of 43%.

As for 2014 hiring plans, 67% of business owners have already or are now planning to hire new workers. The average number of new hires among all respondents was 2.8 people. The business sectors planning the most hires this year are Manufacturing with an average of 14.9 new hires, and Hospitality/Travel with 5.4 (excluding one respondent that plans on hiring 350 people). The Construction/Real Estate sector, which represents a major portion of the Southern Utah economy, posted average expected hires of 2.3—slightly less than the Service (2.9) and Retail (2.4) sectors. The Professional sector expects to hire the least number of workers in 2014, with average expected hires of only 1.2 people. Hiring will be strongest in companies within the 2013 revenue brackets of \$501,000-1,000,000 (3.5) and Over \$1,000,000 (4.8).

A majority of 53% of all survey respondents indicated that inflation is expected to have an impact on the economy. Respondents in the Retail sector had the highest percentage expectation at 55%, while the lowest expectation was in the Manufacturing sector at 38%. Inflation was also

a concern of businesses in the \$0-250,000 revenue bracket, with 57% of respondents believing that such pressures will be a factor this year.

The survey asked respondents how the Affordable Care Act (“Obama Care”) would impact their business in 2014. Among all respondents, 68% answered “Negative”, 6% said “Positive” and 26% said “No Impact”. Negative responses in the Construction/Real Estate sector amounted to 93%. Also, companies in the larger 2013 revenue brackets felt that Obama Care would have an ill effect on their business. Answering “Negative” were 76% of the \$501,000-1,000,000 and 79% of the Above \$1,000,000 companies.

Complete survey results are attached.

Town & Country Bank CEO Bruce Jensen said that the bank wanted to gather empirical information about local business perceptions as it fine tunes its lending and deposit gathering activities in Washington County. “While our survey is not entirely scientific, it *does* offer insights into potential business behavior,” he said. “We hope the survey results are also of benefit to the community at large.” A total of 425 surveys were hand delivered by Town & Country bankers to area business owners. “Our distribution process was important, as it gave us many introductions to companies with whom we don’t already have a relationship,” Jensen said.

On February 19th, Town & Country Bank celebrated its sixth year of operation. It will become the only locally owned and headquartered bank in Washington County on March 1st, when the merger between The Village Bank and Cache Valley Bank is consummated. Town & Country has \$82 million in assets, and has introduced several business differentiators, including its “concierge banking” model, a proprietary ATM/Debit card offering time-of-purchase discounts at hundreds of local retailers and restaurants, and its free business courier. The bank also holds free in-bank community concerts every Friday at noon. Notably, a February 2014 customer satisfaction survey indicated that 100% of the bank’s customers are “Very satisfied” (90%) or “Pretty satisfied” (10%) with their relationship at Town & Country—the top two response options out of a total of five.

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TOWN & COUNTRY BANK WASHINGTON COUNTY BUSINESS CLIMATE SURVEY - 2014

Aggregate Results - 263 Respondents

ALL RESPONDENTS (Question 1)	Construction/ Real Estate	Hospitality/ Travel	Manufacturing	Professional	Retail	Service
1 For classification purposes, your business best falls into which sector?	22%	4%	4%	24%	14%	32%
ALL RESPONDENTS (Question 2)	A Loss	\$0-250,000	\$251,000-500,000	\$501,000-1,000,000	Above \$1,000,000	
2 For classification purposes, your company's 2013 revenue amounted to:	3%	30%	22%	14%	31%	
ALL RESPONDENTS (Questions 3 ,4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	1%	2%	19%	57%	21%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	1%	3%	42%	45%	9%	
ALL RESPONDENTS (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	88%	12%				
ALL RESPONDENTS (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	34%	40%	17%	4%	3%	2%
ALL RESPONDENTS (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	67%	33%				
ALL RESPONDENTS (Question 8)	Average*					
8 If you hire more employees, how many do you expect to hire in 2014?	2.8					
ALL RESPONDENTS (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	52%	48%				
ALL RESPONDENTS (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	68%	6%	26%			

* Excludes one company planning to hire 350 people

Construction/Real Estate Sector Results - 57 Respondents

CONSTRUCTION/REAL ESTATE (Question 2)	A Loss	\$0-250,000	\$251,000-500,000	\$501,000-1,000,000	Above \$1,000,000	
2 For classification purposes, your company's 2013 revenue amounted to:	0%	27%	25%	13%	35%	
CONSTRUCTION/REAL ESTATE (Questions 3, 4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	0%	4%	27%	53%	16%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	15%	39%	40%	6%	
CONSTRUCTION/REAL ESTATE (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	76%	24%				
CONSTRUCTION/REAL ESTATE (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	24%	39%	26%	3%	3%	5%
CONSTRUCTION/REAL ESTATE (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	56%	44%				
CONSTRUCTION/REAL ESTATE (Question 8)	Average					
8 If you hire more employees, how many do you expect to hire in 2014?	2.3					
CONSTRUCTION/REAL ESTATE (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	44%	56%				
CONSTRUCTION/REAL ESTATE (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	93%	2%	5%			

Hospitality/Travel Sector Results - 12 Respondents

HOSPITALITY/TRAVEL (Question 2)	<i>A Loss</i>	<i>\$0-250,000</i>	<i>\$251,000-500,000</i>	<i>\$501,000-1,000,000</i>	<i>Above \$1,000,000</i>	
2 For classification purposes, your company's 2013 revenue amounted to:	0%	16%	16%	42%	25%	
HOSPITALITY/TRAVEL (Questions 3, 4)	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
3 Your expectation for <u>local</u> business conditions in 2014	0%	0%	27%	55%	18%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	0%	58%	42%	0%	
HOSPITALITY/TRAVEL (Question 5)	<i>Yes</i>	<i>No</i>				
5 Does your business expect annual earnings to exceed those of 2013?	92%	8%				
HOSPITALITY/TRAVEL (Question 6)	<i>0-10%</i>	<i>11-25%</i>	<i>26-50%</i>	<i>51-75%</i>	<i>76-100%</i>	<i>More than 100%</i>
6 If so, how much of an increase do you expect?	55%	18%	27%	0%	0%	0%
HOSPITALITY/TRAVEL (Question 7)	<i>Yes</i>	<i>No</i>				
7 Have you hired, or do you intend to hire additional employees in 2014?	75%	25%				
HOSPITALITY/TRAVEL (Question 8)	<i>Average*</i>					
8 If you hire more employees, how many do you expect to hire in 2014?	5.9					
HOSPITALITY/TRAVEL (Question 9)	<i>Yes</i>	<i>No</i>				
9 Do you expect inflation to be a factor in 2014?	42%	58%				
HOSPITALITY/TRAVEL (Question 10)	<i>Negative</i>	<i>Positive</i>	<i>No Impact</i>			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	58%	25%	17%			

* Excludes one company planning to hire 350 people

Manufacturing Sector Respondents - 10 respondents

MANUFACTURING (Question 2)	A Loss	\$0-250,000	\$251,000-500,000	\$501,000-1,000,000	Above \$1,000,000	
2 For classification purposes, your company's 2013 revenue amounted to:	0%	0%	11%	11%	78%	
MANUFACTURING (Questions 3, 4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	0%	13%	12%	50%	25%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	0%	22%	45%	33%	
MANUFACTURING (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	100%	0%				
MANUFACTURING (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	45%	33%	22%	0%	0%	0%
MANUFACTURING (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	75%	25%				
MANUFACTURING (Question 8)	Average					
8 If you hire more employees, how many do you expect to hire in 2014?	14.9					
MANUFACTURING (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	38%	62%				
MANUFACTURING (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	56%	0%	44%			

Professional Sector Results - 64 Respondents

PROFESSIONAL (Question 2)	<i>A Loss</i>	<i>\$0-250,000</i>	<i>\$251,000-500,000</i>	<i>\$501,000-1,000,000</i>	<i>Above \$1,000,000</i>	
2 For classification purposes, your company's 2013 revenue amounted to:	2%	29%	28%	12%	29%	
PROFESSIONAL (Questions 3, 4)	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
3 Your expectation for <u>local</u> business conditions in 2014	0%	0%	17%	66%	17%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	21%	39%	38%	2%	
PROFESSIONAL (Question 5)	<i>Yes</i>	<i>No</i>				
5 Does your business expect annual earnings to exceed those of 2013?	92%	8%				
PROFESSIONAL (Question 6)	<i>0-10%</i>	<i>11-25%</i>	<i>26-50%</i>	<i>51-75%</i>	<i>76-100%</i>	<i>More than 100%</i>
6 If so, how much of an increase do you expect?	25%	50%	15%	7%	0%	3%
PROFESSIONAL (Question 7)	<i>Yes</i>	<i>No</i>				
7 Have you hired, or do you intend to hire additional employees in 2014?	63%	37%				
PROFESSIONAL (Question 8)	<i>Average</i>					
8 If you hire more employees, how many do you expect to hire in 2014?	1.2					
PROFESSIONAL (Question 9)	<i>Yes</i>	<i>No</i>				
9 Do you expect inflation to be a factor in 2014?	54%	46%				
PROFESSIONAL (Question 10)	<i>Negative</i>	<i>Positive</i>	<i>No Impact</i>			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	65%	12%	23%			

Retail Sector Results - 37 Respondents

RETAIL (Question 2)	A Loss	\$0-250,000	\$251,000-500,000	\$501,000-1,000,000	Above \$1,000,000	
2 For classification purposes, your company's 2013 revenue amounted to:	0%	24%	24%	15%	37%	
RETAIL (Questions 3, 4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	3%	0%	21%	64%	12%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	6%	6%	33%	46%	9%	
RETAIL (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	91%	9%				
RETAIL (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	49%	32%	13%	3%	0%	3%
RETAIL (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	52%	48%				
RETAIL (Question 8)	Average					
8 If you hire more employees, how many do you expect to hire in 2014?	2.4					
RETAIL (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	55%	45%				
RETAIL (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	67%	0%	33%			

Service Sector Results - 83 Respondents

SERVICE (Question 2)	A Loss	\$0-250,000	\$251,000-500,000	\$501,000-1,000,000	Above \$1,000,000	
2 For classification purposes, your company's 2013 revenue amounted to:	8%	40%	17%	10%	25%	
SERVICE (Questions 3 ,4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	0%	1%	17%	50%	32%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	1%	7%	40%	42%	10%	
SERVICE (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	93%	7%				
SERVICE (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	32%	34%	20%	6%	4%	4%
SERVICE (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	72%	28%				
SERVICE (Question 8)	Average					
8 If you hire more employees, how many do you expect to hire in 2014?	2.9					
SERVICE (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	53%	47%				
SERVICE (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	64%	4%	32%			

2013 Revenue / Loss - 8 Respondents

	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
A LOSS (Questions 3, 4)						
3 Your expectation for <u>local</u> business conditions in 2014	0%	0%	38%	24%	38%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	12%	13%	12%	50%	13%	
A LOSS (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	88%	12%				
A LOSS (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	43%	0%	0%	14%	0%	43%
A LOSS (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	50%	50%				
A LOSS (Question 8)	Average					
8 If you hire more employees, how many do you expect to hire in 2014?	1.8					
A LOSS (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	38%	62%				
A LOSS (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	38%	12%	50%			

2013 Revenue /\$0-250,000 - 77 Respondents

\$0-250,000 (Questions 3, 4)	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
3 Your expectation for <u>local</u> business conditions in 2014	1%	0%	22%	47%	30%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	11%	45%	33%	11%	
A LOSS (Question 5)	<i>Yes</i>	<i>No</i>				
5 Does your business expect annual earnings to exceed those of 2013?	89%	11%				
A LOSS (Question 6)	<i>0-10%</i>	<i>11-25%</i>	<i>26-50%</i>	<i>51-75%</i>	<i>76-100%</i>	<i>More than 100%</i>
6 If so, how much of an increase do you expect?	31%	32%	23%	7%	4%	3%
A LOSS (Question 7)	<i>Yes</i>	<i>No</i>				
7 Have you hired, or do you intend to hire additional employees in 2014?	55%	45%				
A LOSS (Question 8)	<i>Average</i>					
8 If you hire more employees, how many do you expect to hire in 2014?	1.6					
A LOSS (Question 9)	<i>Yes</i>	<i>No</i>				
9 Do you expect inflation to be a factor in 2014?	57%	43%				
A LOSS (Question 10)	<i>Negative</i>	<i>Positive</i>	<i>No Impact</i>			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	55%	10%	35%			

2013 Revenue / \$251,000-500,000 - 39 Respondents

\$251,000-500 (Questions 3, 4)	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
3 Your expectation for <u>local</u> business conditions in 2014	0%	0%	23%	60%	17%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	0%	14%	40%	42%	4%	
\$251,000-500,000 (Question 5)	<i>Yes</i>	<i>No</i>				
5 Does your business expect annual earnings to exceed those of 2013?	89%	11%				
\$251,000-500,000 (Question 6)	<i>0-10%</i>	<i>11-25%</i>	<i>26-50%</i>	<i>51-75%</i>	<i>76-100%</i>	<i>More than 100%</i>
6 If so, how much of an increase do you expect?	26%	38%	26%	2%	4%	4%
\$251,000-500,000 (Question 7)	<i>Yes</i>	<i>No</i>				
7 Have you hired, or do you intend to hire additional employees in 2014?	63%	37%				
\$251,000-500,000 (Question 8)	<i>Average</i>					
8 If you hire more employees, how many do you expect to hire in 2014?	1.5					
\$251,000-500,000 (Question 9)	<i>Yes</i>	<i>No</i>				
9 Do you expect inflation to be a factor in 2014?	41%	59%				
\$251,000-500,000 (Question 10)	<i>Negative</i>	<i>Positive</i>	<i>No Impact</i>			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	65%	7%	28%			

\$501,000-1,000,000 (Questions 3, 4)	<i>Much worse</i>	<i>Marginally Worse</i>	<i>About the Same</i>	<i>Marginally Better</i>	<i>Much Better</i>	
3 Your expectation for <u>local</u> business conditions in 2014	0%	8%	11%	70%	11%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	3%	14%	32%	46%	5%	
\$501,000-1,000,000 (Question 5)	<i>Yes</i>	<i>No</i>				
5 Does your business expect annual earnings to exceed those of 2013?	86%	14%				
\$501,000-1,000,000 (Question 6)	<i>0-10%</i>	<i>11-25%</i>	<i>26-50%</i>	<i>51-75%</i>	<i>76-100%</i>	<i>More than 100%</i>
6 If so, how much of an increase do you expect?	36%	49%	9%	6%	0%	0%
\$501,000-1,000,000 (Question 7)	<i>Yes</i>	<i>No</i>				
7 Have you hired, or do you intend to hire additional employees in 2014?	73%	27%				
\$501,000-1,000,000 (Question 8)	<i>Average</i>					
8 If you hire more employees, how many do you expect to hire in 2014?	3.5					
\$501,000-1,000,000 (Question 9)	<i>Yes</i>	<i>No</i>				
9 Do you expect inflation to be a factor in 2014?	54%	46%				
\$501,000-1,000,000 (Question 10)	<i>Negative</i>	<i>Positive</i>	<i>No Impact</i>			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	76%	5%	19%			

2013 Revenue / Over \$1,000,000 - 80 Respondents

Above \$1,000,000 (Questions 3, 4)	Much worse	Marginally Worse	About the Same	Marginally Better	Much Better	
3 Your expectation for <u>local</u> business conditions in 2014	1%	3%	17%	62%	17%	
4 Your expectation for <u>national</u> business conditions in 2014 is:	1%	11%	35%	44%	9%	
Above \$1,000,000 (Question 5)	Yes	No				
5 Does your business expect annual earnings to exceed those of 2013?	88%	12%				
Above \$1,000,000 (Question 6)	0-10%	11-25%	26-50%	51-75%	76-100%	More than 100%
6 If so, how much of an increase do you expect?	40%	45%	10%	3%	1%	1%
Above \$1,000,000 (Question 7)	Yes	No				
7 Have you hired, or do you intend to hire additional employees in 2014?	78%	22%				
Above \$1,000,000 (Question 8)	Average*					
8 If you hire more employees, how many do you expect to hire in 2014?	4.8					
Above \$1,000,000 (Question 9)	Yes	No				
9 Do you expect inflation to be a factor in 2014?	54%	46%				
Above \$1,000,000 (Question 10)	Negative	Positive	No Impact			
10 The impact of the Affordable Care Act ("Obama Care") on your company will likely be:	79%	0%	21%			

* Excludes one company planning to hire 350 people