



For Immediate Release

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Town & Country Bank Records Ninth Successive Quarterly Profit

ST. GEORGE, UT— Town & Country Bank realized net income of \$103,000 or \$0.09 per share for the second quarter of 2013, and year-to-date net income of \$162,500. While the bank posted its ninth successive quarterly profit since emerging from its start-up phase, second quarter earnings represent a 50% retreat from earnings during the same period last year—a year in which the bank experienced a record pace of growth and finished among the nation’s top performing banks.

Total assets of the bank grew to \$79.8 million as of June 30th. Total Deposits climbed to \$70.3 million, while Total Outstanding Loans fell to \$52.7 million. The bank saw a 20% year-over-year increase in new retail accounts that drove up operating costs, contributing to a 16% increase in Non-interest Expense from the same period a year earlier. Additional regulatory compliance expense not present during the second quarter of 2012, including the mandated hiring of a compliance officer, was also a factor.

Executive Vice President & Chief Financial Officer Brad Hales said, “We would have liked to have seen stronger performance during the quarter, but a decline in the total amount of outstanding loans impacted earnings. The decline stemmed from the combination of adjustments we made to stay within strict regulatory growth limitations placed on de novo banks, sudden and unexpected loan payoffs by some borrowers, and delays in funding a new and very large USDA-guaranteed loan. We’re expecting loan volume and Net Interest Income to increase as the year progresses.”

During the second quarter, the Small Business Administration named Town & Country Bank as “Most Active SBA 504 Lender in Utah” in the Small Lender category, and the bank remained noticeably visible in a variety of community activities. Town & Country opened in February 2008, and has received considerable attention for various innovations, including its “concierge banking” customer service approach, its proprietary ATM/debit card giving holders time-of-purchase retail discounts, its free business courier service, and its free in-bank community concert series..

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