

Hear ye, hear ye

The Town Crier

OFFICIAL NEWSLETTER OF TOWN & COUNTRY BANK



Town & Country
BANK

August 2008

Bank Ahead of Plan at 6 Months!

Town & Country Bank ended its first six months of operation on August 18th about 17% ahead of its balance sheet projections. Total deposits exceeded projections by 15% and stood at \$14.6 million at quarter end. The combination of outstanding loans and loan commitments totaled \$13.6 million, far surpassing expectations. "We are pleased with our progress to date," says Brad L. Hales, Executive Vice President & Chief Financial Officer. "Expenses are firmly under control despite the fact that loan demand necessitated the unbudgeted hiring of additional staff and the opening of a loan production office,"

With regard to loans, Hales adds, "Our portfolio is in terrific shape. We're not heavily concentrated in any one sector, and the overall quality of our borrowers is superb." Town & Country Bank currently hasn't a single bad loan on its books. Growth in loan assets is partly attributable to the bank's strong liquidity position. While many other banks have been forced to reign in lending because of liquidity concerns, Town & Country has been able to extend credit more freely.

According to Hales, the steady rise in new business extends beyond the bank's excess liquidity. "Our unique customer service model and quality of staff have been central to our success," he says. "We are being perceived as innovators in the local financial community." Town & Country has differentiated itself through the introduction of universal private



Brad L. Hales

banking (Concierge Banking), a discount-laden debit card (Town Card) and the area's first business shuttle (Business Courier) that picks up commercial deposits and delivers onsite notary. "We believe the combination of our groundbreaking concepts, our experienced bankers and our attention to the bottom line will perpetuate a winning strategy," says Hales.

Town & Country Bank's pro forma financial statements project profitability in the second quarter of the bank's third year of operation.

Town Card Accepted at 35,000 ATM's Nationwide

A new agreement with Star™ Systems now allows Town & Country Bank customers to access their accounts without surcharge at more than 35,000 ATM terminals across the country. Don Boshard, Senior Vice President explains that, "Star ATMs are everywhere. Wells Fargo Bank is a major Star affiliate, so their terminals may likely become the ATMs of choice for holders of our Town Card when they're on the other side of town or out-of-town altogether." Customers will not incur any fee for withdrawals, transfers or obtaining balances. Deposits at Star ATMs, however, cannot be accepted.



"The STAR agreement removes one of the few barriers to opening an account at Town & Country Bank," Boshard says. "In fact, I really can't think of any other legitimate barrier at all!"

Town & Country Bank VISA Card Adds Rewards

Did you know that holders of the bank's Platinum Visa credit card can now earn all sorts of travel awards and merchandise? With qualifying purchases, enrolled "Score Card" customers will accumulate bonus points that can be redeemed for worldwide travel including universal airline tickets, cruises, hotel stays, and car rentals – all without blackout dates. Or, customers can use their earned bonus points for oodles of brand name merchandise from makers such as Nikon, Canon, Panasonic, Seiko, Oreck, Swiss Army, Makita and many, many more. Bonus points can even be used for special dental, prescription, hearing and vision discount programs. Only the best for Town & Country customers! Log on to www.scorecardrewards for a complete list of rewards.



And stop by or call the bank to get your Visa application and separate "Score Card" credit rewards application. Begin accumulating valuable points right away!

Message From The President

The story of Microsoft CEO and co-founder, Bill Gates, is downright fascinating. To millions it represents the pinnacle of the American Dream, in which a young man with a vision drops out of college and becomes the world's richest man. Trouble is, according to one biographer, Mr. Gates has never been a visionary. Thomas Watson, Jr. calls Gates an American "unoriginal," and while loudly touting his computer skills and hard driving business acumen, Watson says, "Bill Gates' career delivers the following message: It can be wiser to follow than to lead. Let the innovators hit the beaches and take the losses; if you hold back and follow, you can clean up in peace and quiet."

Gates and Microsoft invented neither the PC

operating system nor the internet browser, though they are recognized as the pioneers of these leading technologies. Watson continues, "Gates is the Bing Crosby of American technology, borrowing a tune here and there and turning them all into great boffo hits – by dint of heroic feats of repackaging and sheer Herculean blandness." After citing example after example of Gates' successfully following in the footsteps of innovators and brokering the marriage of other people's ideas, he concludes, "...the Bill Gates of our imagination is absurdly overblown." In other words, Gates is actually a brilliant follower.

Our aim at Town & Country Bank is to be, in the world of banking, a brilliant follower in the Gates tradition. I think we're off to a pretty good start. For example, our tellerless "concierge banking" model, exclusive Town Card,



first-in-area Business Courier and well-packaged remote deposit capture product are collectively and quickly building our reputation as an "innovator." Like Mr. Gates, however, we have really only co-opted the best of other people's fresh ideas and experiments for introduction into our own market. And if the community perceives our mode of delivery as visionary, then we – like Bill Gates and Microsoft – will be wildly successful.

While the overriding objective of any executive management team should be its absolute achievement of shareholder goals, we believe the secret to success lies in first addressing the wants and preferences of customers. Yet in our view, too many banks seem to perpetuate the same old formulaic banking templates: e.g. staffing branches with a customer-aggravating, bare bones teller platform; extending the usual "vanilla" menu of products and services; employing run-of-the-mill advertising and branding, etc. To use a technology metaphor, many banks are across the board using the archaic DOS operating systems of the past when their customers are demanding the more robust windows-

based systems of today. Alternatively, we believe in finding and nimbly delivering progressive customer solutions.

Gates himself *does* have a vision, by the way. He says, "The vision is that people should have the ultimate convenience." He further says, "Every day we're saying, 'How can we keep the customer happy?' How can we get ahead in innovation by doing this because if we don't, somebody else will."

Customer convenience and improved efficiency are universal virtues and they most certainly translate into customer loyalty, "sticky" deposits and increased loan demand. The executive management team at Town & Country Bank is continually looking for better mousetraps. We start by simply asking our customers what they'd like us to do differently. Then we read, attend industry workshops, read some more, talk with our consultants and industry experts, and then read a whole lot more. The trick is being able to recognize emerging concepts and products that actually work, but that have not yet been implemented in our service area. We want to be "cutting edge" in our market, but we don't want to be the one who crafts the blade.

In closing, let me say that our fledgling bank agrees wholeheartedly with another of Bill Gates' tenets: "This is a fantastic time to be entering the business world, because business is going to change more in the next 10 years than it has in the last 50." We at Town & Country Bank want to be an institution affecting that change.



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Customer Spotlight

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ROSENBERG
ASSOCIATES

Reputation can really take you places! Way back in 1989, Rick Rosenberg founded Rosenberg Associates as lead engineer for the Sunbrook Community, a 550-acre master planned residential community in St. George. The project was a huge success, and the Rosenberg firm quickly established its credentials as highly skilled, locally-based engineers.

Since that time nearly 20 years ago, Rosenberg Associates has grown to become a full service consulting engineering firm. Now an industry leader, Rosenberg has performed a wide range of engineering services for thousands of projects in Southern Utah.



Southern Utah is well known for its rugged, picturesque scenery. Such beautiful terrain presents special challenges – from diverse soil and hillside conditions to extreme climate variations between the mountain tops and the lower deserts.

Environmental issues can also be a major concern, as all of us who reside here want to preserve the majestic views and local attractions that make this area a great place to live. Rosenberg Associates is familiar with these challenges. The firm works closely with the desires of land owners and government regulatory agencies to optimize land use while preserving critical terrain features, threatened or endangered habitat, or protected wetlands. Because of Rosenberg's local presence and experience, it can respond quickly and cost effectively.

Rosenberg Associates can assist clients with the following kinds of projects: master plan communities, infill development, multi-family residential, commercial site development, road and utility infrastructure, FEMA floodplain and river management, construction management, structural engineering and survey.



Over the years, Rosenberg has developed professional relationships of all kinds. In addition to its dealings with local development and builder industries, the company has maintained relationships with different financial institutions in town. Having dealt previously with P. West Martin, now Executive Vice President and Chief Lending Officer at Town & Country Bank, Rosenberg Associates was very open to working with him and the new bank. It wasn't long before Rosenberg decided to establish a significant account relationship.

"We like the fact that Town and Country Bank is always willing to meet with us and discuss our company's financial direction and strategy," says Rick Rosenberg,

President. "By taking the time to understand our company's needs, they have been able to anticipate our requirements, offer helpful support and have service in place when we need it."

Kent Nobis, Principal Business Manager at Rosenberg says the firm likes the bank's personal touch. "Town and Country has top notch people. We always feel like we are their most important customer, no matter who we talk to." For the record, Town & Country Bank enjoys its friendship with all the folks at Rosenberg, as well!

Whenever they can, Nobis says that Rosenberg Associates likes to keep business within the community. "Just as we emphasize the fact that our firm is locally owned and operated, we like doing business with Town and Country Bank, who is also locally owned and operated."

A final comment about Town and Country from Nobis: "They have the best pre-manufactured office space of any place we have ever been!"

Town & Country Bank salutes Rosenberg Associates, one of Washington County's class acts!



Town & Country
BANK

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