



FOR IMMEDIATE RELEASE
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Town & Country Bank Posts Solid Earnings

Town & Country Bank announced second quarter pre-tax net income of \$396,781, and after-tax net income of \$226,781, or \$0.24 per share. The positive earnings recorded for the period are the 20th out of the last 21 in which the bank has registered a profit.

Notably, the bank's earnings became fully taxable in 2016, whereas taxes on income in previous years were offset by losses carried forward from the bank's start-up period. By way of comparison, net income for the second quarter of 2015 was \$497,692—the second best quarter in the bank's history.

As of June 30th, total assets at Town & Country Bank stood at \$110,049,268, representing a year-over-year increase of 14 percent. Deposits similarly climbed by 14 percent from a year ago to \$96,495,106, while net loans increased by just 1 percent to \$80,119,291 reflecting the fact that large portions of government guaranteed loans originated by the bank were sold into the secondary market over the last 12 months. The gains from sale of these loans typically generate handsome profits, and constitute a large part of the bank's ongoing revenue strategy.

Net interest income improved by 14 percent from a year ago, but non-interest income dropped by 47 percent, as fewer guaranteed loans were sold during the second quarter. Contributing in part to the lower non-interest income was a delay at the Small Business Administration in granting new loan approvals because of an extended server outage.

Executive Vice President & Chief Financial Officer Brad Hales, said, "In reality, our before-tax net income for the second quarter was slightly ahead of the average quarterly profits recorded for the eight quarters during our record years of 2014 and 2015. However, we're feeling the new tax bite this year. That said, we're optimistic that our expanding loan pipeline will generate income from new loans that will help us reduce the impact of taxes to our bottom line." Hales said the tangible book value of the bank's common stock at quarter-end rose to \$9.75.

"Best of State" Town & Country Bank was established in 2008, and maintains one retail office in St. George and a loan production office in Sandy, Utah. It is recognized in the industry as one of the best performing and innovative banks in the country.

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