Town & Country BANK
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For Immediate Release
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Town & Country Bank Posts Record Full Year Earnings For 2012

ST. GEORGE, UT—Town & Country Bank announced net income of $925,000 for the year ended December 31, 2012, representing a 204% increase over the year ended December 31, 2011. Fourth quarter net income at the almost five year-old financial institution totaled $358,000, which was 244% higher than the same period a year earlier. Earnings for the fourth quarter in 2012 were $0.29 per share.

As of December 31, 2012, Town & Country reported assets of $73,666,000, compared with $68,852,000 a year earlier. As of December 31, 2012, outstanding loans totaled $57,536,000, while deposits stood at $64,192,000. The bank remained well capitalized at year-end with a tier one leverage capital ratio of 12.17%.

Town & Country Bank President/CEO Bruce Jensen said, "Improvement in our local economy helped generate consistent earnings at the bank for the first three quarters of the year. During the fourth quarter, we were able to make a few adjustments to loan loss reserves, absorb some unexpected non-operating hits to earnings, and negotiate a profitable quarter. Also during the fourth quarter, we were able to record a provision for a tax deferred asset of $224,000 resulting from our prior start-up operating losses. This asset is reflected in our net income numbers for the quarter and the full year. Yet even without this supplement to earnings, the bank had a record year, generating income from operations of $701,000 that was 131% higher than last year. We continue to be pleased with the direction we're headed. Our loan portfolio is healthy, our concierge-style customer service model remains effective in attracting new customers, and most key performance measures are positive trending."

For the year ended December 31, 2012, return on average assets at Town & Country, including the provision for a tax deferred asset, was 1.27%, compared to 0.46% at year-end 2011. Return on average equity, including the deferred tax asset, was 10.61%, compared to 3.78% a year ago.

Other key performance indicators as of December 31, 2012: net interest income totaled $3,480,000, up from the prior year amount of $2,968,000; noninterest income was $559,000, against last year's $262,000; noninterest expense equaled $3,043,000, as compared to $2,926,000 one year ago.

As of December 31, 2012, provision for loan losses was $295,000, representing a year over year increase of $295,000. For the year ended December 31, 2012, loans over 90 days delinquent and on non-accrual status totaled $983,000, or 1.71% of outstanding loans, compared to $1,465,000 or 2.78% on December 31, 2011.

Other real estate owned on December 31, 2012 fell to $246,000 from $510,000 a year earlier, while other repossessed assets on December 31, 2012 climbed to $741,000 from $358,000 the previous year—due entirely to the return to the bank near year-end from a government receiver of a now non-performing asset that had previously been seized in an action against one of our customers.

For further information, contact:

Elsa Picklesimer, Executive Assistant
Town & Country Bank
405 East St. George Boulevard
St. George, UT 84770
Tel. (435) 673-1150
elsap@tcbankutah.com