



# CheckPoints



financial news from town square bank | spring .08



## Our CEO » Bruce Van Horn

It is extremely difficult to believe that it is already spring and we have closed out the 1<sup>st</sup> quarter of 2008!

With all the negative financial news that has been circulating since December, including the turmoil with subprime mortgage loans, depressed housing prices all over the country, and the FED chairman stating in his last testimony before Congress that we might be in a "recession," I was very pleased with the bank's performance during this most recent quarter.

Senior management's forecast for 2008 was one of "status quo" as far as growth correlated to economic projections. I was most concerned with loan demand this year, and I can surprisingly state that we are \$2.7 million ahead of budget while maintaining an above peer margin of 4.33%. Our return on equity for the first quarter was 14.10% and our return on assets was 1.45%.

Our focus, as I committed to you at the end of 2007, was to continue to build relationships with our core customer base, and this process has been extremely beneficial.

New accounts opened since the first of the year have exceeded what was projected, with the Nicholasville market surpassing all expectations. Business Development officers in both markets have done a great job of promoting Town Square Bank's new product, Remote Deposit Capture, targeting new

commercial clients with expectations to increase our geographic boundaries. To date, there are seven merchants using the new system, which has received nothing but positive feedback. Michelle Gifford, Vice President of Branch Administration, and Kim Smith, Vice President and Assistant Branch Administrator, have done an excellent job in training staff members on new products and will continue throughout 2008, updating retail staff with product and service information to better serve your financial needs.

Town Square Bank's marketing team continues to focus on branding in both markets with media outlets consisting of billboards, newspapers, statement inserts, and in bank signage. Your feedback on our marketing efforts is greatly appreciated. Please let us know your comments if you receive any information from us or see our ads in other areas.

Greg Burton, Vice President in Nicholasville, and Alice Rupert of Ashland are working together to enhance our mortgage product line. The secondary market rate remains at an all time low. If you haven't refinanced your existing home loan or are in the market for a new home, please give either Greg or Alice a call!

We are currently trying to ascertain locations for new ATMs in both markets; therefore, if you have any recommendations please stop into one of our offices and give Tommy or myself your thoughts!



## Meet Our **STAFF**

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**Kim Smith**  
**Vice President Retail  
Lending, Ashland »**

A native of Boyd County, Kim graduated from Boyd County High School. She attended Ashland Community College and is a graduate of the Kentucky School of Banking. Kim began her banking career as a part-time teller. Through the years, she has worked in

various positions including vault teller, customer service, branch manager and loan officer.

Kim has been with Town Square Bank since its opening in February 2000 and recently was promoted to Vice President of Retail Lending and Assistant Branch Administrator.

Kim and her husband Tim have been married for 18 years and are the proud parents of two boys – Austin is a freshman and Jordan is a fifth grader. Both keep them very busy with sports and school-related activities.

Away from work, Kim enjoys watching her boys play baseball and watching UK basketball.

Being a member of a community bank, she is very active in local community events. "I'm looking forward to meeting you and your needs."



**Greg Burton**  
**Mortgage Officer  
Nicholasville »**

Greg and his family have resided in Jessamine County for many years. He was born and raised in Nicholasville and couldn't imagine living anywhere else.

Greg started his banking career in 1978, working part-time at First National Bank & Trust Co. as part of the co-op program through his high school. After graduation, he began working full time as a teller while attending college. Greg is a graduate of the Kentucky School of Banking and The Graduate School of Banking in Madison, Wisc. He graduated from Asbury College Summa Cum Laude this spring with a B.S. in Business Management and Ethics.

Over the years, Greg has worked in most areas of the banking industry including branch manager, installment loan officer, commercial lending and mortgage lending. It was in mortgage lending that he found his passion. Helping people finance their dream home and seeing them leaving the closing excited about their new home makes the job a pleasure, according to Greg. He began working at Town Square Bank in July 2006 as Vice President of Secondary Mortgage Lending.

"I look forward to working with the current and future customers of Town Square Bank with their home mortgage needs."



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## Ready to do some work around the house?

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Check with **Us** »  
Town Square Bank is  
your home improvement  
loan authority.



Alice Rupert  
Mortgage Officer  
Ashland/Cannonsburg



Greg Burton  
Mortgage Officer  
Nicholasville

# Happy Anniversary Nicholasville!

As the Nicholasville branch celebrates its fifth anniversary on July 7, 2008, we share a history of the facility by area President Tommy Cobb.

## How it All Started »



It is hard for me to believe five years have passed so quickly until I reflect on what we have accomplished during this time.

Another staff member and I began working out of my home on January 15, 2003, to create Town Square Bank Loan Production Office. We searched for a temporary site as well as looking for a permanent home for Town Square Bank. We decided to lease a site in the Commerce Center in Nicholasville for a year. We then sought and received approval from the proper regulatory agencies to conduct business. Steve Smith and Kristie Weber joined the team in February 2003. Town Square Loan Production Office hit another gear at that point. We began to sell stock to raise capital and began making loans to generate income. After raising approximately \$3 million in capital, we then applied for and were approved to begin our quest to become a full service bank. We rounded out our staff by hiring Michelle Gifford as a Customer Service Representative and an experienced core of tellers.

In February 2004, we hired The Hayden Company to build our permanent facility at 150 South Main Street in Nicholasville. We wanted our facility to fit the facade of our downtown, so we worked with Nicholasville NOW!, a Main Street Program, and the Kentucky Historical Society to make this a reality.

We also wanted the inside of our facility to be user friendly and accessible to the public. We decided to allow local organizations to use our facility for meetings. We only require that the organization or one of its members be a customer of TSB. If your organization would like to use our board room, please contact us to check the availability.

## Continued Growth »

During our first year, we grew to approximately \$40,000,000 in assets. We have since grown to approximately \$51,000,000 in assets. We have continued to work to offer products and services that will continue to increase our ability to compete with the other financial institutions. We are planning to add another ATM to the Nicholasville market and have aligned ourselves with the Alliance One Network of ATMs. TSB customers have the flexibility to use any ATM that is a part of the Alliance One Network without a transaction fee.

We recently introduced **Remote Deposit Capture**. This allows a business to deposit its checks into a TSB account from its place of business regardless of location via Internet access. This has allowed TSB to pursue companies or clients that have offices located in different areas of the country. Please visit our Web site, [www.TownSquareBank.com](http://www.TownSquareBank.com) for a visual demonstration of this product as well as the others that are available.

With the problems that the financial industry is experiencing, I'm pleased to say that we have strategically maintained a conservative loan policy approach in the qualifications of building our loan portfolio. This has resulted in minimal loan losses while building a portfolio of approximately \$46,000,000. We continue to experience good loan demand and have been able to diversify the overall loan portfolio of Town Square Bank.



## Community Service »

As of June 2007, the FDIC Summary of Deposit Report reflects TSB has obtained 10.41% of the Jessamine County market share. I attribute this to our excellent staff of community bankers. We know without our stockholders and customers we do not exist as an organization. Our mission statement reflects that – ***"Making Our Customers, Customers for Life."***



It was recently reported by Federal Reserve Chairman Ben Bernanke that more focus is needed on financial literacy. High school seniors continue to struggle with financial literacy matters. They answered correctly on average fewer than half of the questions on a money management quiz according to Jump\$art Coalition report. The high school seniors who took the Jumpstart quiz this year scored slightly lower than their peers in 2006. Chairman Bernanke said, "lending troubles are a reminder that more Americans need financial literacy education." Only eight states require high school graduates to receive financial education. The members of TSB understand the importance having knowledge of financial matters and have been active in speaking to different groups in our school system.

My staff and I hold several leadership positions in numerous civic, school, youth and religious organizations. This led to us receiving the 2004 Jessamine County District Athletic Award Sponsor of the Year and the 2006 Jessamine County Chamber of Commerce award as "The New Business of the Year." Please look for us at the many upcoming events that will be occurring in Jessamine County. These functions can be found on the Web site [www.NicholasvilleTourism.com](http://www.NicholasvilleTourism.com).

**Online Banking Made Easy!**  
Visit [www.townsquarebank.com](http://www.townsquarebank.com).

**Questions? Concerns?**  
We're here to help!  
**877 | 929 | 9700**

## Our Locations & Hours »

Centervoice » 24-hour  
Automated Telephone Service  
1-877-472-9270

### CANNONSBURG OFFICE

9431 U.S. 60, Ashland, KY 41102 Phone (606) 929-9700 | Fax (606) 929-5566

	Lobby	Drive-thru
Monday - Thursday	8:30 AM to 5:00 PM	8:30 AM to 5:00 PM
Friday	8:30 AM to 5:00 PM	8:30 AM to 6:00 PM
Saturday	Lobby closed	8:30 AM to 12:00 PM

### MIDTOWN OFFICE

621 Martin Luther King Jr. Blvd, Ashland, KY 41101 Phone (606) 929-9700 | Fax (606) 325-8853

	Lobby	Drive-thru
Monday - Thursday	8:30 AM to 5:00 PM	8:30 AM to 5:00 PM
Friday	8:30 AM to 5:00 PM	8:30 AM to 6:00 PM
Saturday	Lobby closed	8:30 AM to 12:00 PM

### NICHOLASVILLE OFFICE

150 South Main St, Nicholasville, KY 40356 Phone (859) 881-8266 | Fax (859) 881-8281

	Lobby	Drive-thru
Monday - Thursday	8:30 AM to 4:00 PM	8:00 AM to 5:30 PM
Friday	8:30 AM to 5:00 PM	8:00 AM to 6:00 PM
Saturday	8:30 AM to 12:00 PM	8:00 AM to 12:00 PM

## Holiday Closing

All Town Square Bank locations will be closed in observance of Memorial Day, Monday, May 26 and Independence Day, Friday, July 4.

We hope you enjoy these days with family and friends!



Town SQUARE Bank

 check with us

P.O. Box 2289, Ashland, KY 41105-2289

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