



Town Bank Reports June 30, 2005 Results To Shareholders

For Immediate Release

WESTFIELD, N.J./EWORLDWIRE/July 22, 2005 --- To our Shareholders:

For the quarter ended June 30, 2005, your Bank recorded pre-tax income of \$532,000 compared to \$298,000 or an increase of \$234,000 or 78.5%. During this quarter, your Bank became taxable recording a provision of \$95,000. Net income for the second quarter of 2005 totaled \$437,000 compared to \$267,000 reflecting a growth of \$170,000 or 63.7% for the same period one year ago.

For the six months ended June 30, 2005, income before income taxes amounted to \$1,072,000 compared to \$572,000 recorded for the period ended June 30, 2004, reflecting an increase of \$500,000 or 87.4%. For this period a tax provision of \$120,000 was recorded. Net income was \$952,000 versus \$537,000 an increase of \$415,000 or 77.3%. Net income per basic share amounted to \$0.51 compared to \$0.29 for the same periods. On a diluted share basis, the comparable figures are \$0.49 for the six months ended June 30, 2005 and \$0.28 for the same 2004 period.

At June 30, 2005 total assets amounted to \$147,005,000 compared to \$122,900,000 at June 30, 2004, a growth of \$24,105,000 or 19.6%. Total deposits grew to \$130,671,000 at June 30, 2005 from \$105,917,000 recorded one year ago, reflecting a growth of \$24,754,000 or 23.4%. Loans outstanding rose from \$93,347,000 to \$127,958,000 over the period representing an increase of \$34,611,000 or 37.1%.

We thank you for your ongoing support of The Town Bank, and we look forward to the future with enthusiasm and confidence.

Sincerely yours,
Joseph F.X. O'Sullivan
Chairman of the Board

Robert W. Dowens, Sr.
President & Chief Executive Officer

The Town Bank
Balance Sheets
(in thousands, except share amounts)
(unaudited)

	June 30, 2005	2004
ASSETS		
Cash and due from banks	\$ 2,987	\$ 2,287
Federal funds sold and other short term investments	-	6,653
Investment securities available for sale	13,917	18,906
Loans, net of unearned fees/costs	127,958	93,347
less: Allowance for loan losses	(1,387)	(941)
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Net loans	126,571	92,406
Premises and equipment, net	1,864	1,967

Other assets	1,666	681
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Total Assets	\$ 147,005	\$122,900
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Non-interest bearing	\$ 20,906	\$18,184
Interest bearing	109,765	87,733
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Total deposits	130,671	105,917
Short term borrowings	250	217
Accrued expenses and other liabilities	554	3,324
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Total Liabilities	131,475	109,458
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Shareholders' Equity		
Common stock (\$5.00 par value per share, authorized 3,000,000 shares at June 30, 2005 and 2004; 1,877,330 shares issued and outstanding at June 30, 2005 and 1,851,012 issued and outstanding at June 30, 2004)		
	9,387	9,255
Additional paid-in capital	5,547	5,415
Retained earnings (accumulated deficit)	644	(1,135)
Accumulated other comprehensive (loss) income	(48)	(93)
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Total Shareholders' Equity	15,530	13,442
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Total Liabilities And Shareholders' Equity	\$ 147,005	\$122,900
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Income Statements
(in thousands, except share amounts)
(unaudited)

	For the six months ended June 30,	
	2005	2004
Interest income	\$ 4,078	\$ 2,827
Interest expense	1,343	827
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Net interest income	2,735	2,000
Provision for loan losses	201	140
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Net interest income after provision for loan losses	2,534	1,860
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Non interest income	70	62
Non interest expense	1,532	1,350
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Income before income taxes	1,072	572
Income taxes	120	35
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Net income	\$ 952	\$ 537
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Net income per share - basic	\$ 0.51	\$ 0.29
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Net income per share - diluted		\$ 0.49	\$ 0.28
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Average shares outstanding - basic		1,876,000	1,851,000
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Average shares outstanding - diluted		1,948,000	1,894,000
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The above share figures have been restated for the 5% stock dividend distributed on June 1, 2004

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