



**Town Bank Announces Year End Financial Performance**

*Announces Fourth Quarter Earnings*

For Immediate Release

WESTFIELD, N.J./EWorldWire/Feb. 8, 2005 --- Town Bank Of Westfield (OTCBB: TBWN) ;

To Our Shareholders, from Joseph O'Sullivan, Chairman and Robert Dowens, President.

We are pleased to report that for the year ended December 31, 2004, your Bank recorded net income of \$1,364,000 or \$0.74 per basic and \$0.72 per diluted common share compared to net income of \$698,000 or \$0.52 per basic and \$0.51 per diluted common share a year ago. For the three months ended December 31, 2004, your Bank recorded net income of \$437,000 or \$0.24 per basic and \$0.23 per diluted share. For the same period one year ago, net income amounted to \$193,000 or \$0.10 per basic and diluted common share. This significant achievement is attributable to a higher level of net interest income as a result of our growth.

At December 31, 2004 our total assets amount to \$126,076,000 as compared to \$103,072,000 recorded one year ago on December 31, 2003; reflecting a growth of \$23,004,000 or 22.3%. Total deposits grew to \$109,635,000 as of December 31, 2004 from \$89,628,000 at December 31, 2003, resulting in an increase of \$20,007,000 or 22.3%. Loans outstanding rose from \$79,692,000 to \$109,924,000 representing an increase of \$30,232,000 or a growth of 37.9%.

We are also pleased to share with you that The Town Bank has been rated "5 stars" by BauerFinancial Inc., the nation's leading independent bank rating firm, giving your Bank the distinction of being one of the strongest banks in the nation. While this rating is based on the evaluation of recent financial data, this recognition could not have been accomplished without the support of our Staff, Board of Directors, Advisory Board Members, and you our valued shareholders.

We look forward to providing you details of your Bank's financial performance in our annual report scheduled to be mailed on or about April 1, 2005. We thank you for your ongoing support and confidence in The Town Bank and look forward to seeing you on April 28, 2005 at our Annual Shareholders Meeting. On behalf of the Directors, Officers and Employees we wish you a happy, healthy and prosperous New Year.

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

(unaudited)

	December 31, 2004	2003
ASSETS		
Cash and due from banks	\$ 1,376	\$
1,665		
Federal funds sold and other short term investments	-	
3,590		

Investment securities available for sale 17,013		12,907	
Loans, net of unearned fees/costs 79,692		109,924	
less: Allowance for loan losses (801)		(1,186)	
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Net loans	108,738		78,891
Premises and equipment, net 1,351		1,924	
Other assets	1,131		562
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Total Assets	\$ 126,076		\$ 103,072
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## LIABILITIES AND SHAREHOLDERS' EQUITY

## Liabilities

## Deposits:

Non-interest bearing	\$ 17,827		\$ 15,193
Interest bearing	91,808		74,435
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Total deposits	109,635		89,628
Short term borrowings	1,430		171
Accrued expenses and other liabilities 262		528	
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Total Liabilities	111,593		90,061
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## Shareholders' Equity

Common stock (\$5.00 par value per  
share, authorized 3,000,000 shares at  
December 31, 2004 and 2003;  
1,869,302 shares issued and outstanding at  
December 31, 2004 and 1,851,012 issued  
and outstanding at December 31, 2003)

9,255		9,346	
Additional paid-in capital	5,506		5,415
Accumulated deficit	(308)		(1,672)
Accumulated other comprehensive (loss) income 13		(61)	
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Total Shareholders' Equity 13,011	14,483		
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Total Liabilities And Shareholders' Equity 103,072	\$ 126,076		\$
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Income Statements  
(in thousands, except share amounts)  
(unaudited)

For the year ended  
December 31,  
2004

		2003	
Interest income	\$ 6,317		\$ 4,835
Interest expense	1,832		1,570
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Net interest income	4,485		3,265
Provision for loan losses	385		191

Net interest income after provision for loan losses 3,074	4,100	
Non interest income	136	242
Non interest expense	2,788	2,542
Income before income taxes 774	1,448	
Income taxes	84	76
Net income	\$ 1,364	\$ 698
Net income per share - basic	\$ 0.74	\$ 0.52
Net income per share - diluted 0.51	\$ 0.72	\$
Average shares outstanding - basic 1,348,000	1,852,000	
Average shares outstanding - diluted 1,367,000	1,905,000	

2004 The above share figures have been restated for the 5% stock distribution paid on June 1,

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**SOURCE:** Town Bank