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To: Business Editors

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## ANDREW JOHNSON BANK ANNOUNCES PROFITABLE RESULTS FOR 2012

Bill Hickerson, President and CEO of Andrew Johnson Bank, reported that the bank's net income increased 55% in 2012 over the previous year. Pre-tax earnings were \$3,949,361 and the bank's net income was \$2,514,223.

A better than expected earnings performance for the year enabled the bank to pay dividends of \$.75 per share in July and December. An additional special dividend of \$.75 per share was paid in December in anticipation of higher tax rates being applied to dividend income in 2013. The aggregated dividend in 2012 was \$2.25 per share.

Commenting on last year's financial results, Hickerson noted that in 2012 the bank continued in a positive trend by holding margins, improving credit quality and increasing market share. The bank successfully maintained a fiscally conservative business plan that controlled risk and improved capital adequacy while emphasizing core business practices such as customer service and providing modern and relevant financial products.

Michael Thomasson, SVP and County Executive of Bradley County in the Cleveland office, notes the bank's community involvement as a primary contributor to the popularity of the bank. "We are committed to our community by supporting local school projects, teams and events as well as local small businesses and municipal projects. We give back to the entire community," he said.

In 2012 the Cleveland office hired Angel Sherlin and Sharon Howard to serve as loan officers. "Each of these women bring a high level of experience and professionalism to our office, expanding our ability to serve our customer's needs for a variety of credit products," he said.

Thomasson continued, "Our goal is to be the best community bank in east Tennessee and 'best' means well-capitalized, well managed, and exhibiting exemplary service to provide for the financial needs of our customers in the communities we serve."

Hickerson reported the improved earnings in 2012 allowed the bank to increase its tier 1 capital ratio (an important ratio and the ratio most commonly used by regulators in assessing a bank's capital adequacy), from 8.73% of average assets at December 31, 2011 to 9.02% at December 31, 2012. This is significant in that many banks are experiencing extreme difficulty in raising equity capital in this banking environment.

The net result of these efforts was an increase in shareholder value. (increasing equity capital) "I feel that the Bank must be managed in a conservative manner, but should not

be averse to taking advantage of growth opportunities in existing and contiguous markets that would enhance shareholder value over time.” he said.

Hickerson characterized 2012 as a year in which the Bank continued to increase its core earnings while improving asset quality. He believes that our region will continue to face economic difficulties in 2013, but is confident that the Bank’s Board of Directors and management have taken the steps necessary to maintain positive earnings and increased capital. The Bank is better prepared to continue to support the economic growth in the communities with loans. “We remain strong for the community,” Hickerson stated.

“I realize that the challenges facing community banks are unprecedented and that government intrusion and more regulation will only negatively impact all community banks; however, I sincerely believe that well managed community banks will not only survive but prosper,” he said.

Headquartered in Greeneville, Tennessee, Andrew Johnson Bank is a privately owned community bank chartered in 1975 with assets of approximately \$280 million. The Bank has seven full service offices with locations in Greeneville, Morristown, Jonesborough, Johnson City and Cleveland, Tennessee. In addition, the Bank provides wealth management, brokerage and insurance services through its subsidiary, Andrew Johnson Insurance and Investment Services (formerly Greeneville Insurance Agency). Since the Bank is privately owned, its stock is not publicly traded on any listed exchange.