

News Release
For Release Immediately
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TOWN CENTER BANK REPORTS CORRECTED DECEMBER 31, 2018 RESULTS

New Lenox, IL, February 15, 2019 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the twelve months ended December 31, 2018. The Bank reported net income before taxes of \$454,000 and \$151,000 for the twelve months ended December 31, 2018 and 2017, respectively. The Bank recognized a book tax credit from deferred tax valuation adjustment which increased net income after taxes to \$1,726,000 for the twelve months ended December 31, 2018. Net income after taxes was \$151,000 for the twelve months ended December 31, 2017.

Other significant items to note include:

Net interest income was \$3.8 million and \$3.5 million for the twelve months ended December 31, 2018 and 2017, respectively.

Non-interest income was \$310,000 and \$321,000 for the twelve months ended December 31, 2018 and 2017, while non-interest expense remained the same at \$3.7 million in the respective periods.

No provision for loan losses was required in the twelve months ended December 31, 2018. A \$25,000 provision for loan losses was recorded in the twelve months ended December 31, 2017.

Current period income tax expense was (\$1,272,000) which is attributable to an adjustment in the valuation allowance for NOL carryforwards.

Total shareholders’ equity at December 31, 2018 was \$11.4 million. The Bank’s capital to average total assets ratio was 10.30% and the total capital to risk-weighted assets ratio was 13.50%.

The Bank’s total assets increased \$5.4 million in the twelve months ended December 31, 2018, due to growth in Loans of \$5.9 million.

Total deposits increased \$3.9 million during the twelve months ended December 31, 2018 to \$89.3 million from \$85.4 million at December 31, 2017. Non-interest bearing deposits increased by \$1.8 million during the period, while interest-bearing deposits increased by \$2.1 million.

Statements contained in this report that are not purely historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including our expectations, intentions, beliefs, or strategies regarding the future. Any forward-looking statements set forth herein are necessarily subject to significant uncertainties and risks. Any statements in this document about expectations, intentions, beliefs, plans, objectives, assumptions, future events or performance are not historical facts and are forward-looking statements. These statements may often, but not always, be identified by words such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” and similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding “beliefs about loan losses” and “expectations regarding customer preference.” The foregoing is not an exclusive list of all forward-looking statements we make.

TOWN CENTER BANK
BALANCE SHEETS
(Unaudited)

(Dollar amounts in thousands, except share and per share data)

	December 31, <u>2018</u>	December 31, <u>2017</u>
ASSETS		
Cash and due from banks	\$ 1,236	\$ 966
Interest-bearing deposits with banks	2,054	3,218
Federal funds sold	<u>2,402</u>	<u>849</u>
Cash and cash equivalents	5,692	5,033
Securities available-for-sale, at fair value	22,860	25,156
Loans, net of allowance for loan losses of \$879 at December 31, 2018 and \$877 at December 31, 2017	73,123	67,243
Federal Home Loan Bank stock	135	135
Premises and equipment, net	302	400
Deferred Income Taxes	1,272	0
Accrued interest receivable and other assets	<u>505</u>	<u>481</u>
	<u>\$ 103,890</u>	<u>\$ 98,448</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 20,357	\$ 18,566
Interest-bearing	<u>68,983</u>	<u>66,835</u>
Total deposits	89,340	85,401
Federal Home Loan Bank borrowings	3,000	3,000
Federal Funds Purchased	-	-
Accrued interest payable and other liabilities	<u>173</u>	<u>277</u>
Total liabilities	92,513	88,678
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at December 31, 2018 and December 31, 2017; 2,333,660 shares issued and outstanding at December 31, 2018 and December 31, 2017	2,333	2,333
Additional paid-in capital	20,788	20,680
Accumulated deficit	(11,165)	(12,891)
Accumulated other comprehensive income (loss)	<u>(576)</u>	<u>(352)</u>
Total shareholders' equity	<u>11,377</u>	<u>9,770</u>
	<u>\$ 103,890</u>	<u>\$ 98,448</u>

TOWN CENTER BANK
STATEMENTS OF OPERATIONS and COMPREHENSIVE INCOME
(Unaudited)

(Dollar amounts in thousands, except share and per share data)

Twelve Months Ended December 31, <u>2018</u>	Twelve Months Ended December 31, <u>2017</u>
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Interest income		
Loans, including fees	\$ 3,861	\$ 3,290
Securities	592	681
Federal funds sold and other	<u>80</u>	<u>32</u>
Total interest income	4,533	4,003
Interest expense		
Deposits	709	458
Federal Funds Purchased	1	
Federal Home Loan Bank and other borrowings	<u>53</u>	<u>28</u>
Total interest expense	763	495
Net interest income	3,770	3,508
Provision for loan losses	<u>-</u>	<u>25</u>
Net interest income after provision for loan losses	3,770	3,483
Noninterest income		
Service charges on deposits	131	121
Mortgage banking income	51	118
Other income	<u>128</u>	<u>82</u>
Total noninterest income	310	321
Noninterest expense		
Salaries and employee benefits	1,874	1,625
Occupancy and equipment	416	416
Data processing	648	601
Professional fees	113	324
FDIC deposit insurance	28	33
Advertising and marketing	56	50
Gain on sale of other real estate	-	(19)
Litigation settlement	(22)	162
Other real estate expenses	-	8
Other	<u>513</u>	<u>453</u>
Total noninterest expense	<u>3,626</u>	<u>3,653</u>
Income before income taxes	454	151
Income tax expense	<u>1,272</u>	<u>-</u>
Net income	<u>\$ 1,726</u>	<u>\$ 151</u>
Other comprehensive income (loss)		
Holding gains (losses) on securities available-for-sale	<u>\$ (224)</u>	<u>\$ (122)</u>
Comprehensive income (loss)	<u>\$ 1,502</u>	<u>\$ 29</u>
Basic and diluted income per share	<u>\$ 0.74</u>	<u>\$ 0.06</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660