

News Release
For Release Immediately
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TOWN CENTER BANK REPORTS MARCH 31, 2017 RESULTS

New Lenox, IL, May 15, 2017 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the three months ended March 31, 2017. The Bank reported net income of \$32,000 and \$68,000 for the three months ended March 31, 2017 and 2016, respectively.

Other significant items to note include:

Net interest income for the three months ended March 31, 2017 and 2016 was \$0.8 million for each period.

Non-interest income was \$72,000 for each period, while non-interest expense declined to \$844,000 from \$850,000

There was no provision for loan losses required in either period.

Total Shareholder’s Equity at March 31, 2017 was \$9.9 million. The Bank’s Tier 1 capital to average total assets ratio was 10.96% and the total capital to risk-weighted assets ratio was 15.86%.

The Bank’s total assets declined \$4.8 million in the three months ended March 31, 2017 due to a decrease of \$2.8 million in cash and cash equivalents, \$1.4 million in securities available for sale, and \$0.5 million in loans.

Total deposits decreased \$4.9 million during the three months ended March 31, 2017 to \$79.5 million from \$84.4 million at December 31, 2016. Non-interest bearing deposits increased by \$2.0 million during the period, while interest-bearing deposits decreased by \$6.9 million, primarily due to the redemption of \$4 million in non-core deposits.

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)

	March 31, <u>2017</u>	December 31, <u>2016</u>
ASSETS		
Cash and due from banks	\$ 709	\$ 895
Interest-bearing deposits with banks	1,771	3,834
Federal funds sold	<u>1,011</u>	<u>1,559</u>
Cash and cash equivalents	3,491	6,288
Securities available-for-sale, at fair value	29,660	31,103
Loans, net of allowance for loan losses of \$851 at March 31, 2017 and \$817 at December 31, 2016	55,493	55,996
Federal Home Loan Bank stock	74	74
Premises and equipment, net	413	442
Accrued interest receivable and other assets	<u>358</u>	<u>395</u>
	<u>\$ 89,489</u>	<u>\$ 94,298</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 15,126	\$ 13,149
Interest-bearing	<u>64,347</u>	<u>71,257</u>
Total deposits	79,473	84,406
Federal Home Loan Bank borrowings	-	-
Accrued interest payable and other liabilities	<u>119</u>	<u>151</u>
Total liabilities	79,592	84,557
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at March 31, 2017 and December 31, 2016; 2,333,660 shares issued and outstanding at March 31, 2017 and December 31, 2016	2,333	2,333
Additional paid-in capital	20,680	20,680
Accumulated deficit	(13,010)	(13,042)
Accumulated other comprehensive income (loss)	<u>(106)</u>	<u>(230)</u>
Total shareholders' equity	<u>9,897</u>	<u>9,741</u>
	<u>\$ 89,489</u>	<u>\$ 94,298</u>

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

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

	Three Months Ended March 31, <u>2017</u>	Three Months Ended March 31, <u>2016</u>
Interest income		
Loans, including fees	\$ 709	\$ 789
Securities	186	189
Federal funds sold and other	<u>7</u>	<u>13</u>
Total interest income	902	991
Interest expense		
Deposits	98	138
Federal Home Loan Bank advances	<u>-</u>	<u>7</u>
Total interest expense	98	145
Net interest income	804	846
Provision for loan losses	<u>-</u>	<u>-</u>
Net interest income after provision for loan losses	804	846
Noninterest income		
Service charges on deposits	26	23
Securities gains	-	-
Mortgage banking income	27	32
Other income	<u>19</u>	<u>17</u>
Total noninterest income	72	72
Noninterest expense		
Salaries and employee benefits	399	382
Occupancy and equipment	106	103
Data processing	145	152
Professional fees	58	54
FDIC deposit insurance	6	33
Advertising and marketing	15	11
Other real estate expenses, net of rental income	5	-
Other	<u>110</u>	<u>115</u>
Total noninterest expense	<u>844</u>	<u>850</u>
Income before income taxes	32	68
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 32</u>	<u>\$ 68</u>
Other comprehensive income		
Holding gains on securities available-for-sale	\$ 124	\$ 416
Reclassification adjustment for net gains included in income	<u>-</u>	<u>-</u>
Total other comprehensive income	124	416
Comprehensive income	<u>\$ 156</u>	<u>\$ 484</u>
Basic and diluted income per share	<u>\$ 0.01</u>	<u>\$ 0.03</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660