

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

New Lenox, IL, May 7, 2018 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the three months ended March 31, 2018. The Bank reported net income of \$180,000 and \$32,000 for the three months ended March 31, 2018 and 2017, respectively.

Other significant items to note include:

Net interest income was \$1.0 million and \$0.8 million for the three months ended March 31, 2018 and 2017, respectively.

Non-interest income was \$50,000 and \$72,000 for the three months ended March 31, 2018 and 2017, while non-interest expense increased to \$861,000 from \$844,000 in the respective period.

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

Total shareholder’s equity at March 31, 2018 was \$9.7 million. The Bank’s Tier 1 capital to average total assets ratio was 10.42% and the total capital to risk-weighted assets ratio was 13.44%.

The Bank’s total assets declined \$3.4 million in the three months ended March 31, 2018 due to a \$4.0 million decrease in cash and cash equivalents used in the growth of \$2.2 million in loans and \$1.5 million reduction in securities.

Total deposits decreased \$3.2 million during the three months ended March 31, 2018 to \$82.2 million from \$85.4 million at December 31, 2017. Non-interest bearing deposits decreased by \$1.5 million during the period, while interest-bearing deposits decreased by \$1.7 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)

	March 31, <u>2018</u>	December 31, <u>2017</u>
ASSETS		
Cash and due from banks	\$ 634	\$ 966
Interest-bearing deposits with banks	366	3,218
Federal funds sold	<u>0</u>	<u>849</u>
Cash and cash equivalents	1,000	5,033
Securities available-for-sale, at fair value	23,652	25,156
Loans, net of allowance for loan losses of \$878 at March 31, 2018 and \$877 at December 31, 2017	69,451	67,243
Federal Home Loan Bank stock	135	135
Premises and equipment, net	369	400
Accrued interest receivable and other assets	<u>432</u>	<u>481</u>
	<u>\$ 95,039</u>	<u>\$ 98,448</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 17,066	\$ 18,566
Interest-bearing	<u>65,093</u>	<u>66,835</u>
Total deposits	82,159	85,401
Federal Home Loan Bank borrowings	3,000	3,000
Federal Funds Purchased	87	-
Accrued interest payable and other liabilities	<u>118</u>	<u>277</u>
Total liabilities	85,364	88,678
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at March 31, 2018 and December 31, 2017; 2,333,660 shares issued and outstanding at March 31, 2018 and December 31, 2017	2,333	2,333
Additional paid-in capital	20,740	20,680
Accumulated deficit	(12,711)	(12,891)
Accumulated other comprehensive income (loss)	<u>(687)</u>	<u>(352)</u>
Total shareholders' equity	<u>9,675</u>	<u>9,770</u>
	<u>\$ 95,039</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)

	3 Months Ended March 31, <u>2018</u>	3 Months Ended March 31, <u>2017</u>
Interest income		
Loans, including fees	\$ 975	\$ 709
Securities	153	186
Federal funds sold and other	<u>8</u>	<u>7</u>
Total interest income	1,136	902
Interest expense		
Deposits	131	98
Federal Home Loan Bank and other borrowings	<u>13</u>	<u>-</u>
Total interest expense	144	98
Net interest income	991	804
Provision for loan losses	<u>-</u>	<u>-</u>
Net interest income after provision for loan losses	991	804
Noninterest income		
Service charges on deposits	28	26
Mortgage banking income	1	27
Other income	<u>21</u>	<u>19</u>
Total noninterest income	50	72
Noninterest expense		
Salaries and employee benefits	489	399
Occupancy and equipment	105	106
Data processing	153	145
Professional fees	47	58
FDIC deposit insurance	10	6
Advertising and marketing	16	15
Gain on sale of other real estate	-	-
Litigation settlement	(55)	-
Other real estate expenses	1	5
Other	<u>95</u>	<u>110</u>
Total noninterest expense	<u>861</u>	<u>844</u>
Income before income taxes	180	32
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 180</u>	<u>\$ 32</u>
Other comprehensive income (loss)		
Holding gains (losses) on securities available-for-sale	<u>\$ (335)</u>	<u>\$ 124</u>
Comprehensive income (loss)	<u>\$ (155)</u>	<u>\$ 156</u>
Basic and diluted income per share	<u>\$ 0.08</u>	<u>\$ 0.01</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660