

News Release
For Release Immediately
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TOWN CENTER BANK REPORTS JUNE 30, 2017 RESULTS

New Lenox, IL, August 7, 2017 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the six months ended June 30, 2017. The Bank reported net income of \$125,000 and \$95,000 for the six months ended June 30, 2017 and 2016, respectively.

Other significant items to note include:

Net interest income for the six months ended June 30, 2017 and 2016 was \$1.6 million for each period.

Non-interest income was \$159,000 and \$178,000 for the six months ended June 30, 2017 and 2016, respectively, while non-interest expense declined to \$1,659,000 from \$1,724,000

A provision for loan losses of \$25,000 was recorded in the six months ended June 30, 2017.

Total Shareholders’ Equity at June 30, 2017 was \$10.1 million. The Bank’s Tier 1 capital to average total assets ratio was 10.79% and the total capital to risk-weighted assets ratio was 14.29%.

The Bank’s total assets increased \$7.3 million in the six months ended June 30, 2017 from growth in loans of \$7.9 million and cash and cash equivalents of \$2.1 million. Securities available for sale declined by \$2.7 million during the period.

Total deposits increased \$3.9 million during the six months ended June 30, 2017 to \$88.3 million from \$84.4 million at December 31, 2016. Non-interest bearing deposits increased by \$1.3 million during the period and interest-bearing deposits increased by \$2.6 million. Advances from the Federal Home Loan Bank of Chicago of \$3 million were also acquired during the period.

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)

	June 30, <u>2017</u>	December 31, <u>2016</u>
ASSETS		
Cash and due from banks	\$ 842	\$ 895
Interest-bearing deposits with banks	5,468	3,834
Federal funds sold	<u>2,056</u>	<u>1,559</u>
Cash and cash equivalents	8,366	6,288
Securities available-for-sale, at fair value	28,409	31,103
Loans, net of allowance for loan losses of \$854 at June 30, 2017 and \$817 at December 31, 2016	63,857	55,996
Federal Home Loan Bank stock	135	74
Premises and equipment, net	421	442
Accrued interest receivable and other assets	<u>373</u>	<u>395</u>
	<u>\$ 101,561</u>	<u>\$ 94,298</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 14,472	\$ 13,149
Interest-bearing	<u>73,867</u>	<u>71,257</u>
Total deposits	88,339	84,406
Federal Home Loan Bank borrowings	3,000	-
Accrued interest payable and other liabilities	<u>113</u>	<u>151</u>
Total liabilities	91,452	84,557
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at June 30, 2017 and December 31, 2016; 2,333,660 shares issued and outstanding at June 30, 2017 and December 31, 2016	2,333	2,333
Additional paid-in capital	20,680	20,680
Accumulated deficit	(12,917)	(13,042)
Accumulated other comprehensive income (loss)	<u>13</u>	<u>(230)</u>
Total shareholders' equity	<u>10,109</u>	<u>9,741</u>
	<u>\$ 101,561</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)

	Six Months Ended June 30, <u>2017</u>	Six Months Ended June 30, <u>2016</u>
Interest income		
Loans, including fees	\$ 1,490	\$ 1,533
Securities	358	369
Federal funds sold and other	<u>13</u>	<u>28</u>
Total interest income	1,861	1,930
Interest expense		
Deposits	204	275
Federal Home Loan Bank and other borrowings	<u>7</u>	<u>14</u>
Total interest expense	211	289
Net interest income	1,650	1,641
Provision for loan losses	<u>25</u>	<u>-</u>
Net interest income after provision for loan losses	1,625	1,641
Noninterest income		
Service charges on deposits	56	46
Securities gains	-	-
Mortgage banking income	63	94
Other income	<u>40</u>	<u>38</u>
Total noninterest income	159	178
Noninterest expense		
Salaries and employee benefits	795	753
Occupancy and equipment	209	208
Data processing	291	303
Professional fees	123	135
FDIC deposit insurance	14	70
Advertising and marketing	29	24
Other real estate expenses, net of rental income	(12)	-
Other	<u>211</u>	<u>231</u>
Total noninterest expense	1,659	1,724
Income before income taxes	125	95
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 125</u>	<u>\$ 95</u>
Other comprehensive income		
Holding gains on securities available-for-sale	\$ 243	\$ 510
Reclassification adjustment for net gains included in income	<u>-</u>	<u>-</u>
Total other comprehensive income	243	510
Comprehensive income	<u>\$ 368</u>	<u>\$ 605</u>
Basic and diluted income per share	<u>\$ 0.05</u>	<u>\$ 0.04</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660

