

News Release
For Release Immediately
Contact: Dan Regan
President
(815) 806-7015

TOWN CENTER BANK REPORTS JUNE 30, 2018 RESULTS

New Lenox, IL, August 14, 2018 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the six months ended June 30, 2018. The Bank reported net income of \$267,000 and \$125,000 for the six months ended June 30, 2018 and 2017, respectively.

Other significant items to note include:

Net interest income was \$1.9 million and \$1.7 million for the six months ended June 30, 2018 and 2017, respectively.

Non-interest income was \$143,000 and \$159,000 for the six months ended June 30, 2018 and 2017, while non-interest expense increased to \$1.8 million from \$1.7 million in the respective period.

No provision for loan losses was required in the six months ended June 30, 2018. A \$25,000 provision for loan losses was recorded in the six months ended June 30, 2017.

Total shareholders’ equity at June 30, 2018 was \$9.7 million. The Bank’s capital to average total assets ratio was 10.83% and the total capital to risk-weighted assets ratio was 13.58%.

The Bank’s total assets declined \$0.1 million in the six months ended June 30, 2018, despite growth in Loans, net of the allowance for loan losses, of \$4.5 million, due to a \$1.8 million decline in cash and cash equivalents and \$2.7 million in amortization of securities available for sale.

Total deposits increased \$0.1 million during the six months ended June 30, 2018 to \$85.5 million from \$85.4 million at December 31, 2017. Non-interest bearing deposits decreased by \$0.4 million during the period, while interest-bearing deposits increased by \$0.5 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)

	June 30, <u>2018</u>	December 31, <u>2017</u>
ASSETS		
Cash and due from banks	\$ 880	\$ 966
Interest-bearing deposits with banks	1,207	3,218
Federal funds sold	<u>1,106</u>	<u>849</u>
Cash and cash equivalents	3,193	5,033
Securities available-for-sale, at fair value	22,501	25,156
Loans, net of allowance for loan losses of \$858 at June 30, 2018 and \$877 at December 31, 2017	71,699	67,243
Federal Home Loan Bank stock	135	135
Premises and equipment, net	354	400
Accrued interest receivable and other assets	<u>448</u>	<u>481</u>
	<u>\$ 98,330</u>	<u>\$ 98,448</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 18,144	\$ 18,566
Interest-bearing	<u>67,379</u>	<u>66,835</u>
Total deposits	85,523	85,401
Federal Home Loan Bank borrowings	3,000	3,000
Federal Funds Purchased	-	-
Accrued interest payable and other liabilities	<u>111</u>	<u>277</u>
Total liabilities	88,634	88,678
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at June 30, 2018 and December 31, 2017; 2,333,660 shares issued and outstanding at June 30, 2018 and December 31, 2017	2,333	2,333
Additional paid-in capital	20,765	20,680
Accumulated deficit	(12,624)	(12,891)
Accumulated other comprehensive income (loss)	<u>(778)</u>	<u>(352)</u>
Total shareholders' equity	<u>9,696</u>	<u>9,770</u>
	<u>\$ 98,330</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)

	Six Months Ended June 30, <u>2018</u>	Six Months Ended June 30, <u>2017</u>
Interest income		
Loans, including fees	\$ 1,910	\$ 1,490
Securities	302	358
Federal funds sold and other	<u>17</u>	<u>13</u>
Total interest income	2,229	1,861
Interest expense		
Deposits	287	204
Federal Home Loan Bank and other borrowings	<u>27</u>	<u>7</u>
Total interest expense	314	211
Net interest income	1,915	1,650
Provision for loan losses	<u>-</u>	<u>25</u>
Net interest income after provision for loan losses	1,915	1,625
Noninterest income		
Service charges on deposits	59	56
Mortgage banking income	33	63
Other income	<u>51</u>	<u>40</u>
Total noninterest income	143	159
Noninterest expense		
Salaries and employee benefits	966	795
Occupancy and equipment	210	209
Data processing	311	291
Professional fees	88	123
FDIC deposit insurance	16	13
Advertising and marketing	27	29
Gain on sale of other real estate	-	-
Litigation settlement	(55)	-
Other real estate expenses	-	(12)
Other	<u>228</u>	<u>211</u>
Total noninterest expense	<u>1,791</u>	<u>1,659</u>
Income before income taxes	267	125
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 267</u>	<u>\$ 125</u>
Other comprehensive income (loss)		
Holding gains (losses) on securities available-for-sale	<u>\$ (426)</u>	<u>\$ 243</u>
Comprehensive income (loss)	<u>\$ (159)</u>	<u>\$ 368</u>
Basic and diluted income per share	<u>\$ 0.10</u>	<u>\$ 0.05</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660