

News Release
For Release Immediately
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TOWN CENTER BANK REPORTS JUNE 30, 2019 RESULTS

New Lenox, IL, July 22, 2019 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the six months ended June 30, 2019. The Bank reported net income of \$178,000 and \$267,000 for the six months ended June 30, 2019 and 2018, respectively. In 2018 the Bank received expense recoveries in the first quarter which contributed to the increased earnings.

Other significant items to note include:

Net interest income was \$1,775,000 and \$1,915,000 for the six months ended June 30, 2019 and 2018, respectively. The rising rate environment in 2018 had a short term impact on the net interest margin in 2019.

Non-interest income was \$213,000 and \$143,000 for the six months ended June 30, 2019 and 2018. Non-interest expense was \$1,810,000 and \$1,791,000 for the six months ended June 30, 2019 and 2018.

No provision for loan losses was required in the six months ended June 30, 2019 and 2018.

Total shareholders’ equity at June 30, 2019 was \$12.2 million as compared to \$11.3 million at December 31, 2018. The Bank’s capital to average total assets ratio was 10.80% and the total capital to risk-weighted assets ratio was 13.76%.

The Bank’s total assets decreased \$3.6 million in the six months ended June 30, 2019, due to decreases in deposits offset with lower cash and investment levels. What is not readily visible is the quality of the loan portfolio has improved as we have swapped out lesser credits. The Bank’s funding mix has changed as we have lowered our dependence on List Service Deposits and Borrowings. In addition we have experienced normal seasonal fluctuations in our core business demand accounts when comparing December 31, 2018 to June 30, 2019,

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, 2019	December 31, 2018
ASSETS		
Cash and due from banks	\$ 735	\$ 1,236
Interest-bearing deposits with banks	4,084	2,054
Federal funds sold	1,101	2,402
Cash and cash equivalents	5,920	5,692
Securities available-for-sale, at fair value	19,240	22,860
Loans, net of allowance for loan losses of \$864 at March 31, 2019 and \$879 at December 31, 2018	72,744	73,123
Federal Home Loan Bank stock	90	135
Premises and equipment, net	281	302
Other Real Estate Owned	317	
Accrued interest receivable and other assets	1,682	1,777
	\$ 100,274	\$ 103,889
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 15,868	\$ 20,357
Interest-bearing	70,037	68,983
Total deposits	85,905	89,340
Federal Home Loan Bank borrowings	2,000	3,000
Federal Funds Purchased	-	-
Accrued interest payable and other liabilities	211	173
Total liabilities	88,116	92,513
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at March 31, 2019 and December 31, 2018; 2,333,660 shares issued and outstanding at March 31, 2019 and December 31, 2018	2,333	2,333
Additional paid-in capital	20,785	20,785
Accumulated deficit	(10,987)	(11,165)
Accumulated other comprehensive income (loss)	27	(576)
Total shareholders' equity	12,158	11,377
	\$ 100,274	\$ 103,890

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>2019</u>	Six Months Ended June 30, <u>2018</u>
Interest income		
Loans, including fees	\$ 1,974	\$ 1,910
Securities	275	302
Federal funds sold and other	<u>60</u>	<u>17</u>
Total interest income	2,309	2,229
Interest expense		
Deposits	508	287
Federal Funds Purchased	-	-
Federal Home Loan Bank and other borrowings	<u>26</u>	<u>27</u>
Total interest expense	534	314
Net interest income	1,775	1,915
Provision for loan losses	<u>-</u>	<u>-</u>
Net interest income after provision for loan losses	1,775	1,915
Noninterest income		
Service charges on deposits	82	61
Gain on the Sale of Securities	51	-
Mortgage banking income	12	33
Other income	<u>68</u>	<u>49</u>
Total noninterest income	213	143
Noninterest expense		
Salaries and employee benefits	868	966
Occupancy and equipment	216	210
Data processing	338	311
Professional fees	93	88
FDIC deposit insurance	15	16
Advertising and marketing	32	29
Gain on sale of other real estate	-	-
Litigation settlement	-	(55)
Other real estate expenses	11	1
Other	<u>237</u>	<u>225</u>
Total noninterest expense	1,810	1,791
Income before income taxes	178	267
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>178</u>	<u>267</u>
Other comprehensive income (loss)		
Holding gains (losses) on securities available-for-sale	<u>603</u>	<u>(426)</u>
Comprehensive income (loss)	<u>781</u>	<u>(159)</u>
Basic and diluted income per share	<u>0.08</u>	<u>0.11</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660