

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

## **TOWN CENTER BANK REPORTS SEPTEMBER 30, 2018 RESULTS**

New Lenox, IL, November 13, 2018 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the nine months ended September 30, 2018. The Bank reported net income of \$363,000 and \$195,000 for the nine months ended September 30, 2018 and 2017, respectively.

Other significant items to note include:

Net interest income was \$2.8 million and \$2.6 million for the nine months ended September 30, 2018 and 2017, respectively.

Non-interest income was \$234,000 and \$245,000 for the nine months ended September 30, 2018 and 2017, while non-interest expense increased to \$2.7 million from \$2.6 million in the respective period.

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

Total shareholders’ equity at September 30, 2018 was \$9.7 million. The Bank’s capital to average total assets ratio was 10.62% and the total capital to risk-weighted assets ratio was 13.94%.

The Bank’s total assets increased \$1.1 million in the nine months ended September 30, 2018, due to growth in Loans of \$3.4 million and Cash and cash equivalents of \$1.7 million, less \$4.0 million in reduction of Securities available for sale.

Total deposits increased \$1.3 million during the nine months ended September 30, 2018 to \$86.7 million from \$85.4 million at December 31, 2017. Non-interest bearing deposits increased by \$1.1 million during the period, while interest-bearing deposits increased by \$0.2 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)

	September 30, <u>2018</u>	December 31, <u>2017</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 1,252	\$ 966
Interest-bearing deposits with banks	4,018	3,218
Federal funds sold	<u>1,519</u>	<u>849</u>
Cash and cash equivalents	6,789	5,033
Securities available-for-sale, at fair value	21,184	25,156
Loans, net of allowance for loan losses of \$859 at September 30, 2018 and \$877 at December 31, 2017	70,671	67,243
Federal Home Loan Bank stock	135	135
Premises and equipment, net	329	400
Accrued interest receivable and other assets	<u>426</u>	<u>481</u>
	<u>\$ 99,534</u>	<u>\$ 98,448</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	\$ 19,682	\$ 18,566
Interest-bearing	<u>66,988</u>	<u>66,835</u>
Total deposits	86,670	85,401
Federal Home Loan Bank borrowings	3,000	3,000
Federal Funds Purchased	-	-
Accrued interest payable and other liabilities	<u>170</u>	<u>277</u>
Total liabilities	89,840	88,678
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at September 30, 2018 and December 31, 2017; 2,333,660 shares issued and outstanding at September 30, 2018 and December 31, 2017	2,333	2,333
Additional paid-in capital	20,785	20,680
Accumulated deficit	(12,528)	(12,891)
Accumulated other comprehensive income (loss)	<u>(896)</u>	<u>(352)</u>
Total shareholders' equity	<u>9,694</u>	<u>9,770</u>
	<u>\$ 99,534</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)

	Nine Months Ended September 30, <u>2018</u>	Nine Months Ended September 30, <u>2017</u>
Interest income		
Loans, including fees	\$ 2,879	\$ 2,394
Securities	441	523
Federal funds sold and other	<u>38</u>	<u>19</u>
Total interest income	3,358	2,936
Interest expense		
Deposits	487	327
Federal Home Loan Bank and other borrowings	<u>41</u>	<u>24</u>
Total interest expense	528	351
<b>Net interest income</b>	2,830	2,584
Provision for loan losses	<u>-</u>	<u>25</u>
<b>Net interest income after provision for loan losses</b>	2,830	2,559
Noninterest income		
Service charges on deposits	95	92
Mortgage banking income	51	93
Other income	<u>88</u>	<u>60</u>
Total noninterest income	234	245
Noninterest expense		
Salaries and employee benefits	1,432	1,203
Occupancy and equipment	313	318
Data processing	474	447
Professional fees	134	269
FDIC deposit insurance	22	22
Advertising and marketing	48	40
Gain on sale of other real estate	-	-
Litigation settlement	(55)	-
Other real estate expenses	-	(11)
Other	<u>333</u>	<u>322</u>
Total noninterest expense	<u>2,701</u>	<u>2,609</u>
<b>Income before income taxes</b>	363	195
Income tax expense	<u>-</u>	<u>-</u>
<b>Net income</b>	<u>\$ 363</u>	<u>\$ 195</u>
<b>Other comprehensive income (loss)</b>		
Holding gains (losses) on securities available-for-sale	<u>\$ (544)</u>	<u>\$ 163</u>
<b>Comprehensive income (loss)</b>	<u>\$ (181)</u>	<u>\$ 358</u>
Basic and diluted income per share	<u>\$ 0.16</u>	<u>\$ 0.08</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660