

News Release  
For Release Immediately  
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## **TOWN CENTER BANK REPORTS SEPTEMBER 30, 2019 RESULTS**

New Lenox, IL, November 5, 2019 – Town Center Bank (the “Bank”) (TCNB), announced its financial results for the nine months ended September 30, 2019. The Bank reported net income of \$244,000 and \$363,000 for the nine months ended September 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 \$2,665,000 and \$2,830,000 for the nine months ended September 30, 2019 and 2018, respectively. The rising rate environment in 2018 resulted in a temporary increase in the Bank’s cost of funds resulting in a lower net interest margin.

Non-interest income was \$334,000 and \$234,000 for the nine months ended September 30, 2019 and 2018. Non-interest expense was \$2,755,000 and \$2,701,000 for the nine months ended September 30, 2019 and 2018. The lower operating expense reported in 2018 is the result of legal expense recoveries.

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

Total shareholders’ equity at September 30, 2019 was \$12.2 million as compared to \$11.4 million at December 31, 2018. The Bank’s capital to average total assets ratio was 10.90% and the total capital to risk-weighted assets ratio was 13.02%.

The Bank’s total assets decreased \$2.3 million in the nine months ended September 30, 2019. Loan balances increased by \$4.8 million and deposit balances decreased by \$3.2 million. These were both offset by lower investment and cash balances. In addition, Accumulated other comprehensive income (the unrealized gain on our investment portfolio) was increased by \$623,000 which contributed to the increase in total shareholder’s equity of \$867,000.

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, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and due from banks	\$ 1,192	\$ 1,236
Interest-bearing deposits with banks	1,161	2,054
Federal funds sold	577	2,402
Cash and cash equivalents	2,930	5,692
Securities available-for-sale, at fair value	18,273	22,860
Loans, net of allowance for loan losses of \$864 at March 31, 2019 and \$879 at December 31, 2018	77,946	73,123
Federal Home Loan Bank stock	110	135
Premises and equipment, net	254	302
Other Real Estate Owned	317	
Accrued interest receivable and other assets	1,721	1,777
	<u>\$ 101,551</u>	<u>\$ 103,889</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	\$ 17,196	\$ 20,357
Interest-bearing	68,861	68,983
Total deposits	86,057	89,340
Federal Home Loan Bank borrowings	3,000	3,000
Federal Funds Purchased	-	-
Accrued interest payable and other liabilities	250	173
Total liabilities	89,307	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	(10,921)	(11,165)
Accumulated other comprehensive income (loss)	47	(576)
Total shareholders' equity	12,244	11,377
	<u>\$ 101,551</u>	<u>\$ 103,890</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>2019</u>	Nine Months Ended September 30, <u>2018</u>
Interest income		
Loans, including fees	\$ 3,020	\$ 2,879
Securities	385	441
Federal funds sold and other	<u>83</u>	<u>38</u>
Total interest income	3,488	3,358
Interest expense		
Deposits	788	487
Federal Funds Purchased	-	-
Federal Home Loan Bank and other borrowings	<u>35</u>	<u>41</u>
Total interest expense	823	528
<b>Net interest income</b>	2,665	2,830
Provision for loan losses	<u>-</u>	<u>-</u>
<b>Net interest income after provision for loan losses</b>	2,665	2,830
Noninterest income		
Service charges on deposits	125	95
Gain on the Sale of Securities	70	-
Mortgage banking income	32	51
Other income	<u>107</u>	<u>88</u>
Total noninterest income	334	234
Noninterest expense		
Salaries and employee benefits	1,332	1,432
Occupancy and equipment	327	313
Data processing	512	474
Professional fees	119	134
FDIC deposit insurance	22	22
Advertising and marketing	49	48
Gain on sale of other real estate	-	-
Litigation settlement	-	(55)
Other real estate expenses	21	-
Other	<u>373</u>	<u>333</u>
Total noninterest expense	2,755	2,701
<b>Income before income taxes</b>	244	363
Income tax expense	<u>-</u>	<u>-</u>
<b>Net income</b>	<u>244</u>	<u>363</u>
<b>Other comprehensive income (loss)</b>		
Holding gains (losses) on securities available-for-sale	<u>623</u>	<u>(544)</u>
<b>Comprehensive income (loss)</b>	<u>867</u>	<u>(181)</u>
Basic and diluted income per share	<u>0.10</u>	<u>0.16</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660