News Release
For Release Immediately
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TOWN CENTER BANK

REPORTS MARCH 31, 2013 RESULTS

New Lenox, IL, May 7, 2013 – Town Center Bank (the "Bank") (TCNB), today announced its financial results for the three months ended March 31, 2013. There was a net loss of $118,000 and $160,000 for the three months ended March 31, 2013 and 2012, respectively. The improvement in operating results for the quarter is primarily due to a $171,000 decrease of other real estate valuation provisions and a decrease of $193,000 of a FHLB prepayment penalty offset by not receiving any gains on sales of securities.

Other significant items to note include:

Net interest income for the three months ended March 31, 2013 and 2012 was $0.8 million and $0.9 million, respectively. The slight decrease is due to less interest income as a result of the average loan balances decreasing from period over period offset by less interest expense from the slight decline in deposits.

There was no provision for loan loss for the three months ended March 31, 2013 as compared to a $16,000 provision for the same period in 2012.

Non-interest income decreased to $57,000 for the three months ended March 31, 2013 as compared to $238,000 for the three months ended March 31, 2012 due primarily to the $146,000 gain on sale of securities during 2012 that did not recur in 2013.

Non-interest expense for the three months ended March 31, 2013 and 2012 was $0.9 million and $1.3 million, respectively. There was an other real estate valuation provision of $0.2 million and a $0.2 million FHLB prepayment penalty in 2012 that did not recur in 2013. All other operating expenses have remained stable from period over period.

Total Shareholder's Equity at March 31, 2013 was $9.2 million. The Bank's Tier 1 capital to average total assets ratio was 9.60% and the total capital to risk-weighted assets ratio was 13.61%.

The Bank's total assets decreased slightly at March 31, 2013 due to a decrease in loan balances and securities offset by an increase in cash and cash equivalents. Loans decreased $1.6 million at March 31, 2013 to $63.2 million from $64.8 million at December 31, 2012 from principal repayments. Available-for-sale securities decreased $1.2 million at March 31, 2013 to $16.0 million from $17.3 million at December 31, 2012 due to principal repayments.

Total deposits have declined slightly from March 31, 2013 as compared to December 31, 2012 due to normal fluctuations in daily balances.

"We have met all of the conditions of the Consent Order issued in 2011. We have received verbal notice from the Federal Deposit Insurance Corporation (FDIC) and the Illinois Department of Financial and Professional Regulation (IDFPR) that the Consent Order will be removed by the middle of June, 2013, said Bob Taylor, President and CEO. Mike Perry, Chairman of the Board, said, "Based on the forgoing, management reasonably believes that the Consent Order will be removed within that timeframe. This is a great milestone for the Bank, and the directors, officers and employees have worked very hard to make this happen."

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)

	March 31, 2013	December 31, 2012
ASSETS		
Cash and due from banks	$ 1,259	$ 1,173
Interest-bearing deposits with banks	7,428	5,057
Federal funds sold	630	560
Cash and cash equivalents	9,317	6,790
Securities available-for-sale, at fair value	16,034	17,270
Loans, net of allowance for loan losses of $2,582 in 2013 and $2,565 in 2012	63,231	64,786
Federal Home Loan Bank stock	452	452
Premises and equipment, net	648	672
Other real estate owned, net	2,676	2,767
Accrued interest receivable and other assets	749	805
	$ 93,107	$ 93,542
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	$ 11,090	$ 10,551
Interest-bearing	72,380	79,159
Total deposits	83,470	83,710
Accrued interest payable and other liabilities	424	538
Total liabilities	83,894	84,248
Shareholders' equity		
Common stock, $1 par value; 3,234,000 shares authorized at March 31, 2013 and December 31, 2012; 2,333,660 and 2,328,460 shares issued and outstanding at March 31, 2013 and December 31, 2012	2,333	2,328
Additional paid-in capital	20,680	20,670
Accumulated deficit	(14,092)	(13,974)
Accumulated other comprehensive income	292	270
Total shareholders' equity	9,213	9,294
	$ 93,107	$ 93,542

TOWN CENTER BANK
STATEMENTS OF OPERATIONS and COMPREHENSIVE LOSS
(Unaudited)
(Dollar amounts in thousands, except share and per share data)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Interest income		
Loans, including fees	$ 800	$ 983
Securities	86	151
Federal funds sold and other	4	4
	890	1,138
Interest expense		
Deposits	122	197
Federal Home Loan Bank advances	-	28
	122	225
Net interest income	768	913
Provision for loan losses	-	16
Net interest income after provision for loan losses	768	897
Non-interest income		
Service charges on deposits	23	28
Mortgage banking income	21	28
Net gain on sales of securities available-for-sale	-	146
Other income	13	36
Total non-interest income	57	238
Non-interest expense		
Salaries and employee benefits	352	316
Occupancy and equipment	99	99
Data processing	132	143
Professional fees	157	131
FDIC Deposit Insurance	51	64
Advertising and marketing	13	10
Other real estate expense, net of rental income	31	64
Provision for other real estate owned valuation allowance	-	171
Federal Home Loan Bank prepayment penalty	-	193
Other	108	104
Total non-interest expense	943	1,295
Loss before income taxes	(118)	(160)
Income tax expense	-	-
Net loss	$ (118)	$ (160)
Other comprehensive income		
Holding gains on securities available-for-sale	$ 22	$ 92
Reclassification adjustment for net gains included in income	(-)	(146)
Total other comprehensive income	22	(54)
Comprehensive loss	$ (96)	$ (214)
Basic and diluted loss per share	$ (0.05)	$ (0.07)
Basic and diluted weighted average common shares outstanding	2,329,440	2,178,240