

For Immediate Release

Sugar Creek Financial Corp. Reports Financial Results
For The Year Ended March 31, 2018

NEWS PROVIDED BY
Sugar Creek Financial Corp.
June 29, 2018

Trenton, Illinois, June 29, 2018 /PRNewswire/ -- Sugar Creek Financial Corp. (OTC-QB: SUGR – news) (the “Company”), the holding company for Tempo Bank (the “Bank”), today announced the Company’s consolidated results of operations for the year ended March 31, 2018.

The Company’s net earnings for the year ended March 31, 2018 was \$143,000 or \$0.19 per basic and diluted share, compared to net earnings of \$117,000 or \$0.14 per basic and diluted share for the comparable prior year. Earnings for the year ended March 31, 2018 were impacted with the payment of \$138,000 in de-conversion fees assessed by the Bank’s current core processor. Conversion to a new core processor is scheduled to be completed in six months.

Total assets decreased by \$3.6 million to \$93.6 million at March 31, 2018, compared to \$97.2 million at March 31, 2017. The Bank was considered well-capitalized under applicable regulatory capital guidelines at March 31, 2018.

Real estate foreclosed upon by the Bank at March 31, 2018 decreased \$789,000 from March 31, 2017 to \$115,000 due to the sale of three residential properties. At March 31, 2018, foreclosed real estate consisted of one multi-family residential property. The multi-family property is under a lease agreement that contains an option to purchase.

This release may contain forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts; rather, they are statements based on the Company’s current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements are preceded by terms such as “expects”, “believes”, “anticipates”, “intends” and similar expressions.

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company’s actual results, performance and achievements to be materially different from those expected or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; legislative and regulatory changes.

Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by the Company or on its behalf. The Company assumes no obligation to update any forward-looking statements.

Sugar Creek Financial Corp. and Subsidiary
Consolidated Financial Highlights
(Unaudited – Dollars in thousands, except per share amounts)

	For The Years Ended March 31,	
	2018	2017
Operating Data:		
Total interest and dividend income	\$ 3,514	\$ 3,401
Total interest expense	(756)	(857)
Net interest income	2,758	2,544
Provision for loan losses	(28)	(26)
Net interest income after provision for loan losses	2,730	2,518
Total non-interest income	108	134
Total non-interest expense	(2,633)	(2,449)
Earnings before income taxes	205	203
Income taxes	(62)	(86)
Net earnings	<u>\$ 143</u>	<u>\$ 117</u>
Per Share Data:		
Earnings per share, basic and diluted	\$ 0.19	\$ 0.14
Dividends per share	-	-
Weighted average shares - basic	764,371	811,807
Weighted average shares - diluted	765,397	811,807

	At March 31,	
	2018	2017
Financial Condition Data:		
Total assets	\$ 93,639	\$ 97,204
Cash and cash equivalents	7,251	12,181
Stock in FHLB of Chicago	315	286
Loans receivable, net	84,415	82,345
Deposits	74,120	78,763
Advances from FHLB Chicago	7,000	5,000
Total stockholders' equity	11,621	12,389

	At and For the Years Ended March 31,	
	2018	2017
Capital Ratios (1):		
Total capital to risk-weighted assets	22.7 %	23.6 %
Tier 1 capital to risk-weighted assets	22.3	23.2
Common equity tier 1 capital to risk-weighted assets	22.3	23.2
Tier 1 capital to total assets	11.4	11.6
Asset Quality Ratios:		
Allowance for loan losses as a percentage of total loans	0.23	0.23
Allowance for loan losses as a percentage of non-performing loans	34.09	52.88
Net charge-offs to average outstanding loans during the year	0.03	0.03
Non-performing loans as a percent of gross loans	0.68	0.44
Non-performing assets as a percent of total assets	0.74	1.31
Other Data:		
Number of offices	2	2
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(1) Capital ratios are for Tempo Bank.		
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Performance Ratios:		
Return on average assets	0.15 %	0.12 %
Return on average stockholders' equity	1.19	0.94
Interest rate spread	2.86	2.62
Net interest margin	3.00	2.78
Noninterest expense to average assets	2.75	2.54
Efficiency ratio	91.87	91.45
Average interest-earning assets to average interest-bearing liabilities	116.96	116.22
Average stockholders' equity to average assets	12.49	12.88