

TOWN CENTER BANK  
BALANCE SHEETS  
(Unaudited)  
(Dollar amounts in thousands, except share and per share data)

	September 30, <u>2016</u>	December 31, <u>2015</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 596	\$ 643
Interest-bearing deposits with banks	10,572	6,670
Federal funds sold	<u>2,388</u>	<u>1,522</u>
Cash and cash equivalents	13,506	8,835
Securities available-for-sale, at fair value	31,711	32,733
Loans, net of allowance for loan losses of \$814 in 2016 and \$1,339 in 2015	55,245	61,378
Federal Home Loan Bank stock	74	214
Premises and equipment, net	463	480
Accrued interest receivable and other assets	<u>400</u>	<u>517</u>
	<u>\$ 101,399</u>	<u>\$ 104,157</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non-interest bearing	\$ 14,686	\$ 14,934
Interest-bearing	<u>76,087</u>	<u>77,714</u>
Total deposits	90,773	92,648
Federal Home Loan Bank borrowings	-	2,000
Accrued interest payable and other liabilities	<u>175</u>	<u>194</u>
Total liabilities	90,948	94,842
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at September 30, 2016 and December 31, 2015; 2,333,660 shares issued and outstanding at September 30, 2016 and December 31, 2015	2,333	2,333
Additional paid-in capital	20,684	20,680
Accumulated deficit	(13,120)	(13,739)
Accumulated other comprehensive income	<u>554</u>	<u>41</u>
Total shareholders' equity	<u>10,451</u>	<u>9,315</u>
	<u>\$ 101,399</u>	<u>\$ 104,157</u>

TOWN CENTER BANK  
STATEMENTS OF OPERATIONS and COMPREHENSIVE INCOME (LOSS)  
(Unaudited)

(Dollar amounts in thousands, except share and per share data)

	Nine Months Ended September 30, <u>2016</u>	Nine Months Ended September 30, <u>2015</u>
Interest income		
Loans, including fees	\$ 2,224	\$ 2,205
Securities	538	531
Federal funds sold and other	<u>49</u>	<u>20</u>
Total interest income	2,811	2,756
Interest expense		
Deposits	405	437
Federal Home Loan Bank advances	<u>19</u>	<u>21</u>
Total interest expense	424	458
<b>Net interest income</b>	2,387	2,298
Provision for loan losses	<u>(550)</u>	<u>-</u>
<b>Net interest income after provision for loan losses</b>	2,937	2,298
Noninterest income		
Service charges on deposits	71	74
Securities gains	-	102
Mortgage banking income	130	108
Other income	<u>56</u>	<u>53</u>
Total noninterest income	257	337
Noninterest expense		
Salaries and employee benefits	1,123	1,053
Occupancy and equipment	319	305
Data processing	448	413
Professional fees	174	323
FDIC deposit insurance	98	112
Advertising and marketing	47	31
Other real estate expenses, net of rental income	-	-
Other	<u>362</u>	<u>348</u>
Total noninterest expense	2,571	2,585
<b>Income (loss) before income taxes</b>	623	50
Income tax expense	<u>-</u>	<u>-</u>
<b>Net income (loss)</b>	<u>\$ 623</u>	<u>\$ 50</u>
<b>Other comprehensive income( loss)</b>		
Holding gains(losses) on securities available-for-sale	\$ 513	\$ 135
Reclassification adjustment for net gains included in income	<u>-</u>	<u>(102)</u>
Total other comprehensive income (loss)	513	33
<b>Comprehensive income (loss)</b>	<u>\$ 1,136</u>	<u>\$ 83</u>
Basic and diluted income (loss) per share	<u>\$ 0.27</u>	<u>\$ 0.02</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660