

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

	June 30, <u>2017</u>	December 31, <u>2016</u>
ASSETS		
Cash and due from banks	\$ 842	\$ 895
Interest-bearing deposits with banks	5,468	3,834
Federal funds sold	<u>2,056</u>	<u>1,559</u>
Cash and cash equivalents	8,366	6,288
Securities available-for-sale, at fair value	28,409	31,103
Loans, net of allowance for loan losses of \$854 at June 30, 2017 and \$817 at December 31, 2016	63,857	55,996
Federal Home Loan Bank stock	135	74
Premises and equipment, net	421	442
Accrued interest receivable and other assets	<u>373</u>	<u>395</u>
	<u>\$ 101,561</u>	<u>\$ 94,298</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	\$ 14,472	\$ 13,149
Interest-bearing	<u>73,867</u>	<u>71,257</u>
Total deposits	88,339	84,406
Federal Home Loan Bank borrowings	3,000	-
Accrued interest payable and other liabilities	<u>113</u>	<u>151</u>
Total liabilities	91,452	84,557
Shareholders' equity		
Common stock, \$1 par value; 3,234,000 shares authorized at June 30, 2017 and December 31, 2016; 2,333,660 shares issued and outstanding at June 30, 2017 and December 31, 2016	2,333	2,333
Additional paid-in capital	20,680	20,680
Accumulated deficit	(12,917)	(13,042)
Accumulated other comprehensive income (loss)	<u>13</u>	<u>(230)</u>
Total shareholders' equity	<u>10,109</u>	<u>9,741</u>
	<u>\$ 101,561</u>	<u>\$ 94,298</u>

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

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

	Six Months Ended June 30, <u>2017</u>	Six Months Ended June 30, <u>2016</u>
Interest income		
Loans, including fees	\$ 1,490	\$ 1,533
Securities	358	369
Federal funds sold and other	<u>13</u>	<u>28</u>
Total interest income	1,861	1,930
Interest expense		
Deposits	204	275
Federal Home Loan Bank and other borrowings	<u>7</u>	<u>14</u>
Total interest expense	211	289
Net interest income	1,650	1,641
Provision for loan losses	<u>25</u>	<u>-</u>
Net interest income after provision for loan losses	1,625	1,641
Noninterest income		
Service charges on deposits	56	46
Securities gains	-	-
Mortgage banking income	63	94
Other income	<u>40</u>	<u>38</u>
Total noninterest income	159	178
Noninterest expense		
Salaries and employee benefits	795	753
Occupancy and equipment	209	208
Data processing	291	303
Professional fees	123	135
FDIC deposit insurance	14	70
Advertising and marketing	29	24
Other real estate expenses, net of rental income	(12)	-
Other	<u>211</u>	<u>231</u>
Total noninterest expense	<u>1,659</u>	<u>1,724</u>
Income before income taxes	125	95
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 125</u>	<u>\$ 95</u>
Other comprehensive income		
Holding gains on securities available-for-sale	\$ 243	\$ 510
Reclassification adjustment for net gains included in income	<u>-</u>	<u>-</u>
Total other comprehensive income	243	510
Comprehensive income	<u>\$ 368</u>	<u>\$ 605</u>
Basic and diluted income per share	<u>\$ 0.05</u>	<u>\$ 0.04</u>
Basic and diluted weighted average common shares outstanding	2,333,660	2,333,660