

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2018	(Unaudited) June 30, 2017
ASSETS		
Cash and due from banks	\$ 2,798,681	\$ 3,810,469
Interest-bearing deposits with banks	7,620,328	11,630,169
Federal funds sold	92,000	76,000
Investment securities held to maturity	-	34,231,316
Investment securities available for sale	32,253,044	-
Restricted investment securities	235,450	240,650
Loans held for sale	75,905	-
Loans, net of allowance for loan losses of \$3,083,417 at 2018 and \$3,276,272 at 2017	141,294,677	117,519,518
Premises and equipment, net	5,286,617	6,367,948
Accrued interest receivable	534,579	417,417
Other real estate owned	4,069,354	6,798,949
Other assets	9,645,369	11,921,942
Total assets	\$ 203,906,005	\$ 193,014,378
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-bearing demand deposits	\$ 62,919,411	\$ 60,966,565
Interest-bearing deposits	113,219,665	116,537,627
Total deposits	176,139,077	177,504,192
Accrued interest payable	79,180	56,185
Federal funds purchased	-	-
Reserve for losses on letters of credit	1,572,202	1,937,500
Other liabilities	1,387,337	829,120
Total liabilities	179,177,796	180,326,996
Stockholders' equity		
Common stock, \$0.04 par value; 10,000,000 shares authorized, 9,999,999 shares at 2018 and 2,281,915 shares at 2017, issued and outstanding	400,000	91,277
Surplus	18,119,152	5,057,723
Retained earnings	6,786,424	7,538,382
Accumulated other comprehensive income (loss)	(577,367)	-
Total stockholders' equity	24,728,209	12,687,381
Total liabilities and stockholders' equity	\$ 203,906,005	\$ 193,014,378

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	(Unaudited)	(Unaudited)
	3 Months Ended	
	June 30, 2018	June 30, 2017
INTEREST INCOME		
Interest and fees on loans	\$ 1,812,492	\$ 1,473,881
Interest on investment securities, taxable	132,680	124,561
Interest on investment securities, tax-exempt	-	1,526
Interest - other	30,385	46,075
Total interest income	1,975,557	1,646,043
INTEREST EXPENSE		
Interest on deposits	190,143	159,636
Other interest expense	-	-
Total interest expense	190,143	159,636
Net interest income	1,785,414	1,486,407
PROVISION FOR LOAN LOSSES	-	-
Net interest income after provision for loan losses	1,785,414	1,486,407
NONINTEREST INCOME		
Service fees	35,019	36,345
Rental income	42,000	44,800
Debit and credit card fees	103,017	93,407
Other income	63,279	88,816
Total noninterest income	243,315	263,368
NONINTEREST EXPENSE		
Salaries and employee benefits	861,672	831,714
Occupancy and equipment	208,262	182,954
Data processing expenses	356,169	280,042
Legal and professional fees	103,829	129,654
Postage, stationery and supplies	21,457	21,841
FDIC insurance assessment	10,773	97,795
Losses (gains) on other real estate owned	965	(34,012)
Expenses of adversely classified items	17,637	59,809
Other expenses	165,990	154,564
Total noninterest expense	1,746,754	1,724,361
INCOME (LOSS) BEFORE INCOME TAXES	281,975	25,414
INCOME TAX EXPENSE (BENEFIT)		
Current	2,500	7,732
Deferred	53,304	-
Total income tax expense (benefit)	55,804	7,732
NET INCOME (LOSS)	\$ 226,171	\$ 17,682