

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	\$ 3,764,561	\$ 3,305,017
Interest-bearing deposits with banks	17,437,893	4,507,162
Federal funds sold	114,000	132,000
Investment securities available for sale, at fair value	24,984,285	32,250,341
Restricted investment securities	241,250	235,450
Loans held for sale	403,797	573,000
Loans, net of allowance for loan losses of \$2,541,250 at 2019 and \$2,676,945 at 2018	154,530,495	148,820,724
Premises and equipment, net	5,178,991	5,099,030
Accrued interest receivable	598,043	600,216
Other real estate owned	2,397,082	2,107,010
Bank owned life insurance	5,611,558	5,552,722
Other assets	3,866,833	3,907,183
Total assets	\$ 219,128,789	\$ 207,089,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing demand deposits	\$ 62,506,693	\$ 61,018,397
Interest-bearing deposits	127,702,097	118,093,537
Total deposits	190,208,790	179,111,934
Accrued interest payable	156,323	111,799
Reserve for losses on letters of credit	1,342,760	1,358,880
Other liabilities	1,325,554	1,208,295
Total liabilities	193,033,428	181,790,908
Stockholders' equity		
Common stock, \$0.04 par value; 10,000,000 shares authorized, 9,999,999 shares at 2019 and 9,999,999 shares at 2018, issued and outstanding	400,000	400,000
Surplus	18,119,152	18,119,152
Retained earnings	7,644,706	7,218,340
Accumulated other comprehensive income (loss)	(68,497)	(438,546)
Total stockholders' equity	26,095,361	25,298,946
Total liabilities and stockholders' equity	\$ 219,128,789	\$ 207,089,854

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS

	3 Months Ended	
	June 30, 2019	June 30, 2018
INTEREST INCOME		
Interest and fees on loans	\$ 1,998,374	\$ 1,812,492
Interest on investment securities, taxable	113,328	132,680
Interest on interest bearing deposits in banks	93,951	30,385
Total interest income	2,205,653	1,975,557
INTEREST EXPENSE		
Interest on deposits	\$ 313,427	\$ 190,143
Interest on borrowings	-	-
Total interest expense	313,427	190,143
Net interest income	1,892,226	1,785,414
PROVISION FOR LOAN LOSSES		
Net interest income after provision for loan losses	-	-
Net interest income after provision for loan losses	1,892,226	1,785,414
NONINTEREST INCOME		
Service charges on deposit accounts	35,366	35,019
Rental income	35,550	42,000
Debit and credit card fees	112,752	103,017
Other income	107,174	63,279
Total noninterest income	290,842	243,315
NONINTEREST EXPENSE		
Salaries and employee benefits	954,338	861,672
Occupancy and equipment	169,851	208,262
Data processing expenses	253,329	356,169
Legal and professional fees	113,838	103,829
Postage, stationery and supplies	21,873	21,457
FDIC insurance assessment	27,507	10,773
Losses on sale and write-downs of other real estate owned, net	12,658	965
Expenses of adversely classified items	76,081	17,637
Other expenses	312,166	165,990
Total noninterest expense	1,941,641	1,746,754
INCOME BEFORE INCOME TAXES		
	241,427	281,975
INCOME TAX EXPENSE		
	32,741	55,804
NET INCOME		
	\$ 208,686	\$ 226,171