

THE BANK OF FINCASTLE AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,136,134	\$ 3,305,017
Interest-bearing deposits with banks	8,722,934	4,507,162
Federal funds sold	126,000	132,000
Investment securities available for sale, at fair value	22,892,227	32,250,341
Restricted investment securities	241,350	235,450
Loans held for sale	442,780	573,000
Loans, net of allowance for loan losses of \$2,349,472 at 2019 and \$2,676,945 at 2018	167,759,353	148,820,724
Premises and equipment, net	4,622,301	5,099,030
Accrued interest receivable	596,652	600,216
Other real estate owned	1,896,218	2,107,010
Bank owned life insurance	5,671,829	5,552,722
Other assets	5,272,939	3,907,183
Total assets	\$ 221,380,716	\$ 207,089,854
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Deposits		
Noninterest-bearing demand deposits	\$ 63,463,543	\$ 61,018,397
Interest-bearing deposits	127,320,903	118,093,537
Total deposits	190,784,445	179,111,934
Accrued interest payable	149,809	111,799
Reserve for losses on letters of credit	944,379	1,358,880
Other liabilities	1,236,529	1,208,295
Total liabilities	193,115,162	181,790,908
Stockholders' equity		
Common stock, \$0.04 par value; 25,000,000 shares authorized, 10,104,999 shares at 2019 and 9,999,999 shares at 2018, issued and outstanding	404,400	400,000
Surplus	18,439,252	18,119,152
Retained earnings	9,417,755	7,218,340
Accumulated other comprehensive income (loss)	4,147	(438,546)
Total stockholders' equity	28,265,555	25,298,946
Total liabilities and stockholders' equity	\$ 221,380,716	\$ 207,089,854

THE BANK OF FINCASTLE AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF OPERATIONS

	<b>3 Months Ended</b>	
	<b>December 31, 2019</b>	<b>December 31, 2018</b>
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 2,035,945	\$ 1,889,841
Interest on investment securities, taxable	78,156	131,308
Interest on interest bearing deposits in banks	100,220	31,581
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Total interest income	2,214,321	2,052,730
<b>INTEREST EXPENSE</b>		
Interest on deposits	328,936	241,742
Interest on borrowings	-	-
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Total interest expense	328,936	241,742
Net interest income	1,885,385	1,810,988
<b>PROVISION FOR LOAN LOSSES</b>	<hr/>	<hr/>
Net interest income after provision for loan losses	(200,000)	220,000
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Net interest income after provision for loan losses	2,085,385	1,590,988
<b>NONINTEREST INCOME</b>		
Service charges on deposit accounts	30,502	39,834
Rental income	34,600	34,800
Debit and credit card fees	107,162	101,309
Other income	163,514	85,105
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Total noninterest income	335,778	261,048
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	609,468	886,352
Restricted Stock Compensation Expense	36,875	-
Occupancy and equipment	243,650	167,003
Data processing expenses	378,219	340,142
Legal and professional fees	102,076	112,048
Postage, stationery and supplies	21,627	25,487
FDIC insurance assessment	22,728	19,547
Losses (gains) on sale and write-downs of other real estate owned, net	305,313	64,600
Expenses of adversely classified items	81,868	3,613
(Gains) losses on letters of credit, net	-	(200,000)
Other expenses	554,354	250,967
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Total noninterest expense	2,356,178	1,669,759
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<hr/>	<hr/>
	64,985	182,277
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<hr/>	<hr/>
	(1,407,380)	(11,807)
<b>NET INCOME (LOSS)</b>	<hr/>	<hr/>
	\$ 1,472,365	\$ 194,084
Per share data:		
Book Value of Stock per Share	2.80	2.53
Earnings (Loss) per share	\$ 0.1456	\$ 0.0194