

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
Unaudited

	June 30, 2020	June 30, 2019
ASSETS		
Cash and cash equivalents	\$ 2,923,096	\$ 3,764,561
Interest-bearing deposits with banks	8,977,719	17,437,893
Federal funds sold	132,000	114,000
Investment securities available for sale, at fair value	15,534,047	24,984,285
Restricted investment securities	254,050	241,250
Loans held for sale	479,000	403,797
Loans, net of allowance for loan losses of \$2,754,200 at 2020 and \$2,541,250 at 2019	207,034,258	154,530,495
Premises and equipment, net	4,676,889	5,178,991
Accrued interest receivable	1,041,875	598,043
Other real estate owned	1,074,468	2,397,082
Bank owned life insurance	5,732,705	5,611,558
Other assets	5,119,026	3,866,833
	\$ 252,979,133	\$ 219,128,789
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing demand deposits	\$ 89,005,571	\$ 62,506,693
Interest-bearing deposits	133,088,936	127,702,097
Total deposits	222,094,506	190,208,790
Accrued interest payable	114,316	156,323
Reserve for losses on letters of credit	753,312	1,342,760
Other liabilities	1,017,178	1,325,554
Total liabilities	223,979,312	193,033,428
Stockholders' equity		
Common stock, \$0.04 par value; 25,000,000 shares authorized, 10,199,999 shares at 2020 and 9,999,999 shares at 2019, issued and outstanding	408,000	400,000
Surplus	18,725,977	18,119,152
Retained earnings	9,649,754	7,644,706
Accumulated other comprehensive income (loss)	216,090	(68,497)
Total stockholders' equity	28,999,821	26,095,361
Total liabilities and stockholders' equity	\$ 252,979,133	\$ 219,128,789

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
Unaudited

	3 Months Ended	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
INTEREST INCOME		
Interest and fees on loans	\$ 2,208,986	\$ 1,998,374
Interest on investment securities, taxable	94,200	113,328
Interest on interest bearing deposits in banks	6,613	93,951
Total interest income	<u>2,309,799</u>	<u>2,205,653</u>
INTEREST EXPENSE		
Interest on deposits	257,040	313,427
Interest on borrowings	-	-
Total interest expense	<u>257,040</u>	<u>313,427</u>
Net interest income	2,052,759	1,892,226
PROVISION FOR LOAN LOSSES		
	<u>150,000</u>	<u>-</u>
Net interest income after provision for loan losses	<u>1,902,759</u>	<u>1,892,226</u>
NONINTEREST INCOME		
Service charges on deposit accounts	14,212	35,366
Rental income	35,075	35,550
Debit and credit card fees	106,089	112,752
Other income	288,524	107,174
Total noninterest income	<u>443,900</u>	<u>290,842</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	1,004,735	954,338
Occupancy and equipment	174,969	169,851
Data processing expenses	377,696	253,329
Legal and professional fees	163,526	113,838
Postage, stationery and supplies	28,275	21,873
FDIC insurance assessment	14,677	27,507
Losses (gains) on sale and write-downs of other real estate owned, net	7,483	12,658
Expenses of adversely classified items	25,891	76,081
Other expenses	295,592	312,166
Total noninterest expense	<u>2,092,844</u>	<u>1,941,641</u>
INCOME BEFORE INCOME TAXES	<u>253,815</u>	<u>241,427</u>
INCOME TAX EXPENSE	37,739	32,741
NET INCOME	<u>\$ 216,076</u>	<u>\$ 208,686</u>