

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,748,057	\$ 3,136,134
Interest-bearing deposits with banks	21,324,418	8,722,934
Federal funds sold	114,000	126,000
Investment securities available for sale, at fair value	15,005,999	22,892,227
Restricted investment securities	254,050	241,350
Loans held for sale	834,628	442,780
Loans, net of allowance for loan losses of \$2,962,924 at 2020 and \$2,349,472 at 2019	198,432,043	167,759,353
Premises and equipment, net	4,618,332	4,622,301
Accrued interest receivable	1,460,247	596,652
Other real estate owned	580,168	1,788,218
Bank owned life insurance	5,794,630	5,671,829
Other assets	4,775,768	5,295,619
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Total assets	<u>\$ 255,942,340</u>	<u>\$ 221,295,396</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing demand deposits	\$ 88,589,816	\$ 63,463,543
Interest-bearing deposits	135,673,140	127,320,903
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Total deposits	224,262,956	190,784,445
Accrued interest payable	94,113	149,809
Reserve for losses on letters of credit	632,977	944,379
Other liabilities	955,739	1,236,529
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Total liabilities	225,945,785	193,115,162
Stockholders' equity		
Common stock, \$0.04 par value; 25,000,000 shares authorized, 10,199,999 shares at 2020 and 10,104,999 shares at 2019, issued and outstanding	408,000	404,200
Surplus	18,725,977	18,424,702
Retained earnings	10,710,169	9,347,185
Accumulated other comprehensive income (loss)	152,409	4,147
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Total stockholders' equity	29,996,556	28,180,235
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Total liabilities and stockholders' equity	<u>\$ 255,942,340</u>	<u>\$ 221,295,396</u>

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME

	3 Months Ended	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
INTEREST INCOME		
Interest and fees on loans	\$ 2,520,232	\$ 2,035,945
Interest on investment securities, taxable	77,777	78,156
Interest on interest bearing deposits in banks	6,720	100,220
Total interest income	<u>2,604,729</u>	<u>2,214,321</u>
INTEREST EXPENSE		
Interest on deposits	219,947	328,936
Interest on borrowings	5,685	-
Total interest expense	<u>225,632</u>	<u>328,936</u>
Net interest income	2,379,097	1,885,385
PROVISION FOR LOAN LOSSES		
	-	(200,000)
Net interest income after provision for loan losses	<u>2,379,097</u>	<u>2,085,385</u>
NONINTEREST INCOME		
Service charges on deposit accounts	24,708	30,502
Rental income	34,175	34,600
Debit and credit card fees	118,377	107,162
Other income	264,819	163,514
Total noninterest income	<u>442,079</u>	<u>335,778</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	1,014,776	646,343
Occupancy and equipment	183,242	243,650
Data processing expenses	415,364	378,219
Legal and professional fees	69,014	102,076
Postage, stationery and supplies	23,327	21,627
FDIC insurance assessment	19,956	22,728
Losses on sale and write-downs of other real estate owned, net	69,049	413,313
Expenses of adversely classified items	20,562	81,868
Other expenses	323,209	539,604
Total noninterest expense	<u>2,138,499</u>	<u>2,449,428</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>682,677</u>	<u>(28,265)</u>
INCOME TAX EXPENSE (BENEFIT)	134,727	(1,430,060)
NET INCOME (LOSS)	<u>\$ 547,950</u>	<u>\$ 1,401,795</u>