

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	March 31, 2021	March 31, 2020
ASSETS		
Cash and cash equivalents	\$ 2,134,518	\$ 2,921,770
Interest-bearing deposits with banks	41,988,902	11,693,169
Federal funds sold	120,000	144,000
Investment securities available for sale, at fair value	12,312,370	21,360,204
Restricted investment securities	182,850	254,050
Loans held for sale	419,077	286,000
Loans, net of allowance for loan losses of \$2,982,002 at 2021 and \$2,555,716 at 2020	197,796,248	169,979,619
Premises and equipment, net	4,550,745	4,717,517
Accrued interest receivable	1,429,398	543,574
Other real estate owned	346,968	1,225,218
Bank owned life insurance	5,823,231	5,702,169
Other assets	4,947,312	5,113,972
Total assets	\$ 272,051,618	\$ 223,941,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing demand deposits	\$ 97,315,962	\$ 67,547,376
Interest-bearing deposits	142,378,085	125,716,772
Total deposits	239,694,046	193,264,147
Accrued interest payable	81,292	137,784
Reserve for losses on letters of credit	632,977	788,565
Other liabilities	1,035,183	1,186,720
Total liabilities	241,443,498	195,377,217
Stockholders' equity		
Common stock, \$0.04 par value; 25,000,000 shares authorized, 10,199,999 shares at 2021 and 10,187,499 shares at 2020, issued and outstanding	408,000	407,500
Surplus	18,725,977	18,661,477
Retained earnings	11,363,476	9,433,678
Accumulated other comprehensive income	110,666	61,389
Total stockholders' equity	30,608,120	28,564,044
Total liabilities and stockholders' equity	\$ 272,051,618	\$ 223,941,261

THE BANK OF FINCASTLE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME

	3 Months Ended	
	<u>March 31, 2021</u>	<u>March 31, 2020</u>
INTEREST INCOME		
Interest and fees on loans	\$ 2,231,715	\$ 2,078,774
Interest on investment securities, taxable	70,184	65,604
Interest on interest bearing deposits in banks	8,214	71,698
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Total interest income	2,310,113	2,216,076
INTEREST EXPENSE		
Interest on deposits	194,021	307,905
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Total interest expense	194,021	307,905
Net interest income	2,116,092	1,908,171
PROVISION FOR LOAN LOSSES		
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Net interest income after provision for loan losses	2,116,092	1,908,171
NONINTEREST INCOME		
Service charges on deposit accounts	21,791	35,665
Rental income	33,575	38,050
Debit and credit card fees	119,000	102,102
Gains on sales of loans held for sale	61,485	60,963
Other income	74,945	73,921
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Total noninterest income	310,796	310,701
NONINTEREST EXPENSE		
Salaries and employee benefits	971,174	950,994
Occupancy and equipment	183,601	181,611
Data processing expenses	426,574	388,226
Legal and professional fees	124,919	57,052
Postage, stationery and supplies	18,856	19,150
FDIC insurance assessment	18,437	20,984
Losses (gains) on sale and write-downs of other real estate owned, net	(14,143)	(318)
Expenses of adversely classified items	22,764	17,629
Other expenses	258,563	496,436
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Total noninterest expense	2,010,745	2,131,764
INCOME BEFORE INCOME TAXES	<hr/>	<hr/>
	416,143	87,108
INCOME TAX EXPENSE	70,463	612
NET INCOME	<u>\$ 345,680</u>	<u>\$ 86,496</u>