

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2015 and June 30, 2015

	December 31, <u>2015</u> (Unaudited)	June 30, <u>2015</u>
ASSETS		
Cash and cash equivalents due from financial institutions	\$ 2,627,976	\$ 2,838,350
Overnight deposits	<u>7,000,000</u>	<u>4,200,000</u>
Total cash and cash equivalents	9,627,976	7,038,350
Interest-bearing time deposits in other financial institutions	1,227,000	1,472,000
Securities held to maturity (fair value of \$252,165 at December 31, 2015 and \$301,997 at June 30, 2015)	239,972	284,509
Federal Home Loan Bank stock	397,500	397,500
Loans, net of allowance of \$255,432 at December 31, 2015 and June 30, 2015	41,286,529	42,028,401
Premises and equipment, net	1,392,502	1,422,977
Accrued interest receivable	111,569	136,920
Other assets	<u>805,295</u>	<u>772,943</u>
Total assets	<u>\$ 55,088,343</u>	<u>\$ 53,553,600</u>
LIABILITIES		
Savings and checking accounts	\$ 21,609,886	\$ 19,463,663
Certificates of deposit	<u>13,928,638</u>	<u>14,701,281</u>
Total deposits	33,538,524	34,164,944
Federal Home Loan Bank advances	6,000,000	6,000,000
Other liabilities	<u>1,948,655</u>	<u>1,898,140</u>
Total liabilities	43,487,179	42,063,084
SHAREHOLDERS' EQUITY		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$.01 par value, 10,000,000 shares authorized, 441,104 shares issued	4,340	4,308
Additional paid-in capital	4,014,125	3,977,489
Retained earnings	8,845,048	8,779,618
Treasury stock, 35,460 shares, at cost	(354,600)	(354,600)
Unearned employee stock ownership plan shares	(239,400)	(247,950)
Accumulated other comprehensive loss	<u>(668,349)</u>	<u>(668,349)</u>
Total shareholders' equity	<u>11,601,164</u>	<u>11,490,516</u>
Total liabilities and shareholders' equity	<u>\$ 55,088,343</u>	<u>\$ 53,553,600</u>

VERSAILLS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
Three months and six months ended December 31, 2015 and 2014

	Three months ended December 31,		Six months ended December 31,	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Interest and dividend income				
Loans, including fees	\$ 467,533	\$ 467,186	\$ 938,633	\$ 931,814
Securities held-to-maturity	1,708	2,076	3,523	4,318
FHLB dividends	4,008	4,008	7,972	7,972
Deposits with banks	<u>4,225</u>	<u>5,541</u>	<u>8,591</u>	<u>11,501</u>
Total interest and dividend income	477,474	478,811	958,719	955,605
Interest expense				
Deposits	30,778	33,898	61,004	68,153
FHLB advances	<u>31,179</u>	<u>18,198</u>	<u>62,358</u>	<u>42,091</u>
Total interest expense	<u>61,957</u>	<u>52,096</u>	<u>123,362</u>	<u>110,244</u>
Net interest income	415,517	426,715	835,357	845,361
Provisions for loan losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net interest income after provisions for loan losses	415,517	426,715	835,357	845,361
Noninterest income				
Other income	<u>3,421</u>	<u>3,043</u>	<u>6,121</u>	<u>5,478</u>
Total noninterest income	3,421	3,043	6,121	5,478
Noninterest expense				
Salaries and employee benefits	219,024	184,726	403,759	357,372
Occupancy and equipment	20,719	21,903	43,191	43,339
Directors' fees	20,725	16,500	40,825	33,000
Data processing	31,838	30,923	63,741	62,476
Franchise taxes	20,558	22,657	41,117	45,315
Legal, accounting and exam fees	39,694	34,196	72,123	66,162
Federal deposit insurance	6,000	5,700	12,000	11,700
Other	<u>31,599</u>	<u>24,884</u>	<u>62,592</u>	<u>52,929</u>
Total noninterest expense	<u>390,157</u>	<u>341,489</u>	<u>739,348</u>	<u>672,293</u>
Income before income taxes	28,781	88,269	102,130	178,546
Income tax expense	<u>9,800</u>	<u>30,700</u>	<u>36,700</u>	<u>62,100</u>
Net income	<u>\$ 18,981</u>	<u>\$ 57,569</u>	<u>\$ 65,430</u>	<u>\$ 116,446</u>
Basic and diluted earnings per common share	<u>\$ 0.05</u>	<u>\$ 0.14</u>	<u>\$ 0.16</u>	<u>\$ 0.28</u>