

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2016 and June 30, 2016

	December 31, 2016 (Unaudited)	June 30, 2016
ASSETS		
Cash and cash equivalents due from financial institutions	\$ 5,571,181	\$ 3,950,475
Overnight deposits	<u>8,000,000</u>	<u>5,000,000</u>
Total cash and cash equivalents	13,571,181	8,950,475
Interest-bearing time deposits in other financial institutions	492,000	982,000
Securities held to maturity (fair value of \$201,061 at December 31, 2016 and \$226,679 at June 30, 2016)	192,018	216,053
Federal Home Loan Bank stock	397,500	397,500
Loans, net of allowance of \$255,432 at December 31, 2016 and June 30, 2016	40,953,028	41,528,086
Premises and equipment, net	1,262,217	1,361,890
Accrued interest receivable	110,529	116,232
Other assets	<u>609,050</u>	<u>737,745</u>
Total assets	<u>\$ 57,587,523</u>	<u>\$ 54,289,981</u>
LIABILITIES		
Savings and checking accounts	\$ 24,326,873	\$ 21,579,811
Certificates of deposit	<u>15,118,086</u>	<u>13,772,254</u>
Total deposits	39,444,959	35,352,065
Federal Home Loan Bank advances	6,000,000	6,000,000
Other liabilities	<u>792,970</u>	<u>1,317,493</u>
Total liabilities	46,237,929	42,669,558
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, 401,087 and 421,667 shares issued	3,972	4,146
Additional paid-in capital	3,264,095	3,646,365
Retained earnings	8,658,427	8,914,181
Treasury stock, 35,460 shares, at cost	(354,600)	(354,600)
Unearned employee stock ownership plan shares	(222,300)	(230,850)
Accumulated other comprehensive loss	-	(358,819)
Total shareholders' equity	<u>11,349,594</u>	<u>11,620,423</u>
Total liabilities and shareholders' equity	<u>\$ 57,587,523</u>	<u>\$ 54,289,981</u>

VERSAILLS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
Three months and six months ended December 31, 2016 and 2015

	Three months ended December 31,		Six months ended December 31,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest and dividend income				
Loans, including fees	\$ 469,548	\$ 467,533	\$ 938,191	\$ 938,633
Securities held-to-maturity	1,451	1,708	2,989	6,523
FHLB dividends	3,997	4,008	7,950	7,972
Deposits with banks	<u>7,304</u>	<u>4,225</u>	<u>13,217</u>	<u>8,591</u>
Total interest and dividend income	482,300	477,474	962,347	958,719
Interest expense				
Deposits	35,982	30,778	69,246	61,004
FHLB advances	<u>31,094</u>	<u>31,179</u>	<u>62,188</u>	<u>62,358</u>
Total interest expense	<u>67,076</u>	<u>61,957</u>	<u>131,434</u>	<u>123,362</u>
Net interest income	415,224	415,517	830,913	835,357
Provisions for loan losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net interest income after provisions for loan losses	415,224	415,517	830,913	835,357
Noninterest income				
Other income	3,738	3,422	7,705	6,121
Loss on sale of other real estate owned	<u>-</u>	<u>-</u>	<u>(58,621)</u>	<u>-</u>
Total noninterest income	3,738	3,422	(50,916)	6,121
Noninterest expense				
Salaries and employee benefits	175,382	170,885	326,202	318,745
Pension Expense	-	48,139	520,507	85,014
Occupancy and equipment	20,843	20,719	41,982	43,191
Directors' fees	19,100	20,725	38,900	40,825
Data processing	28,189	31,838	57,370	63,741
Franchise taxes	23,202	20,558	46,404	41,117
Legal, accounting and exam fees	25,398	39,694	62,252	72,123
Federal deposit insurance	1,902	6,000	8,302	12,000
Other	<u>30,148</u>	<u>31,600</u>	<u>61,332</u>	<u>62,592</u>
Total noninterest expense	<u>324,164</u>	<u>390,158</u>	<u>1,163,251</u>	<u>739,348</u>
Income before income taxes	94,798	28,781	(383,254)	102,130
Income tax expense	<u>33,900</u>	<u>9,800</u>	<u>(127,500)</u>	<u>36,700</u>
Net income	<u>\$ 60,898</u>	<u>\$ 18,981</u>	<u>\$(255,754)</u>	<u>\$ 65,430</u>
Basic and diluted earnings per common share	<u>\$ 0.15</u>	<u>\$ 0.05</u>	<u>\$ (0.64)</u>	<u>\$ 0.16</u>