

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and June 30, 2017

	December 31, 2017 (Unaudited)	June 30, 2017
ASSETS		
Cash and cash equivalents due from financial institutions	\$ 7,729,300	\$ 4,162,152
Overnight deposits	<u>3,500,000</u>	<u>5,000,000</u>
Total cash and cash equivalents	11,229,300	9,162,152
Interest-bearing time deposits in other financial institutions	-	247,000
Securities held to maturity (fair value of \$143,657 at December 31, 2017 and \$165,910 at June 30, 2017)	137,254	159,573
Federal Home Loan Bank stock	397,500	397,500
Loans, net of allowance of \$255,432 at December 31, 2017 and June 30, 2017	42,590,805	41,943,637
Premises and equipment, net	1,207,627	1,231,897
Accrued interest receivable	114,770	113,703
Other assets	<u>276,541</u>	<u>467,932</u>
Total assets	<u>\$ 55,953,797</u>	<u>\$ 53,723,394</u>
LIABILITIES		
Savings and checking accounts	\$ 26,660,594	\$ 23,557,720
Certificates of deposit	<u>14,085,612</u>	<u>15,049,746</u>
Total deposits	40,746,206	38,607,466
Federal Home Loan Bank advances	3,000,000	3,000,000
Other liabilities	<u>890,813</u>	<u>856,425</u>
Total liabilities	44,637,019	42,463,891
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, 387,867 and 387,867 shares issued	3,859	3,840
Additional paid-in capital	3,034,875	3,016,581
Retained earnings	8,837,844	8,807,432
Treasury stock, 35,460 shares, at cost	(354,600)	(354,600)
Unearned employee stock ownership plan shares	(205,200)	(213,750)
Accumulated other comprehensive loss	-	-
Total shareholders' equity	<u>11,316,778</u>	<u>11,259,503</u>
Total liabilities and shareholders' equity	<u>\$ 55,953,797</u>	<u>\$ 53,723,394</u>

VERSAILLS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
Three months and six months ended December 31, 2017 and 2016

	Three months ended December 31,		Six months ended December 31,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Interest and dividend income				
Loans, including fees	\$ 482,706	\$ 469,548	\$ 955,779	\$ 938,191
Securities held-to-maturity	1,122	1,451	2,297	2,989
FHLB dividends	5,510	3,997	10,713	7,950
Deposits with banks	<u>25,099</u>	<u>7,304</u>	<u>44,960</u>	<u>13,217</u>
Total interest and dividend income	514,437	482,300	1,013,749	962,347
Interest expense				
Deposits	34,996	35,982	70,567	69,246
FHLB advances	<u>16,913</u>	<u>31,094</u>	<u>33,826</u>	<u>62,188</u>
Total interest expense	<u>51,909</u>	<u>67,076</u>	<u>104,393</u>	<u>131,434</u>
Net interest income	462,528	415,224	909,356	830,913
Provisions for loan losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net interest income after provisions for loan losses	462,528	415,224	909,356	830,913
Noninterest income				
Other income	3,902	3,738	8,370	7,706
Loss on sale of other real estate owned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,622)</u>
Total noninterest income	3,902	3,738	8,370	(50,916)
Noninterest expense				
Salaries and employee benefits	190,676	175,382	345,926	326,202
Pension Expense	-	-	-	520,507
Occupancy and equipment	17,769	20,843	35,916	41,982
Directors' fees	18,890	19,100	38,550	38,900
Data processing	33,558	28,189	64,992	57,370
Franchise taxes	22,699	23,202	45,398	46,404
Legal, accounting and exam fees	31,951	25,398	58,051	62,252
Federal deposit insurance	3,800	1,902	7,600	8,302
Other	<u>38,701</u>	<u>30,148</u>	<u>73,819</u>	<u>61,332</u>
Total noninterest expense	<u>358,044</u>	<u>324,164</u>	<u>670,252</u>	<u>1,163,251</u>
Income before income taxes	108,386	94,798	247,474	(383,254)
Income tax expense	<u>168,163</u>	<u>33,900</u>	<u>217,063</u>	<u>(127,500)</u>
Net income	<u>\$ (59,777)</u>	<u>\$ 60,898</u>	<u>\$ 30,411</u>	<u>\$(255,754)</u>
Basic and diluted earnings per common share	<u>\$ (0.16)</u>	<u>\$ 0.15</u>	<u>\$ 0.08</u>	<u>\$ (0.64)</u>