

VERSAILLES FINANCIAL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
March 31, 2017 and June 30, 2016

	March 31, 2017 (Unaudited)	June 30, 2016
<b>ASSETS</b>		
Cash and cash equivalents due from financial institutions	\$ 4,229,612	\$ 3,950,475
Overnight deposits	<u>8,000,000</u>	<u>5,000,000</u>
Total cash and cash equivalents	12,229,612	8,950,475
Interest-bearing time deposits in other financial institutions	247,000	982,000
Securities held to maturity (fair value of \$186,842 at March 31, 2017 and \$226,679 at June 30, 2016)	178,558	216,053
Federal Home Loan Bank stock	397,500	397,500
Loans, net of allowance of \$255,432 at March 31, 2017 and June 30, 2016	40,704,082	41,528,086
Premises and equipment, net	1,246,314	1,361,890
Accrued interest receivable	100,564	116,232
Other assets	<u>614,755</u>	<u>737,745</u>
Total assets	<u>\$ 55,718,385</u>	<u>\$ 54,289,981</u>
<b>LIABILITIES</b>		
Savings and checking accounts	\$ 23,657,626	\$ 21,579,811
Certificates of deposit	<u>15,059,240</u>	<u>13,772,254</u>
Total deposits	38,716,866	35,352,065
Federal Home Loan Bank advances	5,000,000	6,000,000
Other liabilities	<u>813,656</u>	<u>1,317,493</u>
Total liabilities	44,530,522	42,669,558
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$.01 par value, 10,000,000 shares authorized, 388,867 and 421,667 shares issued	3,850	4,146
Additional paid-in capital	3,028,165	3,646,365
Retained earnings	8,728,468	8,914,181
Treasury stock, 35,460 shares, at cost	(354,600)	(354,600)
Unearned employee stock ownership plan shares	(218,020)	(230,850)
Accumulated other comprehensive loss	-	(358,819)
Total shareholders' equity	<u>11,187,863</u>	<u>11,620,423</u>
Total liabilities and shareholders' equity	<u>\$ 55,718,385</u>	<u>\$ 54,289,981</u>

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

	Three months ended March 31,		Nine months ended March 31,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Interest and dividend income				
Loans, including fees	\$ 455,557	\$ 462,258	\$1,393,748	\$1,400,892
Securities held-to-maturity	1,356	1,590	4,345	5,114
FHLB dividends	4,496	4,008	12,446	11,979
Deposits with banks	<u>12,310</u>	<u>5,754</u>	<u>25,527</u>	<u>14,344</u>
Total interest and dividend income	473,719	473,610	1,436,066	1,432,329
Interest expense				
Deposits	34,634	30,586	103,880	91,590
FHLB advances	<u>29,765</u>	<u>30,756</u>	<u>91,953</u>	<u>93,114</u>
Total interest expense	<u>64,399</u>	<u>61,342</u>	<u>195,833</u>	<u>184,704</u>
Net interest income	409,320	412,268	1,240,233	1,247,625
Provisions for loan losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net interest income after provisions for loan losses	409,320	412,268	1,240,233	1,247,625
Noninterest income				
Other income	3,632	3,504	11,337	9,626
Loss on sale of other real estate owned	<u>-</u>	<u>-</u>	<u>(58,621)</u>	<u>-</u>
Total noninterest income	3,632	3,504	(47,284)	9,626
Noninterest expense				
Salaries and employee benefits	147,243	154,659	473,445	473,404
Pension Expense	-	48,139	520,507	133,154
Occupancy and equipment	26,640	26,403	68,622	69,594
Directors' fees	19,800	21,020	58,700	61,845
Data processing	29,880	34,157	87,249	97,898
Franchise taxes	22,699	23,202	69,104	64,320
Legal, accounting and exam fees	27,597	28,903	89,849	101,025
Federal deposit insurance	4,200	6,025	12,502	18,025
Other	<u>28,052</u>	<u>27,603</u>	<u>89,384</u>	<u>90,195</u>
Total noninterest expense	<u>306,111</u>	<u>370,111</u>	<u>1,469,362</u>	<u>1,109,460</u>
Income before income taxes	106,841	45,661	(276,413)	147,791
Income tax expense	<u>36,800</u>	<u>16,400</u>	<u>(90,700)</u>	<u>53,100</u>
Net income	<u>\$ 70,041</u>	<u>\$ 29,261</u>	<u>\$(185,713)</u>	<u>\$ 94,691</u>
Basic and diluted earnings per common share	<u>\$ 0.18</u>	<u>\$ 0.07</u>	<u>\$ (0.47)</u>	<u>\$ 0.23</u>