

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
September 30, 2016 and June 30, 2016

	September 30, <u>2016</u> (Unaudited)	June 30, <u>2016</u>
ASSETS		
Cash and cash equivalents due from financial institutions	\$ 4,073,143	\$ 3,950,475
Overnight deposits	<u>8,000,000</u>	<u>5,000,000</u>
Total cash and cash equivalents	12,073,143	8,950,475
Interest-bearing time deposits in other financial institutions	982,000	982,000
Securities held to maturity (fair value of \$207,940 at September 30, 2016 and \$226,679 at June 30, 2016)	198,414	216,053
Federal Home Loan Bank stock	397,500	397,500
Loans, net of allowance of \$255,432 at September 30, 2016 and June 30, 2016	41,885,553	41,528,086
Premises and equipment, net	1,278,121	1,361,890
Accrued interest receivable	124,132	116,232
Other assets	<u>661,812</u>	<u>737,745</u>
Total assets	<u>\$ 57,600,675</u>	<u>\$ 54,289,981</u>
LIABILITIES		
Savings and checking accounts	\$ 23,939,513	\$ 21,579,811
Certificates of deposit	<u>15,416,739</u>	<u>13,772,254</u>
Total deposits	39,356,252	35,352,065
Federal Home Loan Bank advances	6,000,000	6,000,000
Other liabilities	<u>751,830</u>	<u>1,317,493</u>
Total liabilities	46,108,082	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, 412,387 and 421,667 shares issued	4,053	4,146
Additional paid-in capital	3,472,181	3,646,365
Retained earnings	8,597,529	8,914,181
Treasury stock, 35,460 shares, at cost	(354,600)	(354,600)
Unearned employee stock ownership plan shares	(226,570)	(230,850)
Accumulated other comprehensive loss	<u>-</u>	<u>(358,819)</u>
Total shareholders' equity	<u>11,492,593</u>	<u>11,620,423</u>
Total liabilities and shareholders' equity	<u>\$ 57,600,675</u>	<u>\$ 54,289,981</u>

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
Three months ended September 30, 2016 and 2015

	Three months ended September 30,	
	<u>2016</u>	<u>2015</u>
Interest and dividend income		
Loans, including fees	\$ 468,643	\$ 471,100
Securities held-to-maturity	1,539	1,815
FHLB dividends	3,953	3,964
Deposits with banks	<u>5,913</u>	<u>4,366</u>
Total interest and dividend income	480,048	481,245
Interest expense		
Deposits	33,265	30,226
FHLB advances	<u>31,094</u>	<u>31,179</u>
Total interest expense	<u>64,359</u>	<u>61,405</u>
Net interest income	415,689	419,840
Provision for loan losses	<u>-</u>	<u>-</u>
Net interest income after provision for loan losses	415,689	419,840
Noninterest income		
Other income	3,967	2,700
Loss on sale of other real estate owned	<u>(58,621)</u>	<u>-</u>
Total noninterest income	(54,654)	2,700
Noninterest expense		
Salaries and employee benefits	150,820	147,860
Pension expense	520,507	36,875
Occupancy and equipment	21,139	22,472
Directors' fees	19,800	20,100
Data processing	29,181	31,903
Franchise taxes	23,202	20,559
Legal, accounting and exam fees	36,854	32,429
Federal deposit insurance	6,400	6,000
Other	<u>31,184</u>	<u>30,993</u>
Total noninterest expense	<u>839,087</u>	<u>349,191</u>
Income before income taxes	(478,052)	73,349
Income tax expense	<u>(161,400)</u>	<u>26,900</u>
Net income	<u>\$ (316,652)</u>	<u>\$ 46,449</u>
Basic and diluted earnings per common share	<u>\$ (0.74)</u>	<u>\$ 0.11</u>