

**VERSAILLES FINANCIAL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2019 and June 30, 2019**

|   | December 31,<br><u>2019</u><br>(Unaudited) | June 30,<br><u>2019</u>         |
|---|--|---------------------------------|
| <b>ASSETS</b>   |  |                                 |
| Cash and due from financial institutions  | \$ 3,340,627                               | \$ 3,016,115                    |
| Overnight deposits and Federal Funds sold   | <u>5,934,000</u>                           | <u>6,939,000</u>                |
| Total cash and cash equivalents   | 9,274,627                                  | 9,955,115                       |
| Interest-bearing time deposits in other financial institutions  | 1,500,000                                  | 1,000,000                       |
| Securities held to maturity (fair value of \$69,820 at December 31, 2019 and \$84,514 at June 30, 2019) | 67,372                                     | 80,605                          |
| Loans, net of allowance of \$255,432 at December 31, 2019 and June 30, 2019                             | 42,079,369                                 | 42,261,201                      |
| Federal Home Loan Bank stock  | 397,500                                    | 397,500                         |
| Premises and equipment, net   | 1,160,083                                  | 1,174,133                       |
| Accrued interest receivable   | 120,390                                    | 122,026                         |
| Other assets  | <u>327,433</u>                             | <u>345,976</u>                  |
| <br>Total Assets  | <br><u><u>\$ 54,926,774</u></u>            | <br><u><u>\$ 55,336,556</u></u> |
| <b>LIABILITIES</b>  |  |                                 |
| Savings and checking accounts   | \$ 23,211,135                              | \$ 23,292,895                   |
| Certificates of deposit   | <u>16,615,806</u>                          | <u>15,976,020</u>               |
| Total deposits  | 39,826,941                                 | 39,268,915                      |
| Federal Home Loan Bank advances   | 2,000,000                                  | 3,000,000                       |
| Other liabilities   | <u>1,178,324</u>                           | <u>1,091,353</u>                |
| Total liabilities   | 43,005,265                                 | 43,360,268                      |
| <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; 390,617 shares issued                      | 3,838                                      | 3,871                           |
| Additional paid-in capital  | 3,029,515                                  | 3,089,125                       |
| Retained earnings   | 9,413,756                                  | 9,417,442                       |
| Treasury stock, 35,460 shares, at cost  | (354,600)                                  | (354,600)                       |
| Unearned employee stock ownership plan shares   | <u>(171,000)</u>                           | <u>(179,550)</u>                |
| Total shareholders' equity  | <u>11,921,509</u>                          | <u>11,976,288</u>               |
| <br>Total liabilities and shareholders' equity  | <br><u><u>\$ 54,926,774</u></u>            | <br><u><u>\$ 55,336,556</u></u> |

**VERSAILLES FINANCIAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
**Three months and six months ended December 31, 2019 and 2018**

|   | Three months ended<br>December 31, |                  | Six months ended<br>December 31, |                   |
|---|------------------------------------|------------------|----------------------------------|-------------------|
|   | <u>2019</u>                        | <u>2018</u>      | <u>2019</u>                      | <u>2018</u>       |
| Interest and dividend income                        |                                    |                  |                                  |                   |
| Loans, including fees                               | \$ 502,857                         | \$ 498,337       | \$ 1,007,798                     | \$ 985,247        |
| Securities held to maturity                         | 723                                | 980              | 1,560                            | 2,035             |
| FHLB dividends                                      | 4,008                              | 6,012            | 8,467                            | 11,958            |
| Deposits with banks                                 | 41,987                             | 44,296           | 97,805                           | 90,174            |
| Total interest and dividend income                  | <u>549,575</u>                     | <u>549,625</u>   | <u>1,115,630</u>                 | <u>1,089,414</u>  |
| Interest expense                                    |                                    |                  |                                  |                   |
| Deposits  | 74,947                             | 40,188           | 150,570                          | 74,759            |
| Federal Home Loan Bank advances                     | 13,668                             | 16,913           | 30,581                           | 33,826            |
| Total interest expense                              | <u>88,615</u>                      | <u>57,101</u>    | <u>181,151</u>                   | <u>108,585</u>    |
| Net interest income                                 | 460,960                            | 492,524          | 934,479                          | 980,829           |
| Provision for loan losses                           | <u>-</u>                           | <u>-</u>         | <u>-</u>                         | <u>-</u>          |
| Net interest income after provision for loan losses | 460,960                            | 492,524          | 934,479                          | 980,829           |
| Noninterest income                                  |                                    |                  |                                  |                   |
| Other income  | 5,477                              | 4,531            | 10,006                           | 8,416             |
| Total noninterest income                            | <u>5,477</u>                       | <u>4,531</u>     | <u>10,006</u>                    | <u>8,416</u>      |
| Noninterest expense                                 |                                    |                  |                                  |                   |
| Salaries and employee benefits                      | 206,714                            | 211,025          | 383,151                          | 388,760           |
| Occupancy and equipment                             | 19,546                             | 17,457           | 38,418                           | 35,323            |
| Directors' fees                                     | 20,700                             | 21,375           | 41,400                           | 42,750            |
| Data processing                                     | 35,922                             | 34,387           | 73,668                           | 69,735            |
| Franchise taxes                                     | 23,367                             | 22,634           | 46,734                           | 45,267            |
| Legal, accounting and exam fees                     | 32,813                             | 30,877           | 62,587                           | 54,113            |
| Federal deposit insurance                           | 1,108                              | 3,130            | 2,195                            | 6,730             |
| Other   | 32,296                             | 39,240           | 64,478                           | 68,583            |
| Total noninterest expense                           | <u>372,466</u>                     | <u>380,125</u>   | <u>712,631</u>                   | <u>711,261</u>    |
| Income before income taxes                          | 93,971                             | 116,930          | 231,854                          | 277,984           |
| Income tax expense                                  | <u>21,300</u>                      | <u>22,668</u>    | <u>51,300</u>                    | <u>57,768</u>     |
| Net income  | <u>\$ 72,671</u>                   | <u>\$ 94,262</u> | <u>\$ 180,554</u>                | <u>\$ 220,216</u> |
| Basic and diluted earnings per common share         | <u>\$ 0.20</u>                     | <u>\$ 0.26</u>   | <u>\$ 0.49</u>                   | <u>\$ 0.60</u>    |