

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and June 30, 2022

| | December 31, <u>2022</u> (Unaudited) | June 30, <u>2022</u> |
|---|--|-------------------------|
| ASSETS | | |
| Cash and due from financial institutions | \$ 4,021,662 | \$ 4,569,150 |
| Overnight deposits and Federal Funds sold | 8,227,000 | 13,348,000 |
| Total cash and cash equivalents | 12,248,662 | 17,917,150 |
| Interest-bearing time deposits in other financial institutions | 2,750,000 | 3,000,000 |
| Securities available for sale | 6,167,448 | 6,422,703 |
| Securities held to maturity (fair value of \$23,165 at December 31, 2022 and \$27,222 at June 30, 2022) | 23,497 | 26,721 |
| Loans, net of allowance of \$255,432 at December 31, 2022 and June 30, 2022 | 38,626,980 | 36,682,005 |
| Federal Home Loan Bank stock | 311,500 | 397,500 |
| Premises and equipment, net | 1,035,159 | 1,059,349 |
| Accrued interest receivable | 129,032 | 97,987 |
| Other assets | 460,072 | 540,124 |
| Total Assets | \$ 61,752,350 | \$ 66,143,539 |
| LIABILITIES | | |
| Savings and checking accounts | \$ 35,441,239 | \$ 38,173,164 |
| Certificates of deposit | 10,965,358 | 12,703,275 |
| Total deposits | 46,406,597 | 50,876,439 |
| Federal Home Loan Bank advances | 2,000,000 | 2,000,000 |
| Other liabilities | 1,567,175 | 1,496,716 |
| Total liabilities | 49,973,772 | 54,373,155 |
| 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; 379,947 and 384,657 shares issued | 3,784 | 3,831 |
| Additional paid-in capital | 2,983,519 | 3,062,938 |
| Retained earnings | 9,698,617 | 9,534,524 |
| Treasury stock, 35,460 shares, at cost | (354,600) | (354,600) |
| Unearned employee stock ownership plan shares | (119,700) | (128,250) |
| Accumulated other comprehensive loss | (433,042) | (348,059) |
| Total shareholders' equity | 11,778,578 | 11,770,384 |
| Total liabilities and shareholders' equity | \$ 61,752,350 | \$ 66,143,539 |

VERSAILLES FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
Three months and six months ended December 31, 2022 and 2021

| | Three months ended December 31, | | Six months ended December 31, | |
|---|------------------------------------|------------------|----------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Interest and dividend income | | | | |
| Loans, including fees | \$ 424,072 | \$ 386,069 | \$ 830,015 | \$ 775,581 |
| Securities available for sale | 21,052 | 9,615 | 42,296 | 19,865 |
| Securities held to maturity | 174 | 157 | 338 | 342 |
| FHLB dividends | 5,079 | 2,004 | 10,034 | 3,986 |
| Deposits with banks | <u>158,787</u> | <u>6,392</u> | <u>263,328</u> | <u>13,279</u> |
| Total interest and dividend income | 609,164 | 404,237 | 1,146,011 | 813,053 |
| Interest expense | | | | |
| Deposits | 17,925 | 14,779 | 30,751 | 33,260 |
| Federal Home Loan Bank advances | <u>12,098</u> | <u>12,098</u> | <u>24,197</u> | <u>24,197</u> |
| Total interest expense | <u>30,023</u> | <u>26,877</u> | <u>54,948</u> | <u>57,457</u> |
| Net interest income | 579,141 | 377,360 | 1,091,063 | 755,596 |
| Provision for loan losses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net interest income after provision for loan losses | 579,141 | 377,360 | 1,091,063 | 755,596 |
| Noninterest income | | | | |
| Other income | <u>7,890</u> | <u>6,146</u> | <u>15,577</u> | <u>12,334</u> |
| Total noninterest income | 7,890 | 6,146 | 15,577 | 12,334 |
| Noninterest expense | | | | |
| Salaries and employee benefits | 191,627 | 190,117 | 343,363 | 343,839 |
| Occupancy and equipment | 17,848 | 20,550 | 36,561 | 41,900 |
| Directors' fees | 19,700 | 20,260 | 40,200 | 40,600 |
| Data processing | 34,093 | 41,313 | 68,881 | 79,078 |
| Franchise taxes | 17,549 | 17,601 | 35,098 | 35,202 |
| Legal, accounting and exam fees | 34,476 | 35,284 | 61,554 | 61,203 |
| Federal deposit insurance | 4,272 | 3,666 | 8,495 | 7,485 |
| Other | <u>37,432</u> | <u>33,243</u> | <u>70,161</u> | <u>63,807</u> |
| Total noninterest expense | <u>356,997</u> | <u>362,034</u> | <u>664,313</u> | <u>673,114</u> |
| Income before income taxes | 230,034 | 21,472 | 442,327 | 94,816 |
| Income tax expense | <u>49,500</u> | <u>8,800</u> | <u>95,100</u> | <u>22,600</u> |
| Net income | <u>\$ 180,534</u> | <u>\$ 12,672</u> | <u>\$ 347,227</u> | <u>\$ 72,216</u> |
| Basic and diluted earnings per common share | <u>\$ 0.50</u> | <u>\$ 0.03</u> | <u>\$ 0.95</u> | <u>\$ 0.19</u> |