# Financial Highlights (Unaudited)

**Allegheny Valley Bancorp, Inc.**

| Balance Sheet Highlights | September 30, 2016 | December 31, 2015 |
|---|---|---|
| Assets | $ 445,444,959 | $ 414,539,731 |
| Deposits | 320,895,047 | 315,345,531 |
| Net loans | 302,792,542 | 282,831,705 |
| Equity | 51,245,133 | 49,218,487 |

| *(Ratios are annualized)* Earnings Highlights | Nine Months Ended September 30, 2016 | 2015 |
|---|---|---|
| Net income | $ 2,309,213 | $ 2,534,257 |
| Return on average assets | 0.71% | 0.83% |
| Return on average equity | 6.08% | 7.01% |

**Vision Statement**

**"Allegheny Valley Bank will aspire to set the standard for performance for community banks in our market area by being a recognized model of excellence to customers, competitors, shareholders, and the community."**

**Mission Statement**

**We Are:** Problem Solvers
**We Ensure:** A Great Customer Experience
**We Deliver:** The Product that is Right for You


Allegheny Valley Bancorp, Inc.
5137 Butler Street
Pittsburgh, PA 15201




3rd Quarter Report
September 30, 2016

Allegheny Valley Bancorp, Inc.

# Consolidated Balance Sheets (Unaudited)

**Allegheny Valley Bancorp, Inc.**

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Cash and due from banks | $ 1,832,366 | $ 2,061,781 |
| Interest-bearing deposits with other banks | 7,784,364 | 7,083,417 |
| Investment securities available for sale | 104,536,540 | 98,303,978 |
| Loans (net of deferred loan fees of $388,167 and $394,214) | 306,538,343 | 286,410,979 |
| Less: allowance for loan losses | (3,745,801) | (3,579,274) |
| Net loans | 302,792,542 | 282,831,705 |
| FHLB stock | 5,019,300 | 3,969,500 |
| Premises and equipment | 4,048,475 | 3,115,292 |
| Goodwill and intangible assets | 8,143,684 | 8,143,684 |
| Bank owned life insurance | 6,401,240 | 6,270,426 |
| Other assets | 4,886,448 | 2,759,948 |
| **Total assets** | $ 445,444,959 | $ 414,539,731 |
| **Liabilities** | | |
| Deposits | $ 320,895,047 | $ 315,345,531 |
| Borrowed funds | 69,760,100 | 48,658,500 |
| Accrued interest payable | 633,604 | 650,146 |
| Accrued expenses and other liabilities | 2,911,075 | 667,067 |
| **Total liabilities** | 394,199,826 | 365,321,244 |
| **Stockholders' Equity** | | |
| Common stock, par $1; authorized 5,000,000 shares, issued 1,170,000 shares | 1,170,000 | 1,170,000 |
| Surplus | 2,595,274 | 2,706,502 |
| Retained earnings | 51,495,879 | 50,935,846 |
| Accumulated other comprehensive income, net of applicable income taxes of $1,297,598 and $604,286 | 2,518,867 | 1,543,521 |
| | 57,780,020 | 56,355,869 |
| Treasury stock, at cost (138,388 and 151,143 shares) | (6,534,887) | (7,137,382) |
| **Total stockholders' equity** | 51,245,133 | 49,218,487 |
| **Total liabilities and stockholders' equity** | $ 445,444,959 | $ 414,539,731 |

# Consolidated Statements of Income (Unaudited)

**Allegheny Valley Bancorp, Inc.**

| | Nine Months Ended September 30, 2016 | 2015 |
|---|---|---|
| **Interest Income** | | |
| Loans receivable | $ 9,376,923 | $ 9,075,975 |
| Securities: | | |
| Taxable | 1,433,183 | 1,429,155 |
| Exempt from federal income tax | 649,593 | 625,587 |
| Federal Home Loan Bank stock | 146,354 | 181,380 |
| Deposits with banks and federal funds sold | 15,210 | 6,947 |
| **Total interest income** | 11,621,263 | 11,319,044 |
| **Interest Expense** | | |
| Interest-bearing demand deposits | 840,888 | 933,643 |
| Borrowed funds | 247,089 | 264,929 |
| **Total interest expense** | 1,087,977 | 1,198,572 |
| **Net Interest Income** | 10,533,286 | 10,120,472 |
| Provision for loan losses | 299,999 | 262,500 |
| **Net Interest Income After Provision for Loan Losses** | 10,233,287 | 9,857,972 |
| **Noninterest Income** | | |
| Service fees | 1,822,509 | 1,576,999 |
| Other income | 215,513 | 234,577 |
| **Total noninterest income** | 2,038,022 | 1,811,576 |
| **Noninterest Expense** | | |
| Compensation and employee benefits | 4,561,094 | 4,280,605 |
| Premises and equipment, net | 1,020,955 | 1,139,876 |
| Other | 3,595,040 | 3,000,922 |
| **Total noninterest expense** | 9,177,089 | 8,421,403 |
| Income before income taxes | 3,094,220 | 3,248,145 |
| Income taxes | 785,007 | 713,888 |
| **Net Income** | $ 2,309,213 | $ 2,534,257 |
| Earnings per share | $ 2.25 | $ 2.51 |
| Dividends per share | $ 1.71 | $ 1.71 |
| Weighted average shares outstanding | 1,026,237 | 1,007,694 |
| Actual shares outstanding | 1,031,612 | 1,013,121 |

# Community Offices

**Lawrenceville Office & Corporate Headquarters**
5137 Butler Street, Pittsburgh, PA 15201
(412) 781-0318

**Blawnox Office**
201 Freeport Road, Pittsburgh, PA 15238
(412) 828-6030

**Green Tree Office**
Four Parkway Center #100
875 Greentree Road, Pittsburgh, PA 15220
(412) 928-8530

**McKnight Road Office**
7703 McKnight Road, Pittsburgh, PA 15237
(412) 847-7640

**Penn Center East Office**
3474 William Penn Highway, Pittsburgh, PA 15235
(412) 856-4022

**Pittsburgh Office** *(downtown)*
Lawyers Building
428 Forbes Avenue, Pittsburgh, PA 15219
(412) 338-9036

**Shaler Office**
900 Mt. Royal Boulevard, Pittsburgh, PA 15223
412) 486-4245

**Shaler Drive-Thru**
1100 Mt. Royal Boulevard, Pittsburgh, PA 15223
(412) 487-9348

**Mt. Troy Office**
2000 Mt. Troy Road, Pittsburgh, PA 15212
(412) 322-6107

# Board of Directors

**Andrew W. Hasley, CPA, MBA**[1,2]
*President and Chief Executive Officer*

**Gregory J. Saxon**[1,2]
*Chairman*

**Susan M. DeLuca**[1]
*Senior Vice President, Corporate Secretary*

**Paul A. Iurlano, Esq.**[1,2]

**Marilyn B. Justice**[1,]

**John M. Lally, CPA, MBA, CVA**[1,2]

**Ronald J. Mock, CPA**[1,2]

**R. Craig Thomasmeyer, CPA**[1,2]

*1 Director of Allegheny Valley Bancorp, Inc.*
*2 Director of Allegheny Valley Bank of Pittsburgh*

**Member FDIC**

# Officers

**Andrew W. Hasley, CPA, MBA***
*President and Chief Executive Officer*

**Jason W. Ross, CPA***
*Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer*

**Susan M. DeLuca***
*Senior Vice President, Corporate Secretary*

**Stacy N. Krempasky, CPA***
*Vice President, Director of Finance and Assistant Treasurer*

**Christian M. Chelli, MBA**
*Senior Vice President, Chief Credit Officer*

**Jeffrey A. Martin**
*Senior Vice President, Chief Lending Officer*

**Daniel Koller, Jr.**
*Senior Vice President, Director of Investments*

**George Arendas**
*Vice President, Managing Director of Retail Delivery, CRA Officer*

**Cheryl A. Belsterling**
*Vice President, Senior Commercial Relationship Manager*

**Michael L. Collura, CBSM**
*Vice President, Information Technology Manager*

**F. Thomas Gongloff**
*Vice President, Business Banking Manager*

**Margaret E. Grzandziel**
*Vice President, Loan Administration*

**Mary Lou Ries**
*Vice President, Security Officer*

**Robert S. Salko**
*Vice President, Credit Manager*

**Greg A. Vallecorsa**
*Vice President, Commercial Relationship Manager*

**John E. Boy, Jr.**
*Assistant Vice President, Regional Manager*

**Deborah L. Evans**
*Assistant Vice President, Deposit Relationship Officer*

**David Hale, MBA**
*Assistant Vice President, Credit Analyst II*

**Melissa M. Hohos**
*Assistant Vice President, Commercial Portfolio Manager*

**Lori Jockel**
*Assistant Vice President, Mortgage Operations Manager*

**Brian Kurpiel**
*Assistant Vice President, Collections Manager*

**Lora A. Leya**
*Assistant Vice President, Consumer Loan Underwriter*

**Theresa Morrissey**
*Manager of Corporate Training and Business Banking Coordinator*

**Marsha M. Posset**
*Assistant Vice President, Director of Marketing*

**Sylvia Saunders**
*Assistant Vice President, Regional Manager*

**Joan L. Schmitt**
*Assistant Vice President, Regional Manager*

**Matthew Schor**
*Assistant Vice President, Cash Management Systems and Support*

**Linda A. Seyko**
*Assistant Vice President, Deposit Operations Manager*

**Melissa L. Tierney**
*Assistant Vice President, Manager of Decision Support*

**Christine E. White**
*Assistant Vice President, Credit Analyst III*

**Karen J. Wolosik**
*Assistant Vice President, Controller*

** Also an officer of Allegheny Valley Bancorp, Inc.*