

CITBA Financial Corporation
Consolidated Balance Sheets

(In thousands, except share and per share data)

| | June 30, 2014 (unaudited) | December 31, 2013 | June 30, 2013 (unaudited) |
|---|--|------------------------------|--|
| Assets | | | |
| Cash and due from banks | \$ 5,320 | \$ 4,774 | \$ 3,484 |
| Interest-bearing demand deposits | 23,465 | 31,647 | 40,936 |
| Federal funds sold | - | - | - |
| Cash and cash equivalents | <u>28,785</u> | <u>36,421</u> | <u>44,420</u> |
| Investment securities | | | |
| Available for sale | 82,505 | 70,520 | 69,701 |
| Held to maturity | 9,197 | 13,307 | 13,932 |
| Total investment securities | <u>91,702</u> | <u>83,827</u> | <u>83,632</u> |
| Loans held for sale | 377 | 450 | 543 |
| Loans | 257,635 | 248,414 | 245,052 |
| Allowance for loan and lease losses | <u>(3,527)</u> | <u>(3,631)</u> | <u>(4,221)</u> |
| Net loans | 254,108 | 244,783 | 240,831 |
| Federal Home Loan Bank stock | 2,750 | 2,750 | 2,750 |
| Premises and equipment | 5,010 | 5,077 | 5,197 |
| Interest receivable | 1,367 | 1,381 | 1,422 |
| Other assets | 3,090 | 3,472 | 4,205 |
| Total assets | <u><u>\$ 387,190</u></u> | <u><u>\$ 378,162</u></u> | <u><u>\$ 383,000</u></u> |
| Liabilities and Stockholders' Equity | | | |
| Liabilities | | | |
| Deposits | | | |
| Noninterest-bearing | \$ 73,400 | \$ 69,067 | \$ 70,478 |
| Interest-bearing | 265,037 | 261,414 | 263,901 |
| Total deposits | <u>338,437</u> | <u>330,481</u> | <u>334,379</u> |
| Short-term borrowings | 9,439 | 10,086 | 10,376 |
| Interest payable | 49 | 48 | 55 |
| Other liabilities | 2,031 | 1,318 | 2,706 |
| Total liabilities | <u>\$ 349,956</u> | <u>\$ 341,933</u> | <u>\$ 347,516</u> |
| Stockholders' Equity | | | |
| Preferred stock, non-voting \$10 par value | | | |
| Authorized and unissued - 35,000 shares | \$ - | \$ - | \$ - |
| Common stock, \$1 stated value; 1,000,000 shares | | | |
| authorized; 926,977, 926,977 and 926,977 shares | | | |
| issued and outstanding, respectively | 927 | 927 | 927 |
| Additional paid-in capital | 4,453 | 4,453 | 4,453 |
| Retained earnings | 31,093 | 29,106 | 29,180 |
| Current income | 854 | 2,423 | 1,111 |
| Accumulated other comprehensive loss | (92) | (680) | (186) |
| Total stockholders' equity | <u>\$ 37,234</u> | <u>\$ 36,228</u> | <u>\$ 35,484</u> |
| Total liabilities and stockholders' equity | <u><u>\$ 387,190</u></u> | <u><u>\$ 378,162</u></u> | <u><u>\$ 383,000</u></u> |

CITBA Financial Corporation
Consolidated Statements of Operations (Unaudited)

(In thousands, except share and per share data)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2014 | June 30, 2013 | June 30, 2014 | June 30, 2013 |
| Interest Income | | | | |
| Loans receivable | \$ 2,871 | \$ 2,983 | \$ 5,780 | \$ 5,984 |
| Investment securities | | | | |
| Taxable | 459 | 405 | 892 | 800 |
| Tax-exempt | 93 | 144 | 199 | 294 |
| Other interest income | 17 | 21 | 35 | 36 |
| Dividends | 26 | 21 | 67 | 46 |
| Total interest income | <u>3,466</u> | <u>3,574</u> | <u>6,974</u> | <u>7,161</u> |
| Interest Expense | | | | |
| Deposits | 364 | 399 | 740 | 811 |
| Short-term borrowings | 0 | 1 | 1 | 2 |
| Total interest expense | <u>365</u> | <u>400</u> | <u>741</u> | <u>812</u> |
| Net Interest Income | <u>3,101</u> | <u>3,174</u> | <u>6,233</u> | <u>6,349</u> |
| Provision for Loan Losses | - | 90 | - | 165 |
| Net Interest Income After Provision for Loan Losses | <u>3,101</u> | <u>3,084</u> | <u>6,233</u> | <u>6,184</u> |
| Other Income | | | | |
| Service charges on deposit accounts | 415 | 404 | 761 | 774 |
| Card services income | 288 | 271 | 558 | 520 |
| Other customer fees | 142 | 137 | 326 | 306 |
| Gain on loans sold | 30 | 128 | 53 | 340 |
| Loss on other assets | (11) | 17 | (13) | 5 |
| Other income | 25 | 24 | 41 | 52 |
| Total other income | <u>889</u> | <u>982</u> | <u>1,725</u> | <u>1,998</u> |
| Other Expense | | | | - |
| Salaries and employee benefits | 1,779 | 1,729 | 3,645 | 3,589 |
| Premises and equipment expenses | 318 | 345 | 669 | 711 |
| Data processing fees | 262 | 256 | 493 | 515 |
| Deposit insurance premium | 61 | 74 | 128 | 143 |
| Printing and office supplies | 41 | 43 | 80 | 85 |
| Postage and courier services | 58 | 57 | 118 | 117 |
| Card services expense | 129 | 138 | 275 | 265 |
| Marketing | 63 | 53 | 105 | 97 |
| Loan Expense | 66 | 49 | 114 | 106 |
| Other expenses | 526 | 539 | 1,109 | 1,020 |
| Total other expense | <u>3,304</u> | <u>3,283</u> | <u>6,736</u> | <u>6,648</u> |
| Income/(Loss) Before Income Tax | <u>686</u> | <u>783</u> | <u>1,222</u> | <u>1,534</u> |
| Income tax expense/(benefit) | 215 | 220 | 368 | 423 |
| Net Income/(Loss) | <u>\$ 471</u> | <u>\$ 563</u> | <u>\$ 854</u> | <u>\$ 1,111</u> |
| Net income per share - basic | \$ 0.51 | \$ 0.61 | \$ 0.92 | \$ 1.20 |
| Net income per share - diluted | 0.51 | 0.61 | 0.92 | 1.20 |
| Weighted average common shares outstanding - basic | 926,977 | 926,977 | 926,977 | 926,917 |
| Weighted average common shares outstanding - diluted | 926,977 | 926,977 | 926,977 | 926,917 |