

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Balance Sheets
For the Six Months Ended June 30, 2016 and 2015

<i>Assets</i>	2016	2015
Cash and due from banks	\$ 25,257,972	\$ 17,713,313
Interest - bearing deposits	12,256,642	8,231,879
Cash and cash equivalents	37,514,614	25,945,192
Investment securities available for sale	31,362,983	36,853,898
Loans, net	372,102,524	342,851,827
Premises and equipment, net	4,600,451	4,561,087
Other Investment	1,961,396	2,101,053
Cash value of life insurance	8,261,298	8,007,073
Other real estate owned	106,270	312,274
Other assets	2,999,616	3,068,285
TOTAL ASSETS	\$ 458,909,152	\$ 423,700,687

<i>Liabilities and Stockholders' Equity</i>	2016	2015
Liabilities:		
Non-interest-bearing deposits	\$ 58,903,085	\$ 48,092,918
Interest-bearing deposits	316,530,183	285,373,475
Total deposits	375,433,268	333,466,393
Borrowed funds	28,515,924	28,669,698
Loans payable	1,537,113	1,755,006
Debentures	5,155,000	5,155,000
Other liabilities	2,544,899	1,794,955
Total liabilities	413,186,204	370,841,052

Stockholders' equity:

Senior noncumulative perpetual preferred stock - Series C		
Authorized – 0 (2016); 10,000 shares (2015)		
Issued – 0 (2016); 10,000 shares (2015)	0	10,000,000
Common stock – \$0.025 par value		
Authorized – 900,000 shares (2016); 900,000 shares (2015)		
Issued – 587,297 shares (2016); 593,917 shares (2015)	14,682	14,859
Outstanding – 561,219 (2016); 564,085 shares (2015)		
Capital surplus	19,780,720	20,359,462
Retained earnings	27,024,739	24,030,815
Accumulated other comprehensive income	439,908	209,510
Unearned ESOP shares – 26,078 (2016); 29,832 (2015)	(1,537,101)	(1,755,011)
Total stockholders' equity	45,722,948	52,859,635
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 458,909,152	\$ 423,700,687

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Statements of Earnings
For the Six Months Ended June 30, 2016 and 2015

	2016	2015
Interest and dividend income:		
Loans, including fees	\$ 8,331,158	\$ 7,804,486
Securities:		
Taxable	155,488	127,661
Tax – exempt	271,570	321,028
Dividend income	15,156	4,691
Total interest and dividend income	8,773,372	8,257,866
Interest expense:		
Deposits	953,459	836,295
Borrowings	287,169	204,281
Total interest expense	1,240,628	1,040,576
Net interest income	7,532,744	7,217,290
Provision for loan losses	200,000	150,000
Net interest income after provision for loan losses	7,332,744	7,067,290
Other income:		
Service charges on deposit accounts	162,214	190,311
Loan – origination and administrative fees	84,393	123,916
Mortgage banking activities	249,805	510,807
Fee income	290,599	222,014
Net increase in cash value of life insurance	126,573	124,454
Net gain on sales of other real estate owned	-	-
Other	5,415	10,609
Total other income	\$ 918,999	\$ 1,182,111

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Consolidated Statements of Earnings
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	2016	2015
Other expenses:		
Salaries and related employee benefits	\$ 2,967,186	\$ 2,933,031
Net occupancy expense	519,484	507,920
Equipment rentals, depreciation, and maintenance	443,941	331,859
Professional fees	268,678	314,222
Examinations and assessment	188,290	177,834
Data processing and telecommunication fees	444,668	400,043
Marketing, sponsorships, and business development	270,471	234,466
Loan collection	36,088	12,943
Other real estate owned	7,053	17,134
Other	561,563	513,944
Total other expenses	5,707,422	5,443,395
Income before provision for income taxes	2,544,321	2,806,006
Provision for income taxes	850,017	952,036
Net income	\$ 1,694,304	\$ 1,853,970
SBLF Dividend	40,278	50,000
Net income available to common shareholders	\$ 1,654,026	\$ 1,803,970
Earnings per common share available to common shareholders	\$ 2.82	\$ 3.20

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Statements of Earnings
For the Six Months Ended June 30, 2016 and 2015

	2016	2015
Net income	\$ 1,694,304	\$ 1,853,970
Other comprehensive gain –		
Unrealized gain on securities available for sale	206,249	(243,816)
Tax effect	(82,500)	97,527
Other comprehensive gain	123,749	(146,289)
Comprehensive income	\$ 1,818,053	\$ 1,707,681

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
For the Six Months Ended June 30, 2016

	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Unearned ESOP Shares	Total Stockholders' Equity
Balance at December 31, 2015	\$ 10,000,000	\$ 14,859	\$ 20,422,465	\$ 25,781,801	\$ 316,159	\$ (1,651,180)	\$ 54,884,104
Redemption of Preferred Stock	(10,000,000)						(10,000,000)
Net Redemption of Common Shares		(177)	(677,853)				(678,030)
Net income				1,694,304			1,694,304
Dividends paid on Preferred Stock		-		(40,278)			(40,278)
Dividends paid on Common Shares				(411,088)			(411,088)
Other comprehensive income					123,749		123,749
Payment on note for release of ESOP shares			36,108	-	-	114,079	150,187
Balance at June 30, 2016	\$ -	\$ 14,682	\$ 19,780,720	\$ 27,024,739	\$ 439,908	\$ (1,537,101)	\$ 45,722,948

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the Six Months Ended June 30, 2016

	2016	2015
Cash flows from operating activities:		
Net income	\$ 1,694,304	\$ 829,445
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and net amortization	307,843	129,250
Provision for loan losses	200,000	75,000
ESOP compensation expense	150,187	75,953
Net amortization of security premiums	73,674	30,533
(Credit) provision for deferred taxes	(82,141)	372,428
Increase in cash value of life insurance	(126,574)	(62,061)
Changes in operating assets and liabilities:		
Other assets	173,653	(44,439)
Other liabilities	555,298	(719,601)
Total adjustments	1,251,940	(142,937)
Net cash provided by operating activities	2,946,244	686,508
Cash flows from investing activities:		
Proceeds from maturities of securities available for sale	3,737,403	2,362,838
Purchase of securities available for sale	(1,968,326)	(11,459,968)
Net increase in loans	(14,649,179)	(8,427,561)
Premises and equipment expenditures	(275,297)	(91,950)
Net cash provided by financing activities	(13,155,399)	\$ (17,616,641)

First Menasha Bancshares, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the Six Months Ended June 30, 2016

	2016	2015
Cash flows from financing activities:		
Net increase in deposits	\$ 13,339,931	\$ 2,734,859
Proceeds from borrowed funds	-	686,500
Principal payments on borrowed funds and loans payable	(5,993,064)	(435,012)
Purchase of ESOP Shares	-	(686,500)
Net proceeds from common stock issuance	-	17,289,506
Redemptions of preferred and common stock	(10,678,030)	-
Dividends paid	(245,781)	(25,000)
Net cash provided by financing activities	(3,576,944)	19,564,353
Net increase in cash and cash equivalents	(13,786,099)	2,634,220
Cash and cash equivalents at beginning	51,300,713	44,744,407
Cash and cash equivalents at end	\$ 37,514,614	\$ 47,378,627
Supplemental cash flow information:		
Cash paid during the year for:		
Income taxes	\$ 955,992	\$ 45,000
Interest	1,156,364	561,556
Noncash investing and financing activities:		
Loans transferred to other real estate owned	\$ -	\$ -
Premises and equipment expenditures included in other liabilities	-	-