

**VSBC Bancorp, Inc.**  
**Consolidated Statements of Financial Condition**  
**March 31, 2015**  
(unaudited)

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 6,786,867	\$ 18,129,166
Investment securities, available for sale	60,767,362	64,759,836
Investment securities, held to maturity	118,401,294	121,929,954
Loans receivable	94,462,704	67,432,775
Allowance for loan loss	<u>(1,127,363)</u>	<u>(958,966)</u>
Loans receivable, net	93,335,341	66,473,809
Bank premises and equipment, net	1,768,373	1,839,292
Accrued interest receivable	676,307	668,631
Deferred taxes	728,932	746,345
Bank owned life insurance	5,101,035	5,068,719
Other assets	<u>1,281,944</u>	<u>1,423,169</u>
<b>Total assets</b>	<u>\$ 288,847,455</u>	<u>\$ 281,038,921</u>
<b>Liabilities and stockholders' equity:</b>		
<b>Liabilities:</b>		
Deposits:		
Demand and checking	\$ 91,485,200	\$ 96,170,194
NOW	33,353,084	27,240,106
Money market	49,195,023	45,245,094
Savings	24,257,881	24,604,737
Time	<u>60,088,947</u>	<u>57,908,195</u>
Total Deposits	258,380,135	251,168,326
Escrow deposits	416,090	208,803
Accounts payable and accrued expenses	<u>1,252,105</u>	<u>1,147,302</u>
<b>Total liabilities</b>	260,048,330	252,524,431
<b>Stockholders' equity:</b>		
Common stock, (\$.0001 par value, 10,000,000 shares authorized, 2,078,509 issued, 1,853,445 outstanding at March 31, 2015 and 1,856,845 outstanding at December 31, 2013)	208	208
Additional paid in capital	10,514,659	10,487,210
Retained earnings	20,951,492	20,806,715
Treasury stock, at cost (225,064 shares at March 31, 2015 and 221,664 shares at December 31, 2014)	(2,304,894)	(2,263,984)
Unearned ESOP Shares	(909,469)	(934,500)
Accumulated other comprehensive gain, net of taxes of \$413,635 and \$353,216, respectively	<u>547,129</u>	<u>418,841</u>
<b>Total stockholders' equity</b>	<u>28,799,125</u>	<u>28,514,490</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 288,847,455</u>	<u>\$ 281,038,921</u>

**VSB Bancorp, Inc.**  
**Consolidated Statements of Operations**  
**March 31, 2015**  
(unaudited)

	<b>Three months ended March 31, 2015</b>	<b>Three months ended March 31, 2014</b>
Interest and dividend income:		
Loans receivable	\$ 1,279,882	\$ 1,262,840
Investment securities	906,120	850,952
Other interest earning assets	<u>7,373</u>	<u>30,443</u>
Total interest income	2,193,375	2,144,235
Interest expense:		
NOW	10,476	13,768
Money market	71,272	56,397
Savings	23,713	26,076
Time	65,146	91,872
Other interest expense	<u>770</u>	<u>-</u>
Total interest expense	171,377	188,113
Net interest income	2,021,998	1,956,122
Provision for loan loss	<u>160,000</u>	<u>140,000</u>
Net interest income after provision for loan loss	1,861,998	1,816,122
Non-interest income:		
Loan fees	10,666	17,374
Service charges on deposits	528,521	552,906
Net rental income	3,839	10,442
Other income	<u>84,072</u>	<u>47,430</u>
Total non-interest income	627,098	628,152
Non-interest expenses:		
Salaries and benefits	1,024,502	936,065
Occupancy expenses	342,956	360,313
Legal expense	81,759	95,064
Professional fees	94,328	101,217
Computer expense	94,842	78,156
Director's fees	62,475	65,300
FDIC and NYSBD assessments	66,000	64,500
Other expenses	<u>289,095</u>	<u>292,563</u>
Total non-interest expenses	2,055,957	1,993,178
Income before income taxes	<u>433,139</u>	<u>451,096</u>
Provision/(benefit) for income taxes:		
Current	249,586	244,929
Deferred	<u>(67,792)</u>	<u>(38,558)</u>
Total provision for income taxes	181,794	206,371
Net income	<u>\$ 251,345</u>	<u>\$ 244,725</u>
Basic income per common share	<u>\$ 0.14</u>	<u>\$ 0.14</u>
Diluted net income per share	<u>\$ 0.14</u>	<u>\$ 0.14</u>
Book value per common share	<u>\$ 15.54</u>	<u>\$ 15.59</u>