

VSBC Bancorp, Inc.
Consolidated Statements of Financial Condition
June 30, 2015
(unaudited)

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Assets:		
Cash and cash equivalents	\$ 13,079,188	\$ 18,129,166
Investment securities, available for sale	56,706,181	64,759,836
Investment securities, held to maturity	117,440,422	121,929,954
Loans receivable	94,591,412	67,432,775
Allowance for loan loss	<u>(1,184,217)</u>	<u>(958,966)</u>
Loans receivable, net	93,407,195	66,473,809
Bank premises and equipment, net	1,689,742	1,839,292
Accrued interest receivable	696,093	668,631
Deferred taxes	613,029	746,345
Bank owned life insurance	5,133,861	5,068,719
Other assets	<u>1,526,460</u>	<u>1,423,169</u>
Total assets	<u>\$ 290,292,171</u>	<u>\$ 281,038,921</u>
Liabilities and stockholders' equity:		
Liabilities:		
Deposits:		
Demand and checking	\$ 98,288,330	\$ 96,170,194
NOW	30,406,897	27,240,106
Money market	46,941,214	45,245,094
Savings	24,612,560	24,604,737
Time	<u>59,956,310</u>	<u>57,908,195</u>
Total Deposits	260,205,311	251,168,326
Escrow deposits	86,412	208,803
Accounts payable and accrued expenses	<u>1,739,662</u>	<u>1,147,302</u>
Total liabilities	262,031,385	252,524,431
Stockholders' equity:		
Common stock, (\$.0001 par value, 10,000,000 shares authorized, 2,078,509 issued, 1,802,209 outstanding at June 30, 2015 and 1,856,845 outstanding at December 31, 2014)	208	208
Additional paid in capital	10,525,204	10,487,210
Retained earnings	21,143,283	20,806,715
Treasury stock, at cost (276,300 shares at June 30, 2015 and 221,664 shares at December 31, 2014)	(2,940,762)	(2,263,984)
Unearned ESOP Shares	(884,438)	(934,500)
Accumulated other comprehensive gain, net of taxes of \$224,695 and \$353,216, respectively	<u>417,291</u>	<u>418,841</u>
Total stockholders' equity	<u>28,260,786</u>	<u>28,514,490</u>
Total liabilities and stockholders' equity	<u>\$ 290,292,171</u>	<u>\$ 281,038,921</u>

VSB Bancorp, Inc.
Consolidated Statements of Operations
June 30, 2015
(unaudited)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Interest and dividend income:				
Loans receivable	\$ 1,567,490	\$ 1,191,991	\$ 2,847,372	\$ 2,454,831
Investment securities	866,143	870,847	1,772,263	1,721,799
Other interest earning assets	7,380	24,914	14,753	55,357
Total interest income	2,441,013	2,087,752	4,634,388	4,231,987
Interest expense:				
NOW	11,245	12,538	21,721	26,306
Money market	73,236	59,596	144,508	115,993
Savings	24,209	27,502	47,922	53,578
Time	74,289	74,160	139,435	166,032
Other interest expense	-	-	770	-
Total interest expense	182,979	173,796	354,356	361,909
Net interest income	2,258,034	1,913,956	4,280,032	3,870,078
Provision for loan loss	30,000	30,000	190,000	170,000
Net interest income after provision for loan loss	2,228,034	1,883,956	4,090,032	3,700,078
Non-interest income:				
Loan fees	10,671	(942)	21,337	16,432
Service charges on deposits	557,340	593,061	1,085,861	1,145,967
Net rental income	37,263	17,203	41,102	27,645
Other income	160,225	52,508	244,297	99,938
Total non-interest income	765,499	661,830	1,392,597	1,289,982
Non-interest expenses:				
Salaries and benefits	1,020,963	957,448	2,045,465	1,893,513
Occupancy expenses	343,225	338,316	686,181	698,629
Legal expense	50,977	94,376	132,736	189,440
Professional fees	87,300	79,419	181,628	180,636
Computer expense	95,822	92,267	190,664	170,423
Director's fees	63,000	57,500	125,475	122,800
FDIC and NYSBD assessments	66,000	58,000	132,000	122,500
Other expenses	583,794	321,817	872,889	614,380
Total non-interest expenses	2,311,081	1,999,143	4,367,038	3,992,321
Income before income taxes	682,452	546,643	1,115,591	997,739
Provision/(benefit) for income taxes:				
Current	64,484	253,513	314,070	498,442
Deferred	322,683	(3,405)	254,891	(41,963)
Total provision for income taxes	387,167	250,108	568,961	456,479
Net income	<u>\$ 295,285</u>	<u>\$ 296,535</u>	<u>\$ 546,630</u>	<u>\$ 541,260</u>
Basic income per common share	<u>\$ 0.17</u>	<u>\$ 0.17</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>
Diluted net income per share	<u>\$ 0.17</u>	<u>\$ 0.17</u>	<u>\$ 0.31</u>	<u>\$ 0.30</u>
Book value per common share	<u>\$ 15.68</u>	<u>\$ 15.08</u>	<u>\$ 15.68</u>	<u>\$ 15.08</u>