

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Assets:		
Cash and cash equivalents	\$ 31,021,747	\$ 18,129,166
Investment securities, available for sale	53,720,418	64,759,836
Investment securities, held to maturity	123,601,547	121,929,954
Loans receivable	100,869,367	67,432,775
Allowance for loan loss	<u>(1,230,790)</u>	<u>(958,966)</u>
Loans receivable, net	99,638,577	66,473,809
Bank premises and equipment, net	1,612,353	1,839,292
Accrued interest receivable	692,385	668,631
Deferred taxes	629,873	746,345
Bank owned life insurance	5,164,288	5,068,719
Other assets	<u>1,449,315</u>	<u>1,423,169</u>
Total assets	<u>\$ 317,530,503</u>	<u>\$ 281,038,921</u>
Liabilities and stockholders' equity:		
Liabilities:		
Deposits:		
Demand and checking	\$ 116,903,476	\$ 96,170,194
NOW	34,666,676	27,240,106
Money market	48,003,924	45,245,094
Savings	26,359,362	24,604,737
Time	<u>61,165,804</u>	<u>57,908,195</u>
Total Deposits	287,099,242	251,168,326
Escrow deposits	267,912	208,803
Accounts payable and accrued expenses	<u>1,525,229</u>	<u>1,147,302</u>
Total liabilities	288,892,383	252,524,431
Stockholders' equity:		
Common stock, (\$.0001 par value, 10,000,000 shares authorized, 2,078,509 issued, 1,796,898 outstanding at September 30, 2015 and 1,856,845 outstanding at December 31, 2014)	208	208
Additional paid in capital	10,535,249	10,487,210
Retained earnings	21,542,531	20,806,715
Treasury stock, at cost (281,611 shares at September 30, 2015 and 221,664 shares at December 31, 2014)	(3,007,300)	(2,263,984)
Unearned ESOP Shares	(859,406)	(934,500)
Accumulated other comprehensive gain, net of taxes of \$229,836 and \$353,216, respectively	<u>426,838</u>	<u>418,841</u>
Total stockholders' equity	<u>28,638,120</u>	<u>28,514,490</u>
Total liabilities and stockholders' equity	<u>\$ 317,530,503</u>	<u>\$ 281,038,921</u>

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

	Three months ended Sep. 30, 2015	Three months ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Interest and dividend income:				
Loans receivable	\$ 1,564,830	\$ 1,700,514	\$ 4,412,202	\$ 4,155,345
Investment securities	893,774	849,171	2,666,037	2,570,970
Other interest earning assets	16,338	24,395	31,091	79,752
Total interest income	2,474,942	2,574,080	7,109,330	6,806,067
Interest expense:				
NOW	14,278	12,245	35,999	38,551
Money market	70,461	58,762	214,969	174,755
Savings	23,851	28,389	71,773	81,967
Time	75,926	73,069	215,361	239,101
Other interest expense	-	-	770	-
Total interest expense	184,516	172,465	538,872	534,374
Net interest income	2,290,426	2,401,615	6,570,458	6,271,693
Provision for loan loss	40,000	125,000	230,000	295,000
Net interest income after provision for loan loss	2,250,426	2,276,615	6,340,458	5,976,693
Non-interest income:				
Loan fees	26,425	17,441	47,762	33,873
Service charges on deposits	578,278	605,546	1,664,139	1,751,513
Net rental income	15,444	16,325	56,546	43,970
Other income	91,554	83,873	335,851	183,811
Total non-interest income	711,701	723,185	2,104,298	2,013,167
Non-interest expenses:				
Salaries and benefits	1,064,604	1,003,388	3,110,069	2,896,901
Occupancy expenses	359,968	344,294	1,046,149	1,042,923
Legal expense	67,056	66,513	199,792	255,953
Professional fees	132,450	92,675	314,078	273,311
Computer expense	88,919	89,263	279,583	259,686
Director's fees	56,175	55,275	181,650	178,075
FDIC and NYSBD assessments	66,000	57,000	198,000	179,500
Other expenses	354,061	311,375	1,226,950	925,755
Total non-interest expenses	2,189,233	2,019,783	6,556,271	6,012,104
Income before income taxes	772,894	980,017	1,888,485	1,977,756
Provision/(benefit) for income taxes:				
Current	292,457	354,485	606,527	852,927
Deferred	(21,985)	79,215	232,906	37,252
Total provision for income taxes	270,472	433,700	839,433	890,179
Net income	<u>\$ 502,422</u>	<u>\$ 546,317</u>	<u>\$ 1,049,052</u>	<u>\$ 1,087,577</u>
Basic income per common share	<u>\$ 0.29</u>	<u>\$ 0.31</u>	<u>\$ 0.60</u>	<u>\$ 0.61</u>
Diluted net income per share	<u>\$ 0.29</u>	<u>\$ 0.31</u>	<u>\$ 0.60</u>	<u>\$ 0.61</u>
Book value per common share	<u>\$ 15.94</u>	<u>\$ 15.26</u>	<u>\$ 15.94</u>	<u>\$ 15.26</u>