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

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

ended Sep. 30, 2015         ended Sep. 30, 2014         ended Sep. 30, 2015         ended Sep. 30, 2015         sep. 30, 2015         Sep. 30, 2015           Interest and dividend income:         \$1,564,830         \$1,700,514         \$4,412,202         \$4,15           Investment securities         833,774         849,171         2,666,037         2,575           Other interest exeming assets         16,338         24,395         31,091         77           Total interest expense:         2,474,942         2,574,080         7,109,330         6,800           NOW         14,278         12,245         35,999         33           Money market         70,461         58,762         214,969         17           Savings         23,851         28,389         71,773         8           Time         75,926         73,069         215,361         23           Other interest expense         144,516         172,465         538,872         53           Net interest income         2,200,426         2,076,615         6,340,458         5,97           Non-interest income         21,554         13,444         16,325         56,546         4           Loan fees         26,425         17,441         47,762         33		(unaunteu)				
Interest and dividend income:         Image: Second Se			ended	ended	Nine months ended	
Loans receivable         \$         1,564,830         \$         1,700,514         \$         4,412,202         \$         4,15           Investment securities         893,774         849,171         2,660,037         7         7           Total interest earning assets         16,338         24,395         31,091         7         7           Total interest income         2,474,942         2,574,080         7,109,330         6,800           Interest expense:         70,461         58,762         214,969         17           Savings         23,851         28,387         23,861         23,361         23           Other interest expense         194,516         172,465         538,472         53         53           Net interest income         2,290,426         2,401,615         6,570,458         6,27           Provision for loan loss         2,250,426         2,276,615         6,340,458         5,97           Non-interest income         115,444         16,225         56,546         4           Other income         191,554         83,373         335,551         18           Total non-interest income         711,701         723,185         2,104,298         2,011           Non-interest expenses <th></th> <th>Sep. 30, 2015</th> <th>Sep. 30, 2014</th> <th>Sep. 30, 2015</th> <th>Sep. 30, 2014</th>		Sep. 30, 2015	Sep. 30, 2014	Sep. 30, 2015	Sep. 30, 2014	
Interest expense:       NOW       14,278       12,245       35,999       33         Money market       70,461       56,762       214,969       17.         Savings       23,851       26,389       71,773       8         Time       75,926       73,069       215,361       23         Other interest expense       184,516       172,465       538,872       53         Net interest income       2,290,426       2,401,615       6,570,458       6,27         Provision for loan loss       2,250,426       2,276,615       6,340,458       5,97         Non-interest income       2,250,426       2,276,615       6,340,458       5,97         Non-interest income       26,425       17,441       47,762       3         Service charges on deposits       578,278       605,546       44       0ther income       91,554       83,873       335,851       18         Total non-interest income       711,701       723,185       2,104,298       2,014       1,049       2,494         Non-interest expenses:       359,986       344,294       1,046,149       1,049       2,457         Salaries and benefits       1,064,604       1,003,388       3,110,069       2,89	Loans receivable Investment securities	893,774	849,171	2,666,037	\$     4,155,345 2,570,970 	
NOW         14,278         12,245         35,999         33           Money market         70,461         58,762         214,969         17,73           Savings         23,851         28,389         71,773         8           Time         75,926         73,069         215,361         23           Other interest expense         -         -         770         -           Total interest expense         184,516         172,465         538,872         53           Net interest income         2,290,426         2,401,615         6,570,458         6,27           Provision for loan loss         40,000         125,000         230,000         29           Non-interest income         -         -         -         770           Loan fees         26,425         17,441         47,762         3           Service charges on deposits         578,278         605,546         1,664,139         1,75           Non-interest income         711,701         723,185         2,104,281         2,61           Not-interest expenses:         -         -         -         -         -           Salaries and benefits         1,064,604         1,003,388         3,110,069         2,89	Total interest income	2,474,942	2,574,080	7,109,330	6,806,067	
Net interest income         2,290,426         2,401,615         6,570,458         6,27           Provision for loan loss         40,000         125,000         230,000         29           Net interest income after provision for loan loss         2,250,426         2,276,615         6,340,458         5,97           Non-interest income: Loan fees         26,425         17,441         47,762         3           Service charges on deposits         578,278         605,546         1,664,139         1,75           Net rintal income         91,554         83,873         335,851         18           Total non-interest income         711,701         723,185         2,104,298         2,01:           Non-interest expenses:         369,968         344,294         1,0046,149         1,04           Salaries and benefits         1,064,604         1,003,388         3,110,069         2,89           Occupancy expenses         359,968         344,294         1,046,149         1,04           Legal expense         67,056         66,513         199,792         25           Director's fees         56,175         55,275         181,650         17           FDIC and NYSBD assessments         66,000         57,000         198,000         17	NOW Money market Savings Time	70,461 23,851	58,762 28,389	214,969 71,773 215,361	38,551 174,755 81,967 239,101	
Net interest income         2,290,426         2,401,615         6,570,458         6,27           Provision for loan loss         40,000         125,000         230,000         29           Net interest income         2,250,426         2,276,615         6,340,458         5,97           Non-interest income:         26,425         17,441         47,762         3           Service charges on deposits         578,278         605,546         1,664,139         1,75           Net rental income         91,554         83,873         335,851         18           Total non-interest income         711,701         723,185         2,104,298         2,01:           Non-interest expenses:         359,968         344,294         1,0046,149         1,04           Salaries and benefits         1,064,604         1,003,388         3,110,069         2,89           Occupancy expenses         359,968         344,294         1,046,149         1,04           Legal expense         67,056         66,513         199,792         25           Director's fees         56,175         55,275         181,650         17           FDIC and NYSBD assessments         66,000         57,000         198,000         17           Other expense	Total interest expense	184,516	172,465	538,872	534,374	
Non-interest income: $26,425$ $17,441$ $47,762$ $33$ Loan fees $26,425$ $17,441$ $47,762$ $33$ Service charges on deposits $578,278$ $605,546$ $1,664,139$ $17.55$ Net rental income $91,554$ $83,873$ $335,851$ $188$ Total non-interest income $711,701$ $723,185$ $2,104,298$ $2,013$ Non-interest expenses: $359,968$ $344,294$ $1,046,149$ $1,044$ Legal expense $67,056$ $66,513$ $199,792$ $255$ Professional fees $132,450$ $92,675$ $314,078$ $277$ Computer expense $88,919$ $89,263$ $279,583$ $255$ Director's fees $56,175$ $55,275$ $181,650$ $177$ FDIC and NYSBD assessments $66,000$ $57,000$ $198,000$ $177$ Other expenses $2,189,233$ $2,019,783$ $6,556,271$ $6,013$ Income before income taxes $772,894$ $980,017$ $1,888,485$	Provision for loan loss Net interest income	40,000	125,000	230,000	6,271,693 295,000 5,976,693	
Loan fees $26,425$ $17,441$ $47,762$ $33$ Service charges on deposits $578,278$ $605,546$ $1,664,139$ $1,75$ Net rental income $15,444$ $16,325$ $56,546$ $44$ Other income $91,554$ $83,873$ $335,851$ $188$ Total non-interest income $711,701$ $723,185$ $2,104,298$ $2,071$ Non-interest expenses: $359,968$ $344,294$ $1,046,149$ $1,042$ Salaries and benefits $1,064,604$ $1,003,388$ $3,110,069$ $2,899$ Occupancy expenses $359,968$ $344,294$ $1,046,149$ $1,042$ Legal expense $67,056$ $66,513$ $199,792$ $253$ Professional fees $132,450$ $92,675$ $314,078$ $277$ Computer expense $88,919$ $89,263$ $279,583$ $253$ Director's fees $56,175$ $55,275$ $181,650$ $177$ FDIC and NYSBD assessments $66,000$ $57,000$ $198,000$ $177$ Other expenses $2,189,233$ $2,019,783$ $6,556,271$ $6,013$ Income before income taxes $772,894$ $980,017$ $1,888,485$ $1,97$ Provision/(benefit) for income taxes $270,472$ $433,700$ $839,433$ $899$ Net income $$502,422$ $$546,317$ $$1,049,052$ $$1,089$ Basic income per common share $$0,29$ $$0,31$ $$0,60$ $$$ Diluted net income per share $$0,29$ $$0,31$ $$0,60$ $$$ <td></td> <td>2,200, 120</td> <td>2,270,010</td> <td>0,010,100</td> <td>0,010,000</td>		2,200, 120	2,270,010	0,010,100	0,010,000	
Non-interest expenses: Salaries and benefits $1,064,604$ $1,003,388$ $3,110,069$ $2,899$ Occupancy expenses $359,968$ $344,294$ $1,046,149$ $1,044$ Legal expense $67,056$ $66,513$ $199,792$ $256$ Professional fees $132,450$ $92,675$ $314,078$ $277$ Computer expense $88,919$ $89,263$ $279,583$ $256$ Director's fees $56,175$ $55,275$ $181,650$ $176$ FDIC and NYSBD assessments $66,000$ $57,000$ $198,000$ $177$ Other expenses $354,061$ $311,375$ $1,226,950$ $922$ Total non-interest expenses $2,189,233$ $2,019,783$ $6,556,271$ $6,013$ Income before income taxes $772,894$ $980,017$ $1,888,485$ $1,977$ Provision/(benefit) for income taxes: $(21,985)$ $79,215$ $232,906$ $37$ Deferred $(21,985)$ $79,215$ $232,906$ $37$ Net income $\$$ $502,422$ $\$$ $$546,317$ $\$$ $1,049,052$ $\$$ Basic income per common share $\$$ $0.29$ $$0.31$ $\$$ $0.60$ $\$$ Diluted net income per share $$0.29$ $$0.31$ $$0.60$ $$$ $$$	Loan fees Service charges on deposits Net rental income Other income	578,278 15,444 91,554	605,546 16,325 83,873	1,664,139 56,546 <u>335,851</u>	33,873 1,751,513 43,970 <u>183,811</u> 2,013,167	
Salaries and benefits       1,064,604       1,003,388       3,110,069       2,899         Occupancy expenses       359,968       344,294       1,046,149       1,044         Legal expense       67,056       66,513       199,792       255         Professional fees       132,450       92,675       314,078       277         Computer expense       88,919       89,263       279,583       255         Director's fees       56,175       55,275       181,650       177         FDIC and NYSBD assessments       66,000       57,000       198,000       177         Other expenses       354,061       311,375       1,226,950       927         Total non-interest expenses       2,189,233       2,019,783       6,556,271       6,011         Income before income taxes:       772,894       980,017       1,888,485       1,97         Provision/(benefit) for income taxes:       (21,985)       79,215       232,906       3         Total provision for income taxes       270,472       433,700       839,433       89         Net income       \$       502,422       \$       546,317       \$       1.049,052       \$       1.08         Basic income per common share       \$       <	Total non-interest income	711,701	723,185	2,104,298	2,013,107	
Income before income taxes       772,894       980,017       1,888,485       1,97         Provision/(benefit) for income taxes:       292,457       354,485       606,527       85         Current       292,457       354,485       606,527       85         Deferred       (21,985)       79,215       232,906       3         Total provision for income taxes       270,472       433,700       839,433       89         Net income       \$ 502,422       \$ 546,317       \$ 1,049,052       \$ 1,08         Basic income per common share       \$ 0.29       0.31       \$ 0.60       \$         Diluted net income per share       \$ 0.29       \$ 0.31       \$ 0.60       \$	Salaries and benefits Occupancy expenses Legal expense Professional fees Computer expense Director's fees FDIC and NYSBD assessments	359,968 67,056 132,450 88,919 56,175 66,000	344,294 66,513 92,675 89,263 55,275 57,000	1,046,149 199,792 314,078 279,583 181,650 198,000	2,896,901 1,042,923 255,953 273,311 259,686 178,075 179,500 925,755	
Provision/(benefit) for income taxes:         Current       292,457       354,485       606,527       855         Deferred       (21,985)       79,215       232,906       3         Total provision for income taxes       270,472       433,700       839,433       894         Net income       \$ 502,422       \$ 546,317       \$ 1,049,052       \$ 1,08         Basic income per common share       \$ 0.29       \$ 0.31       \$ 0.60       \$         Diluted net income per share       \$ 0.29       \$ 0.31       \$ 0.60       \$	Total non-interest expenses	2,189,233	2,019,783	6,556,271	6,012,104	
Current Deferred       292,457       354,485       606,527       853         Deferred       (21,985)       79,215       232,906       33         Total provision for income taxes       270,472       433,700       839,433       89         Net income       \$ 502,422       \$ 546,317       \$ 1,049,052       \$ 1,08         Basic income per common share       \$ 0.29       \$ 0.31       \$ 0.60       \$         Diluted net income per share       \$ 0.29       \$ 0.31       \$ 0.60       \$	Income before income taxes	772,894	980,017	1,888,485	1,977,756	
Deferred       (21,985)       79,215       232,906       3         Total provision for income taxes       270,472       433,700       839,433       89         Net income       \$ 502,422       \$ 546,317       \$ 1,049,052       \$ 1,08         Basic income per common share       \$ 0.29       0.31       0.60       \$         Diluted net income per share       \$ 0.29       0.31       0.60       \$	Provision/(benefit) for income taxes:					
Basic income per common share         \$         0.29         \$         0.31         \$         0.60         \$           Diluted net income per share         \$         0.29         \$         0.31         \$         0.60         \$	Deferred	(21,985)	79,215	232,906	852,927 <u>37,252</u> 890,179	
Basic income per common share         \$         0.29         \$         0.31         \$         0.60         \$           Diluted net income per share         \$         0.29         \$         0.31         \$         0.60         \$	Net income	\$ 502 422	\$ 546 317	\$ 1 049 052	<u>\$ 1,087,577</u>	
Diluted net income per share         \$         0.29         \$         0.31         \$         0.60         \$						
Book value per common share \$ 15.94 \$ 15.26 \$ 15.94 \$	Diluted net income per share					
	Book value per common share	\$ 15.94	<u>\$ 15.26</u>	<u>\$ 15.94</u>	<u>\$ 15.26</u>	