

VSB Bancorp, Inc.
Consolidated Statements of Operations
September 30, 2016
(unaudited)

	Three months ended Sep. 30, 2016	Three months ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Interest and dividend income:				
Loans receivable	\$ 1,843,282	\$ 1,564,830	\$ 5,291,887	\$ 4,412,202
Investment securities	857,845	893,774	2,641,367	2,666,037
Other interest earning assets	41,445	16,338	106,957	31,091
Total interest income	<u>2,742,572</u>	<u>2,474,942</u>	<u>8,040,211</u>	<u>7,109,330</u>
Interest expense:				
NOW	21,237	14,278	55,399	35,999
Money market	115,505	70,461	355,314	214,969
Savings	12,257	23,851	35,770	71,773
Time	83,132	75,926	255,970	215,361
Other interest expense	-	-	-	770
Total interest expense	<u>232,131</u>	<u>184,516</u>	<u>702,453</u>	<u>538,872</u>
Net interest income	2,510,441	2,290,426	7,337,758	6,570,458
Provision for loan loss	<u>30,000</u>	<u>40,000</u>	<u>225,000</u>	<u>230,000</u>
Net interest income after provision for loan loss	2,480,441	2,250,426	7,112,758	6,340,458
Non-interest income:				
Loan fees	36,286	26,425	60,876	47,762
Service charges on deposits	497,872	578,278	1,525,789	1,664,139
Net rental income	13,112	15,444	51,141	56,546
Gain on sale of other assets	7,500	-	128,251	-
Other income	84,254	91,554	269,118	335,851
Total non-interest income	<u>639,024</u>	<u>711,701</u>	<u>2,035,175</u>	<u>2,104,298</u>
Non-interest expenses:				
Salaries and benefits	1,174,676	1,064,604	3,431,355	3,110,069
Occupancy expenses	360,051	359,968	1,008,209	1,046,149
Legal expense	49,540	67,056	135,815	199,792
Professional fees	88,787	132,450	269,443	314,078
Computer expense	103,112	88,919	296,787	279,583
Director's fees	64,975	56,175	183,700	181,650
FDIC and NYSBD assessments	57,000	66,000	146,000	198,000
Other expenses	348,799	354,061	1,098,381	1,226,950
Total non-interest expenses	<u>2,246,940</u>	<u>2,189,233</u>	<u>6,569,690</u>	<u>6,556,271</u>
Income before income taxes	<u>872,525</u>	<u>772,894</u>	<u>2,578,243</u>	<u>1,888,485</u>
Provision/(benefit) for income taxes:				
Current	375,801	292,457	1,055,553	606,527
Deferred	(70,443)	(21,985)	(153,141)	232,906
Total provision for income taxes	<u>305,358</u>	<u>270,472</u>	<u>902,412</u>	<u>839,433</u>
Net income	<u>\$ 567,167</u>	<u>\$ 502,422</u>	<u>\$ 1,675,831</u>	<u>\$ 1,049,052</u>
Basic income per common share	<u>\$ 0.32</u>	<u>\$ 0.29</u>	<u>\$ 0.96</u>	<u>\$ 0.60</u>
Diluted net income per share	<u>\$ 0.32</u>	<u>\$ 0.29</u>	<u>\$ 0.96</u>	<u>\$ 0.60</u>
Book value per common share	<u>\$ 16.58</u>	<u>\$ 15.94</u>	<u>\$ 16.58</u>	<u>\$ 15.94</u>