



2017 STATEMENT OF CONDITION

On behalf of the Millville Savings board of directors, officers and staff, we are pleased to present the bank's 2017 statement of condition. As of December 31, 2017, total assets were \$132.7 million, with net loans increasing 21% to \$43.6 million, which contributed to an increase in revenues during 2017. Total deposits were \$114.6 million and total capital was \$17.5 million, an increase \$.4 million, or 2% during the year.

Although revenue growth is important, expense management creates stability in a low-rate environment. We always consider prudent expense controls, like revenue growth, to be a part of the ongoing responsibilities of executive management.

Millville Savings is again proud to have received in 2017 the highest Five-Star rating from BauerFinancial, making us one of the safest and strongest banks in the country. BauerFinancial is a well recognized, independent national financial rating organization.

Millville Savings continues to adhere to core banking principles while remaining one of the few independent banks in the area where decisions are made locally, keeping your needs in mind. We take pride in keeping our customers' money local, providing neighbors and local small businesses with loans and a full range of services they need to support their banking needs.

As Millville Savings enters its' 77th year of operations, we look forward to serving the community, and providing hometown service from our dedicated staff who answer the phone when you call, and answers your questions when you need good advice from people who care about you and your street, not Wall Street.

Thanks for your continued support.

Michael Mitchell David Greenfield
Chairman President & CEO

MILLVILLE SAVINGS AND LOAN ASSOCIATION CONSOLIDATED BALANCE SHEET

| | December 31, | |
|--|----------------------|----------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and due from banks | \$2,711,721 | \$10,403,312 |
| Interest-bearing deposits with other institutions | 13,620,308 | 11,035,392 |
| Cash and cash equivalents | 16,332,029 | 21,438,704 |
| Certificates of deposit | 3,496,000 | 4,246,000 |
| Investment securities available for sale | 38,414,820 | 37,284,244 |
| Mortgage-backed securities available for sale | 28,100,641 | 32,873,905 |
| Mortgage-backed securities held to maturity | 33,868 | 62,649 |
| Loans receivable (net of allowance for loan losses of \$1,535,566 and \$1,432,555) | 43,586,219 | 36,037,355 |
| Accrued interest receivable | 540,200 | 536,787 |
| Regulatory stock | 152,400 | 163,500 |
| Premises and equipment | 1,322,901 | 1,414,637 |
| Deferred tax asset | 504,286 | 657,092 |
| Other assets | 249,477 | 448,253 |
| TOTAL ASSETS | \$132,732,841 | \$135,163,126 |
| LIABILITIES AND RETAINED EARNINGS | | |
| Deposits | \$114,639,763 | \$117,391,861 |
| Advances by borrowers for taxes and insurance | 264,427 | 282,143 |
| Accrued interest payable | 15,198 | 13,809 |
| Other liabilities | 323,546 | 361,695 |
| TOTAL LIABILITIES | 115,242,934 | 118,049,508 |
| RETAINED EARNINGS | | |
| Retained earnings | 17,911,064 | 17,661,492 |
| Accumulated other comprehensive income (loss) | (421,157) | (547,874) |
| TOTAL RETAINED EARNINGS | 17,489,907 | 17,113,618 |
| TOTAL LIABILITIES AND RETAINED EARNINGS | \$132,732,841 | \$135,163,126 |

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Officer

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of Hannye LLP

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P.C.

