

**Officers of
The Honesdale National Bank**

William Schweighofer *Chairman of the Board*
 John P. Burlein *Vice Chairman*
 David E. Raven *President and Chief Executive Officer*
 Marcele R. Swingle *Executive Vice President*
 Raymond J. Ceccotti *Senior Vice President*
 Christopher T. Bresset *Vice President*
 Katherine M. Bryant *Vice President*
 Christopher T. Cook *Vice President*
 Charles D. Curtin *Vice President*
 Kathleen Enslin *Vice President*
 Catherine Ferraro *Vice President*
 Sean A. Finan *Vice President*
 Gregory G. Gula *Vice President*
 Stephen A. Homza *Vice President*
 Jennifer Jaycox *Vice President*
 Cynthia M. Motichka *Vice President*
 James V. Musto *Vice President*
 Elizabeth C. Nagy *Vice President*
 Michael E. Rollison *Vice President*
 Ralph E. Scartelli *Vice President*
 Ronald M. Sebastianelli *Vice President*
 Richard C. Simmers *Vice President*
 Richard M. Soden *Vice President*
 Luke W. Woodmansee *Vice President*
 Vicky Bryant *Assistant Vice President*
 Lacey P. Churmblo *Assistant Vice President*
 John Conte III *Assistant Vice President*
 Nicholas D'Alberto *Assistant Vice President*
 Karen A. Decker *Assistant Vice President*
 Lisa A. Dowse *Assistant Vice President*
 Robert B. Ferraro *Assistant Vice President*
 Judith Flaherty *Assistant Vice President*
 Laurie Harrington *Assistant Vice President*
 Elizabeth Hazen *Assistant Vice President*
 Linda A. Miller *Assistant Vice President*
 Sharon Pryharski *Assistant Vice President*
 Donna Rinehimer *Assistant Vice President*
 Melissa Rushworth *Assistant Vice President*
 Paulette Straka *Assistant Vice President*
 Brian P. Wilken *Assistant Vice President*
 Lisa S. Bonham *Assistant Trust Officer*
 Beverly A. Simons *Branch Manager/Loan Officer*
 Randy Donovan *Commercial Loan Officer I*
 Kevin Colgan *Fraud/Security Officer*
 Stephen Fritz *Loan Officer*
 Mary Ann Risboskin *Loan Officer*



The Honesdale National Bank

800-HNB-9515 • www.hnbbank.bank

Corporate Center

724 Main Street, Honesdale, PA
570-253-3355

Honesdale

733 Main Street 570-253-3355

1207 Texas Palmyra Hwy. 570-253-5991

Clarks Summit

651 Northern Boulevard 570-587-2274

Eynon

202 Betty Street 570-876-1079

Forest City

619 Main Street 570-785-2274

Hallstead

313 Main Street 570-879-2274

Hamlin

559 Hamlin Highway 570-689-1922

Kingston

786 Wyoming Avenue 570-283-6900

Lackawaxen

100 LCPL Jacob Beisel Road 570-685-1000

Lakewood

18 Como Road 570-798-2399

Lake Wallenpaupack

2547 Route 6 570-226-8300

Montdale

13 Chapman Lake Road 570-254-2274

HNB Mortgage Center

38 N. Franklin Street, Wilkes-Barre, PA
800-426-4884 • 570-826-1800

24-Hour Telephone Banking

570-253-4817 • 1-888-HNB-9773

Email

hnbbank.com

HONAT BANCORP, INC.

AND SUBSIDIARY

HONESDALE, PA



• DIRECTORS •

Alfred D. Beck
 John P. Burlein
 Michael W. Cavage
 Roger L. Dirlam
 Robert C. Grimm
 Charles H. Jurgensen
 Paul M. Meagher
 Kurt I. Propst
 David E. Raven
 William Schweighofer

• OFFICERS •

William Schweighofer

Chairman of the Board

John P. Burlein

Vice Chairman

David E. Raven

President & Chief Executive Officer

Marcele R. Swingle

Secretary

Katherine M. Bryant

Treasurer

For Quarter Ended

December 31, 2019

Honat Bancorp, Inc.
Consolidated Balance Sheets (Unaudited)

| | December 31st, | |
|---|-----------------------------------|-------------------|
| | 2019 | 2018 |
| | (In Thousands, except Share Data) | |
| Assets | | |
| Cash and due from banks | \$ 7,233 | \$ 10,503 |
| Interest-bearing deposits | 10,912 | 4,574 |
| Short-term investments | 14,123 | 8,015 |
| Total Cash and Cash Equivalents | <u>32,268</u> | <u>23,092</u> |
| Certificates of deposit | 1,750 | - |
| Securities available for sale at fair value | 112,643 | 96,921 |
| Equity securities at fair value | 422 | 354 |
| Mortgage loans held for sale | 2,173 | 1,170 |
| Loans receivable, net of allowance for loan losses 2019: \$8,933; 2018: \$9,410 | 515,097 | 498,830 |
| Investment in restricted stock, at cost | 628 | 1,346 |
| Premises and equipment: | | |
| Operating lease right-of-use asset | 738 | - |
| Other premises and equipment | 7,961 | 7,627 |
| Accrued interest receivable | 2,274 | 2,171 |
| Bank-owned life insurance | 20,711 | 20,214 |
| Other assets | 9,139 | 8,447 |
| Total Assets | <u>\$ 705,804</u> | <u>\$ 660,172</u> |
| Liabilities | | |
| Deposits | | |
| Non-interest bearing | \$ 161,542 | \$ 148,247 |
| Interest-bearing | 427,157 | 387,581 |
| Total Deposits | <u>588,699</u> | <u>535,828</u> |
| Short-term borrowings | - | 15,333 |
| Operating lease liabilities | 742 | - |
| Accrued interest payable | 1,624 | 946 |
| Other liabilities | 8,282 | 8,101 |
| Total Liabilities | <u>599,347</u> | <u>560,208</u> |
| Stockholders' Equity | | |
| Common stock, par value \$.20 per share; authorized 5,000,000 shares; issued 1,800,000 shares; outstanding 2019 and 2018: 1,467,412 and 1,475,436 | 360 | 360 |
| Surplus | 1,015 | 1,015 |
| Retained earnings | 115,290 | 108,904 |
| Accumulated other comprehensive income | 1,069 | 96 |
| Treasury stock, at cost, 2019 and 2018: 332,588 and 324,564 | (11,277) | (10,411) |
| Total Stockholders' Equity | <u>106,457</u> | <u>99,964</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 705,804</u> | <u>\$ 660,172</u> |

Honat Bancorp, Inc.
Consolidated Statements of Income (Unaudited)

| | Period Ended December 31st, | |
|--|-----------------------------|-----------------|
| | 2019 | 2018 |
| | (In Thousands) | |
| Interest Income | | |
| Loans receivable, including fees | \$ 26,703 | \$ 24,148 |
| Securities | | |
| Taxable | 1,160 | 918 |
| Tax exempt | 1,695 | 1,850 |
| Other | 273 | 89 |
| Total Interest Income | <u>29,831</u> | <u>27,005</u> |
| Interest Expense | | |
| Deposits | 4,136 | 2,323 |
| Short-term debt and other | 82 | 77 |
| Total Interest Expense | <u>4,218</u> | <u>2,400</u> |
| Net Interest Income | <u>25,613</u> | <u>24,605</u> |
| Provision for Loan Losses | <u>1,475</u> | <u>1,000</u> |
| Net Interest Income after Provision for Loan Losses | <u>24,138</u> | <u>23,605</u> |
| Other Income | | |
| Customer service fees | 2,164 | 2,015 |
| Mortgage banking activities | 1,137 | 877 |
| Income from fiduciary accounts | 610 | 488 |
| Gain on securities available for sale | 37 | - |
| Gain (loss) on equity securities | 68 | (101) |
| Bank-owned life insurance earnings | 482 | 492 |
| Other | 349 | 502 |
| Total Other Income | <u>4,847</u> | <u>4,273</u> |
| Other Expenses | | |
| Salaries and wages | 7,957 | 7,130 |
| Employee benefits | 3,633 | 3,375 |
| Occupancy | 1,349 | 1,212 |
| Data processing | 797 | 727 |
| Furniture and equipment | 652 | 569 |
| Advertising and promotion | 508 | 400 |
| Legal and professional | 449 | 453 |
| Donations | 187 | 359 |
| State tax | 819 | 773 |
| Federal deposit insurance | 85 | 172 |
| Other | 2,204 | 2,570 |
| Total Other Expenses | <u>18,640</u> | <u>17,740</u> |
| Income Before Federal Income Tax Expense | <u>10,345</u> | <u>10,138</u> |
| Federal Income Tax Expense | <u>1,337</u> | <u>1,462</u> |
| Net Income | <u>\$ 9,008</u> | <u>\$ 8,676</u> |