

**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*  
 Marcelle 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*  
 Nicholas D'Alberto..... *Assistant Vice President*  
 Karen A. Decker..... *Assistant Vice President*  
 Lisa A. Dowse..... *Assistant Vice President*  
 Robert B. Ferraro..... *Assistant Vice President*  
 Elizabeth Hazen..... *Assistant Vice President*  
 Carol L. Milani..... *Assistant Vice President*  
 Linda A. Miller..... *Assistant Vice President*  
 Donna Rinehimer..... *Assistant Vice President*  
 Melissa Rushworth..... *Assistant Vice President*  
 Paulette Straka..... *Assistant Vice President*  
 Brian P. Wilken..... *Assistant Vice President*  
 Lacey P. Churmblo..... *Accounting Officer*  
 Lisa S. Bonham..... *Assistant Trust Officer*  
 Beverly A. Simons..... *Branch Manager/Loan Officer*  
 Randy Donovan..... *Commercial Loan Officer I*  
 Kevin Colgan..... *Fraud/Security Officer*  
 John Conte III..... *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  
**Hamlin**  
 559 Hamlin Highway 570-689-1922  
**Kingston**  
 786 Wyoming Avenue 570-283-6900  
**Lackawaxen**  
 180 Scenic Drive 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**  
 hnb@hnbbank.com

Member FDIC - Equal Housing Lender - Equal Opportunity Lender

**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, 2018**

**Honat Bancorp, Inc.****Consolidated Balance Sheets (Unaudited)**

	December 31st	
	2018	2017
	(In Thousands, except Share and Per Share Data)	
<b>Assets</b>		
Cash and due from banks	\$ 10,503	\$ 6,347
Interest-bearing deposits	4,574	10,571
Short-term investments	8,015	5,997
Cash and cash equivalents	23,092	22,915
Securities available for sale	96,921	108,307
Equity securities at fair value	354	-
Mortgage loans held for sale	1,170	1,633
Loans receivable, net of allowance		
for loan losses 2018: \$9,410; 2017: \$8,711	498,830	471,005
Investment in restricted stock, at cost	1,346	574
Bank premises and equipment, net	7,627	7,801
Accrued interest receivable	2,171	2,307
Investment in life insurance	20,214	19,707
Other assets	8,447	9,103
<b>Total Assets</b>	<b>\$ 660,172</b>	<b>\$ 643,352</b>
	<b>Liabilities and Stockholders' Equity</b>	
<b>Liabilities</b>		
Deposits		
Non-interest-bearing	\$ 148,247	\$ 142,567
Interest-bearing	387,581	396,681
Total Deposits	535,828	539,248
Short-term borrowings	15,333	-
Accrued interest payable	946	642
Other liabilities	8,101	7,683
<b>Total Liabilities</b>	<b>560,208</b>	<b>547,573</b>
<b>Stockholders' Equity</b>		
Common stock, par value \$.20 per share; authorized 5,000,000 shares; issued 1,800,000 shares; outstanding 2018 and 2017: 1,475,436 and 1,486,767	360	360
Surplus	1,015	1,015
Retained earnings	108,904	102,541
Accumulated other comprehensive income	96	1,090
Treasury stock, at cost, 2018 and 2017: 324,564 and 313,233	(10,411)	(9,227)
<b>Total Stockholders' Equity</b>	<b>99,964</b>	<b>95,779</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 660,172</b>	<b>\$ 643,352</b>

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

	Period Ended December 31st,	
	2018	2017
	(In Thousands)	
<b>Interest Income</b>		
Loans receivable, including fees	\$ 24,148	\$ 22,062
Securities:		
Taxable	918	731
Tax exempt	1,850	2,058
Other	89	61
<b>Total Interest Income</b>	<b>27,005</b>	<b>24,912</b>
<b>Interest Expense</b>		
Deposits	2,323	1,986
Other	77	61
<b>Total Interest Expense</b>	<b>2,400</b>	<b>2,047</b>
<b>Net Interest Income</b>	<b>24,605</b>	<b>22,865</b>
<b>Provision for Loan Losses</b>	<b>1,000</b>	<b>750</b>
<b>Net Interest Income after Provision for Loan Losses</b>	<b>23,605</b>	<b>22,115</b>
<b>Other Income</b>		
Customer service fees	2,015	1,842
Mortgage banking activities	767	746
Income from fiduciary accounts	488	468
Realized loss on sale of securities	-	(89)
Loss on equity securities	(101)	-
Bank-owned life insurance	492	394
Other	612	488
<b>Total Other Income</b>	<b>4,273</b>	<b>3,849</b>
<b>Other Expenses</b>		
Salaries and wages	7,130	6,393
Employee benefits	3,375	2,808
Occupancy	1,212	1,034
Data processing	727	672
Furniture and equipment	569	516
Advertising and promotion	400	383
Legal and professional	453	337
Donations	359	236
State tax	773	760
FDIC insurance premium	172	184
Other	2,570	2,801
<b>Total Other Expenses</b>	<b>17,740</b>	<b>16,124</b>
<b>Income Before Income Tax</b>	<b>10,138</b>	<b>9,840</b>
<b>Federal Income Tax Expense</b>	<b>1,462</b>	<b>3,647</b>
<b>Net Income</b>	<b>\$ 8,676</b>	<b>\$ 6,193</b>