

Consolidated Balance Sheets

(Unaudited)

	June 30,	
	2007	2006
	(In thousands)	
Assets		
Cash & due from banks	\$ 985	\$ 1,668
Interest Bearing demand deposits	572	264
Federal funds sold	407	118
Cash & Cash Equivalents	1,965	2,050
Securities available for sale	20,144	22,102
Loans receivable	114,266	99,467
Allowance for loan loss	(2,101)	(1,703)
Net Loans Receivable	112,165	97,764
Bank premises & equipment	3,114	2,081
Accrued interest receivable	828	649
Other assets	2,293	1,586
Total Assets	\$ 140,508	\$ 126,232
Liabilities & Stockholders' Equity		
Liabilities		
Deposits:		
Demand, non-interest bearing	\$ 6,277	\$ 6,724
Demand, interest bearing	24,298	26,366
Savings	340	458
Time	59,035	56,657
Total Deposits	89,950	90,205
Short-term debt	26,630	11,349
Long-term debt	691	708
Accrued interest payable	61	82
Other liabilities	551	666
Total Liabilities	117,883	103,010
Stockholders' Equity		
Common Stock	4,798	4,781
Surplus	19,767	19,637
Accumulated deficit	(1,685)	(910)
Accumulated other comprehensive loss	(255)	(286)
Total Stockholders' Equity	22,625	23,222
Total Liabilities & Stockholders' Equity	\$ 140,508	\$ 126,232

Consolidated Income Statements
(Unaudited)

	Three Months Ended June 30,	
	2007	2006
	(In thousands)	
Interest Income		
Loans Receivable, including fees	\$ 2,549	\$ 2,349
Securities	277	173
Other	7	9
Total Interest Income	2,833	2,532
Interest Expense		
Deposits	977	734
Short-term borrowings	301	182
Long-term borrowings	9	10
Total Interest Expense	1,287	926
Net Interest Income	1,546	1,606
Provision for loan losses	59	122
Net Interest Income after Provision for Loan Losses	1,487	1,484
Other Income		
Customer Service fees	18	17
Other	31	50
Total Other Income	49	67
Other Expenses		
Salaries and employee benefits	945	679
Occupancy	249	154
Equipment and data processing	135	139
Advertising, marketing and business development	92	109
Professional fees	144	83
Bank shares tax	34	25
Other	165	132
Total Other Expenses	1,764	1,321
Net (Loss) income	\$ (227)	\$ 230
(Loss) earnings Per Share		
Basic	\$ (0.05)	\$ 0.05
Diluted	\$ (0.05)	\$ 0.05

Consolidated Income Statements

(Unaudited)

Six Months Ended June 30,	
2007	2006

(In thousands)

Interest Income		
Loans Receivable, including fees	\$ 4,922	\$ 4,587
Securities	514	347
Other	16	15
Total Interest Income	5,452	4,949
Interest Expense		
Deposits	1,935	1,410
Short-term borrowings	407	326
Long-term borrowings	19	18
Total Interest Expense	2,361	1,754
Net Interest Income	3,091	3,195
Provision for loan losses	148	241
Net Interest Income after Provision for Loan Losses	2,943	2,954
Other Income		
Customer Service fees	33	33
Other	89	74
Total Other Income	122	107
Other Expenses		
Salaries and employee benefits	1,896	1,341
Occupancy	496	281
Equipment and data processing	277	267
Advertising, marketing and business development	131	160
Professional fees	281	188
Bank shares tax	67	51
Other	322	246
Total Other Expenses	3,469	2,534
Net (Loss) income	\$ (404)	\$ 527
(Loss) earnings Per Share		
Basic	\$ (0.08)	\$ 0.11
Diluted	\$ (0.08)	\$ 0.11