

**Consolidated Balance Sheet**  
(in Thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
	(unaudited)	(unaudited)
<b>Assets</b>		
Cash & Due from banks	\$ 1,668	\$ 1,536
Interest Bearing demand deposits	264	240
Federal funds sold	118	
Cash & Cash Equivalents	2,050	1,776
Securities available for sale	22,102	14,948
Loans Receivable	99,467	90,867
Allowance for loan loss	(1,703)	(1,211)
Net Loans Receivable	97,764	89,656
Bank premises & equipment	2,361	991
Accrued interest receivable	649	482
Other assets	1,306	511
<b>Total Assets</b>	<b>\$ 126,232</b>	<b>\$ 108,364</b>
<b>Liabilities &amp; Stockholders Equity</b>		
<b>Liabilities</b>		
Deposits:		
Demand, non-interest bearing	\$ 6,724	\$ 5,491
Demand, interest bearing	26,366	29,310
Savings	458	1,013
Time	56,657	48,380
Total Deposits	90,205	84,194
Short-term debt	11,349	424
Long-term debt	708	727
Accrued interest payable	82	87
Other liabilities	666	598
<b>Total Liabilities</b>	103,010	86,030
<b>Stockholders Equity</b>		
Common Stock	4,781	4,781
Surplus	19,637	19,615
Accumulated deficit	(910)	(2,028)
Accumulated other comprehensive income	(286)	(34)
<b>Total Stockholders Equity</b>	23,222	22,334
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>\$ 126,232</b>	<b>\$ 108,364</b>

## Consolidated Income Statement

(in Thousands, except per share data)

	Six Months Ended June 30,	
	2006	2005
	(unaudited)	(unaudited)
<b>Interest Income</b>		
Loans Receivable, including fees	\$ 4,587	\$ 3,339
Securities	347	76
Other	15	101
<b>Total Interest Income</b>	4,949	3,516
<b>Interest Expense</b>		
Deposits	1,410	1,001
Short-term borrowings	326	11
Long-term borrowings	18	20
<b>Total Interest Expense</b>	1,754	1,032
<b>Net Interest Income</b>	3,195	2,484
<b>Provision for loan loss</b>	241	265
<b>Net Interest Income after Provision for Loan Loss</b>	2,954	2,219
<b>Other Income</b>		
Customer Service fees	33	42
Other	74	179
<b>Total Other Income</b>	107	221
<b>Other Expenses</b>		
Salaries and employee benefits	1,341	1,176
Occupancy	281	153
Equipment and data processing	267	214
Advertising, marketing and business development	160	122
Professional fees	188	115
Bank shares tax	51	33
Other	246	181
<b>Total Other Expenses</b>	2,534	1,994
<b>Income before Minority Interests</b>	527	446
Minority interest in net loss of subsidiary	-	-
<b>Net Income</b>	\$ 527	\$ 446
<b>Earnings Per Share</b>		
Basic	\$0.11	\$0.10
Diluted	\$0.11	\$0.10

**Quarterly Income Statement**  
(in Thousands, except per share data)

	<b>Three Months Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
	(unaudited)	(unaudited)
<b>Interest Income</b>		
Loans Receivable, including fees	\$ 2,354	\$ 1,746
Securities	173	51
Other	10	76
<b>Total Interest Income</b>	2,537	1,873
<b>Interest Expense</b>		
Deposits	734	566
Short-term borrowings	182	-
Long-term borrowings	10	10
<b>Total Interest Expense</b>	926	576
<b>Net Interest Income</b>	1,611	1,297
<b>Provision for loan loss</b>	121	137
<b>Net Interest Income after Provision for Loan Loss</b>	1,490	1,160
<b>Other Income</b>		
Customer Service fees	17	22
Other	46	87
<b>Total Other Income</b>	63	109
<b>Other Expenses</b>		
Salaries and employee benefits	679	588
Occupancy	154	87
Equipment and data processing	138	122
Advertising, marketing and business development	101	84
Professional fees	104	65
Bank shares tax	26	17
Other	118	91
<b>Total Other Expenses</b>	1,320	1,054
<b>Income before Minority Interests</b>	233	215
Minority interest in net loss of subsidiary	-	-
<b>Net Income</b>	\$ 233	\$ 215
<b>Earnings Per Share</b>		
Basic	\$0.05	\$0.05
Diluted	\$0.05	\$0.05