

**Consolidated Balance Sheet**  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2006</b>	<b>2005</b>
	(In thousands)	
<b>Assets</b>		
Cash & Due from banks	\$ 1,972	\$ 1,440
Interest Bearing demand deposits	291	130
Federal funds sold	-	-
	2,263	1,570
Cash & Cash Equivalents		
Securities available for sale	23,868	15,947
Loans Receivable	101,221	98,343
Allowance for loan loss	(1,838)	(1,341)
	99,383	97,002
Net Loans Receivable		
Bank premises & equipment	2,615	1,154
Accrued interest receivable	780	610
Other assets	485	359
	\$ 129,394	\$ 116,642
<b>Total Assets</b>		
<b>Liabilities &amp; Stock Holders Equity</b>		
<b>Liabilities</b>		
Deposits:		
Demand, non-interest bearing	\$ 6,469	\$ 6,316
Demand, interest bearing	4,126	30,118
Savings	24,527	999
Time	53,487	47,128
	88,609	84,561
Total Deposits		
Short-term debt	16,002	7,901
Long-term debt	705	723
Accrued interest payable	128	109
Other liabilities	845	741
	106,289	94,035
<b>Total Liabilities</b>		
<b>Stockholders Equity</b>		
Common Stock	4,783	4,781
Surplus	19,577	19,595
Accumulated deficit	(1,159)	(1,677)
Accumulated other comprehensive income	(96)	(92)
	23,105	22,607
<b>Total Stockholders Equity</b>		
<b>Total Liabilities &amp; Stockholders Equity</b>	\$ 129,394	\$ 116,642

**Consolidated Income Statement**  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2006</b>	<b>2005</b>
	(In thousands)	
<b>Interest Income</b>		
Loans Receivable, including fees	\$ 6,944	\$ 5,439
Securities	528	175
Other	23	110
<b>Total Interest Income</b>	<b>7,495</b>	<b>5,724</b>
<b>Interest Expense</b>		
Deposits	2,283	1,634
Short-term borrowings	440	15
Long-term borrowings	27	30
<b>Total Interest Expense</b>	<b>2,750</b>	<b>1,679</b>
<b>Net Interest Income</b>	<b>4,745</b>	<b>4,045</b>
<b>Provision for loan loss</b>	<b>477</b>	<b>395</b>
<b>Net Interest Income after Provision for Loan Loss</b>	<b>4,268</b>	<b>3,650</b>
<b>Other Income</b>		
Customer Service fees	56	73
Other	104	263
<b>Total Other Income</b>	<b>160</b>	<b>336</b>
<b>Other Expenses</b>		
Salaries and employee benefits	2,262	1,845
Occupancy	454	258
Equipment and data processing	399	361
Advertising, marketing and business development	211	155
Professional fees	307	225
Bank shares tax	76	50
Other	430	319
<b>Total Other Expenses</b>	<b>4,139</b>	<b>3,213</b>
<b>Income before Minority Interests</b>	<b>289</b>	<b>773</b>
Minority interest in net loss of subsidiary	-	-
<b>Net Income</b>	<b>\$ 289</b>	<b>\$ 773</b>
<b>Earnings Per Share</b>		
Basic	\$0.06	\$0.16
Diluted	\$0.06	\$0.16

**Consolidated Income Statement**  
(Unaudited)

	Three Months Ended September 30,	
	2006	2005
	(In thousands)	
<b>Interest Income</b>		
Loans Receivable, including fees	\$ 2,357	\$ 2,100
Securities	181	99
Other	8	9
<b>Total Interest Income</b>	2,546	2,208
<b>Interest Expense</b>		
Deposits	873	633
Short-term borrowings	114	4
Long-term borrowings	9	10
<b>Total Interest Expense</b>	996	647
<b>Net Interest Income</b>	1,550	1,561
<b>Provision for loan loss</b>	236	130
<b>Net Interest Income after Provision for Loan Loss</b>	1,314	1,431
<b>Other Income</b>		
Customer Service fees	23	31
Other	30	84
<b>Total Other Income</b>	53	115
<b>Other Expenses</b>		
Salaries and employee benefits	921	669
Occupancy	173	105
Equipment and data processing	132	147
Advertising, marketing and business development	51	33
Professional fees	119	110
Bank shares tax	25	17
Other	184	138
<b>Total Other Expenses</b>	1,605	1,219
<b>Income before Minority Interests</b>	(238)	327
Minority interest in net loss of subsidiary	-	-
<b>Net Income</b>	\$ (238)	\$ 327
<b>Earnings Per Share</b>		
Basic	(0.05)	\$0.07
Diluted	(0.05)	\$0.07