

CONSOLIDATED BALANCE SHEETS

Unaudited
(Dollars in thousands)

	June 30,	
	2010	2009
ASSETS		
Cash and due from banks	\$ 2,680	\$ 3,217
Interest bearing deposits	15,771	10,475
Securities	14,119	9,376
Loans, net	120,987	123,656
Premises and equipment, net*	9,753	9,189
Other assets	4,273	3,544
Total assets	<u>\$ 167,583</u>	<u>\$ 159,457</u>
LIABILITIES		
Deposits		
Demand - non-interest bearing	\$ 30,622	\$ 29,320
Demand - interest bearing	39,193	35,547
Savings	17,069	14,983
Certificates of deposit	48,262	42,966
Total deposits	<u>135,146</u>	<u>122,816</u>
Borrowings	17,461	20,485
Other liabilities	3,178	3,347
Total liabilities	<u>155,785</u>	<u>146,648</u>
STOCKHOLDERS' EQUITY		
Common stock	4,909	4,891
Retained earnings	6,742	7,889
Accumulated other comprehensive gain (loss), net of tax	147	29
Total stockholders' equity	<u>11,798</u>	<u>12,809</u>
Total liabilities & stockholders' equity	<u>\$ 167,583</u>	<u>\$ 159,457</u>

* Includes Other Real Estate Owned

CONSOLIDATED STATEMENTS OF INCOME

Unaudited
(Dollars in thousands)

	SIX MONTHS ENDED June 30,	
	2010	2009
INTEREST INCOME		
Loans	\$ 4,243	\$ 4,496
Securities	190	205
Other interest income	24	19
Total interest income	<u>4,457</u>	<u>4,720</u>
INTEREST EXPENSE		
Deposits	563	766
Borrowed funds	303	368
Total interest expense	<u>866</u>	<u>1,134</u>
NET INTEREST INCOME	3,591	3,586
Provision for credit losses	661	1,454
Net interest income after provision for credit losses	<u>2,930</u>	<u>2,132</u>
NONINTEREST INCOME		
Service charges	346	346
Other income	652	659
Total noninterest income	<u>998</u>	<u>1,005</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	2,016	2,240
Occupancy & equipment	418	455
Outside services	444	426
Other operating expenses	818	780
Total noninterest expense	<u>3,696</u>	<u>3,901</u>
Income (loss) before taxes	232	(764)
Provision (benefit) for income taxes	35	(339)
NET INCOME	<u>\$ 197</u>	<u>\$ (425)</u>
STOCK INFORMATION	June 30,	
	2010	2009
Shares Outstanding	2,190,974	2,186,652
Book Value	\$ 5.38	\$ 5.86
Earnings Per Share Y-T-D	\$ 0.09	\$ (0.19)