

Consolidated Balance Sheet

	September 30,	
	2008	2007
Assets		
Cash and due from banks	\$ 15,393,225	\$ 12,209,634
Short term investments	2,665,000	2,950,000
Investment securities available for sale	27,014,599	32,712,264
Investment securities (market value of \$8,289,412 in 2008 and \$7,912,436 in 2007) held to maturity	7,064,855	7,822,304
Federal funds sold and other overnight investments	17,950,000	20,500,000
Loans	160,936,446	153,694,922
Less: Allowance for loan loss	(2,368,523)	(2,152,182)
Loans, Net	158,567,923	151,542,740
Bank premises and equipment, net	6,461,083	5,548,249
Bank owned life insurance	6,342,968	6,089,518
Accrued interest receivable and other assets	1,752,713	2,118,546
Total Assets	\$ 243,212,366	\$ 241,493,255
Liabilities		
Deposits		
Non-interest bearing	\$ 33,377,960	\$ 33,143,059
Interest bearing	174,050,970	171,237,150
Total Deposits	207,428,930	204,380,209
Accrued interest payable and other liabilities	175,326	1,265,370
Other borrowings	6,000,000	6,000,000
Total Liabilities	\$ 213,604,256	\$ 211,645,579
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2008 and 2007;		
issued and outstanding: 1,9981,960 in 2008		
and 2,008,834 in 2007	\$ 1,981,960	\$ 2,008,834
Paid in capital	19,678,255	20,142,416
Retained earnings	8,828,232	7,707,146
Accumulated other comprehensive loss	(880,337)	(10,720)
Total Shareholders' Equity	\$ 29,608,110	\$ 29,847,676
Total Liabilities and Shareholder's Equity	\$ 243,212,366	\$ 241,493,255
Book Value Per Share	\$ 14.94	\$ 14.86

Consolidated Statement of Income

	Nine Months Ended	
	September 30,	2007
	2008	2007
Interest Income		
Loans, including fees	\$ 7,951,069	\$ 9,654,072
Securities		
Taxable	1,190,343	1,293,205
Non-Taxable	193,353	195,285
Federal funds sold and other overnight investments	405,666	827,083
Short term investments	79,954	198,997
Total Interest Income	9,820,386	12,168,642
Interest Expense		
Interest on other deposits	2,057,875	2,827,508
Interest on time deposits over \$100,000	707,930	954,426
Other interest expense	78,404	113,342
Total Interest Expense	2,844,208	3,895,276
Net Interest Income	6,976,177	8,273,366
Provision for Loan Losses	225,000	75,000
Net Interest Income after Provision for Loan Losses	6,751,177	8,198,366
Non-interest Income		
Trust and investment management revenue	1,035,650	1,005,362
Service charges on deposit accounts	986,651	978,160
Gain on sale of mortgage loans	160,795	127,353
Other income	508,832	545,113
Total Non-interest Income	2,691,928	2,655,988
Non-interest Expense		
Salaries	2,324,168	2,925,406
Employee benefits	1,030,040	1,041,095
Occupancy and equipment expense	1,525,455	1,438,148
Other expense	1,507,194	1,336,498
Total Non-interest Expense	6,386,857	6,741,147
Income Before Income Taxes	3,056,248	4,113,207
Income Taxes	825,459	1,212,625
Net Income	\$ 2,230,789	\$ 2,900,582
Basic Earnings Per Share	\$ 1.12	\$ 1.43
Diluted Earnings Per Share	\$ 1.12	\$ 1.41

Certain amounts in the prior year consolidated financial statements have been reclassified to conform with the current year presentation.