

**Comparative Consolidated
Balance Sheets (unaudited)**

| ASSETS | June 30, 2011 | 2010 |
|---|-------------------------|---------------|
| Cash and due from banks | \$90,046,173 | \$15,874,607 |
| Federal funds sold / Short term investments | 11,403 | 11,388 |
| Total cash and cash equivalents | 90,057,576 | 15,885,995 |
| Investment securities | | |
| Available for sale | 111,698,188 | 136,081,634 |
| Held to maturity | 141,915,638 | 91,062,786 |
| Total securities | 253,613,826 | 227,144,420 |
| Loans | 346,839,059 | 448,137,743 |
| Less - Allowance for loan losses | (5,869,581) | (4,937,891) |
| Net loans | 340,969,478 | 443,199,852 |
| Premises and equipment, net | 10,661,331 | 6,091,208 |
| Other assets | 34,128,345 | 22,476,079 |
| Total assets | \$729,430,556 | \$714,797,554 |

| LIABILITIES | | |
|--|----------------------|--------------|
| Non-interest-bearing deposits | \$112,963,755 | \$87,950,592 |
| Interest-bearing deposits | 530,144,317 | 445,519,416 |
| Total deposits | 643,108,072 | 533,470,008 |
| Borrowings | 10,000,000 | 97,100,000 |
| Redeemable subordinated debentures | 18,557,000 | 18,557,000 |
| Accrued expenses and other liabilities | 5,332,332 | 5,746,954 |
| Total liabilities | 676,997,404 | 654,873,962 |

| SHAREHOLDERS' EQUITY | | |
|--|----------------------|---------------|
| Preferred stock, no par value; 5,000,000 shares authorized of which 12,000 shares of Series B, \$1,000 liquidation preference, 5% cumulative increasing to 9% cumulative on February 15, 2014, were issued and outstanding at June 30, 2010 | - | 11,527,230 |
| Common stock, no par value; 30,000,000 shares authorized; 4,814,635 and 4,768,664 shares issued and 4,805,750 and 4,757,216 shares outstanding as of June 30, 2011 and 2010, respectively | 39,002,113 | 36,894,428 |
| Retained earnings | 12,360,563 | 11,448,180 |
| Treasury stock, at cost : 8,885 shares in 2011 and 11,448 shares in 2010 | (62,409) | (73,492) |
| Accumulated other comprehensive income | 1,132,885 | 127,246 |
| Total shareholders' equity | 52,433,152 | 59,923,592 |
| Total liabilities and shareholders' equity | \$729,430,556 | \$714,797,554 |

**Comparative Consolidated
Statements of Income (unaudited)**

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|-------------|------------------------------|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| INTEREST INCOME | | | | |
| Loans, including fees | \$5,167,439 | \$5,736,377 | \$10,521,646 | \$11,065,242 |
| Securities | 1,854,862 | 1,325,996 | 3,424,878 | 2,827,812 |
| Federal funds sold and short-term investments | 63,004 | 12,910 | 72,110 | 32,619 |
| Total interest income | 7,085,305 | 7,075,283 | 14,018,634 | 13,925,673 |
| INTEREST EXPENSE | | | | |
| Deposits | 1,530,274 | 1,681,345 | 2,928,404 | 3,562,013 |
| Borrowings | 103,712 | 278,007 | 210,632 | 544,422 |
| Redeemable subordinated debentures | 237,280 | 267,540 | 501,434 | 531,690 |
| Total interest expense | 1,871,266 | 2,226,892 | 3,640,470 | 4,638,125 |
| Net interest income | 5,214,039 | 4,848,391 | 10,378,164 | 9,287,548 |
| Provision for loan losses | 275,000 | 550,000 | 674,998 | 850,000 |
| Net interest income after provision for loan losses | 4,939,039 | 4,298,391 | 9,703,166 | 8,437,548 |
| NON-INTEREST INCOME | | | | |
| Service charges on deposit accounts | 234,898 | 188,672 | 410,740 | 365,028 |
| Gain on sales of loans | 411,643 | 392,577 | 848,382 | 713,121 |
| Income on Bank-owned life insurance | 103,522 | 105,056 | 198,659 | 201,695 |
| Other income | 390,249 | 320,715 | 707,281 | 676,022 |
| Total non-interest income | 1,140,312 | 1,007,020 | 2,165,062 | 1,955,866 |
| NON-INTEREST EXPENSES | | | | |
| Salaries and employee benefits | 2,843,948 | 2,417,234 | 5,420,612 | 4,793,934 |
| Occupancy expense | 580,969 | 452,838 | 1,147,707 | 898,765 |
| Other operating expenses | 1,730,868 | 1,409,018 | 3,250,298 | 2,720,337 |
| Total non-interest expenses | 5,155,785 | 4,279,090 | 9,818,617 | 8,413,036 |
| Income before income taxes | 923,566 | 1,026,321 | 2,049,611 | 1,980,378 |
| Income taxes | 94,650 | 230,762 | 430,827 | 485,561 |
| Net income | 828,916 | 795,559 | 1,618,784 | 1,494,817 |
| Dividends on preferred stock and accretion | 0 | 176,984 | 0 | 353,968 |
| Net income available to common shareholders | \$828,916 | \$618,575 | \$1,618,784 | \$1,140,849 |
| Net Income Per Common Share - Basic | \$0.17 | \$0.13 | \$0.34 | \$0.24 |
| Net Income Per Common Share - Diluted | \$0.17 | \$0.13 | \$0.33 | \$0.24 |
| Tangible Book Value Per Common Share | | | \$9.75 | \$10.03 |