2009 Year To Date Performance

As of September 30, 2009

2009 Actual Performance Quarterly Trend
Balance Sheet

($ in thousands)	**March**	**June**	**Sept**
Total Loans	$ 91,172	$103,736	$104,870
Total Deposits	$105,167	$103,881	$109,222
Loan to Deposit Ratio (LTD)	90%	100%	96%
Total Liquidity*	$ 39,072	$ 25,763	$27,898
Liquidity Ratio (Total Liquidity/Total Assets)	35%	23%	24%
Net Interest Margin (NIM) – Quarterly average	3.38%	3.95%	4.15%
Tier 1 Leverage Capital Ratio	15%	15%	13%

Loan funding in 2Q caught up with 1Q excess deposit liquidity; improving NIM significantly in 2Q. In 3Q, deposit growth outpaced loan growth and the LTD ratio dropped below 100%. However, as a result of a continued drop in the cost of funds, NIM continued to rise in 3Q. The Bank remained liquid and well capitalized.

* Liquidity = Cash, CD’s at other Institutions, FF Sold and Investments

2009 Actual Performance Quarterly Trend
Net Interest Margin

($ in thousands)	**1Q2009**	**2Q2009**	**3Q2009**
Net Interest Margin	3.38%	3.95%	4.15%
Avg. Loan Yield	6.92%	6.91%	6.77%
Avg. Securities Yield	4.23%	3.14%	3.15%
Cost of Funds	2.79%	2.22%	1.73%

Loan yield is stable and benefitting from interest rate floors. Slight decline in loan yield in 3Q due to $6.4 million of loans migrating to non-accrual.

Yield on securities has dropped as legacy investments are called or mature; we are not chasing yield and committed to generally stay short with high quality issuers.

Active management of deposit pricing has benefited cost of funds; yet we still remain highly competitive in our market, with continued growth of deposits.

2009 Actual Performance Quarterly Trend
Income Statement

($ in thousands)	1Q2009	2Q2009	3Q2009
Net Income (Loss)	$ 7	($ 104)	($2,133)
'Special' 2Q FDIC Assessment	$ 0	$ 55	$ 0
Loan Charge-offs	$ 0	$ 0	$ 826
Reduction in Fair Value of OREO	$ 0	$ 0	$ 312
Loan Loss Provision (excluding c/o)	$ 46	$ 326	$ 1,371
Adjusted Net Income	**$ 53**	**$ 277**	**$ 376**
Efficiency Ratio*	94%	82%	97%

Net income adjusted for all loan loss provision, and non-recurring events such as charge-offs, reductions in the FV of OREO (Other Real Estate Owned) and the "special" 2Q FDIC assessment shows an improving trend. Although it is useful to compare quarterly provision, not all loan loss provision is non-recurring as provisioning occurs for loan growth as well as for potential loss associated with specific loans. In the 3rd quarter, the Bank increased the unallocated portion of the loan loss reserve by over $1 million as consideration for the current economic conditions. As of 3Q2009, 78% of the reserve for loan loss is unallocated and unrelated to specific loans, but rather attributable to the Bank's heightened awareness of economic factors.

* Efficiency ratio is before loan loss provision. A lower number is more efficient. Efficiency ratio = expense per $1 earned