

## STATEMENT OF CONDITION

	June 30	
	2004	2003
<b>ASSETS:</b>	(in 1,000's)	
Real Estate Loans	\$7,260	\$4,899
Commercial Loans	\$4,150	\$1,961
Installment Loans	\$7,033	\$4,614
RE Comm'l Non Farm Non Res	\$9,159	\$5,195
Other Loans	\$7	\$7
Investments	\$15,729	\$7,221
Federal Funds Sold	\$2,320	\$4,045
Pacific Coast Bankers Bank Stock	\$100	\$100
Federal Home Loan Bank Stock	\$52	\$8
<b>Total Earning Assets</b>	<b>\$45,810</b>	<b>\$28,050</b>
Cash & Due From Banks	\$1,695	\$1,890
Premises and equipment, net	\$2,104	\$1,768
Other Assets	\$862	\$337
Reserve for Bad Debts	(\$322)	(\$192)
<b>Total Assets</b>	<b>\$50,149</b>	<b>\$31,854</b>
<b>LIABILITIES:</b>		
Demand Deposits	\$11,369	\$7,479
NOW Accounts	\$3,347	\$1,654
Money Market Accounts	\$13,245	\$6,956
Savings Accounts	\$1,381	\$596
Time Deposits	\$16,223	\$10,724
<b>Total Deposits</b>	<b>\$45,564</b>	<b>\$27,410</b>
Reserves	\$3	\$6
Short-Term Borrowings	\$0	\$0
Other Liabilities	\$83	\$97
Fed Funds Purchased	\$0	\$0
<b>Total Liabilities</b>	<b>\$45,650</b>	<b>\$27,513</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Common Stock	\$1,189	\$1,189
Surplus	\$3,496	\$3,496
Retained Earnings	(\$223)	(\$381)
Accumulated Other Comprehensive Income	\$0	\$0
YTD Profit/Loss	\$185	\$19
Unrealized Loss on Investment in Available for Sale Securities and Mutual Bond Funds	(\$148)	\$20
<b>Total Capital</b>	<b>\$4,499</b>	<b>\$4,342</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$50,149</b>	<b>\$31,855</b>

## STATEMENT OF INCOME

	June 30	
	2004	2003
<b>INTEREST INCOME:</b>	(in 1,000's)	
Interest on Loans	\$945	\$515
Interest on Securities	\$140	\$145
Interest on Federal Funds Sold	\$13	\$13
Dividend Income on PCBB Stock	\$2	\$0
Dividend Income on FHLB Stock	\$0	\$0
<b>Total Interest Income</b>	<b>\$1,100</b>	<b>\$672</b>
<b>INTEREST EXPENSE:</b>		
Deposits:		
NOW Accounts	\$13	\$9
Money Market	\$57	\$49
Savings	\$5	\$3
Time	\$167	\$115
Short Term Borrowings	\$0	\$0
Fed Funds Purchased - I/C	\$0	\$0
Securities Sold w/Agreements to Repurchase	\$0	\$0
<b>Total Interest Expense</b>	<b>\$243</b>	<b>\$175</b>
<b>Net Interest Income</b>	<b>\$857</b>	<b>\$497</b>
Less Provision for Loan Losses	\$78	\$92
<b>Net Interest Income after Provision for Loan Losses</b>	<b>\$779</b>	<b>\$405</b>
<b>OTHER INCOME:</b>		
Service Charges on Deposit Accounts	\$38	\$22
Gain (loss) on Sales of Investment Securities	\$18	\$5
Sold Real Estate Loan Fees	\$67	\$151
Other	\$28	\$27
Loan Fees & Costs	\$118	\$102
<b>Total Other Income</b>	<b>\$269</b>	<b>\$307</b>
<b>OTHER EXPENSE:</b>		
Salaries & Employee Benefits	\$493	\$390
Occupancy of Bank Premises	\$39	\$59
Furniture & Fixtures	\$81	\$35
Professional Fees	\$109	\$86
FDIC Assessment	\$4	\$1
Supplies	\$13	\$11
Other	\$123	\$111
<b>Total Other Expense</b>	<b>\$863</b>	<b>\$693</b>
Income Before Provision for Income Taxes	\$185	\$19
Provision for Income Taxes	\$0	\$0
<b>Net Income</b>	<b>\$185</b>	<b>\$19</b>