

THE BANK OF FAYETTEVILLE
Unaudited Financials • September 30, 2007

Balance Sheet	<u>2007</u>	<u>2006</u>	<u>Difference</u>
Assets			
Cash	9,996	9,471	525
Investments	106,376	106,165	211
Fed Funds Sold	-	8,395	(8,395)
Gross Loans	309,848	261,054	48,794
Less: Reserve for Loan Losses	(4,132)	(3,975)	(157)
Net Loans	<u>305,716</u>	<u>257,079</u>	<u>48,637</u>
Fixed Assets	8,721	7,043	1,678
Other Real Estate Owned	800	12	788
Other Assets	9,288	10,428	(1,140)
Total Assets	<u>440,897</u>	<u>398,593</u>	<u>42,304</u>
Liabilities & Capital			
Non-Interest Bearing Deposits	45,418	54,270	(8,852)
Interest Bearing Deposits	259,177	237,275	21,902
Total Deposits	<u>304,595</u>	<u>291,545</u>	<u>13,050</u>
Fed Funds Purchased	1,535	-	1,535
Borrowed Funds	97,092	74,978	22,114
Other Liabilities	2,279	2,122	157
Total Liabilities	<u>405,501</u>	<u>368,645</u>	<u>36,856</u>
Capital	35,396	29,948	5,448
Total Liabilities & Capital	<u>440,897</u>	<u>398,593</u>	<u>42,304</u>
Income Statement			
Interest Income	21,494	17,024	4,470
Interest Expense	(10,170)	(6,867)	(3,303)
Net Interest Margin	<u>11,324</u>	<u>10,157</u>	<u>1,167</u>
Provisions for Loan Losses	(700)	(320)	(380)
Net Interest Margin After Provision	<u>10,624</u>	<u>9,837</u>	<u>787</u>
Non-Interest Income	4,508	3,507	1,001
Non-Interest Expense	(8,651)	(7,973)	(678)
Net Overhead	<u>(4,143)</u>	<u>(4,466)</u>	<u>323</u>
Security Gains/Losses	-	(103)	103
Net Income Before Taxes	<u>6,481</u>	<u>5,268</u>	<u>1,213</u>
Applicable Taxes	(1,651)	(1,585)	(66)
Net Income After Taxes	<u>4,830</u>	<u>3,683</u>	<u>1,147</u>