

The Bank of Fayetteville
Unaudited Financials--December 31, 2007
(000's Omitted)

Balance Sheet

Assets	<u>2007</u>	<u>2006</u>	<u>Difference</u>
Cash	\$7,830	\$8,990	(\$1,160)
Investments	\$88,249	\$105,373	(\$17,124)
Fed Funds Sold	\$0	\$635	(\$635)
Gross Loans	\$341,738	\$277,868	\$63,871
Less: Reserve for Loan Loss	<u>(\$5,041)</u>	<u>(\$4,291)</u>	<u>(\$750)</u>
Net Loans	\$336,697	\$273,576	\$63,121
Fixed Assets	\$9,241	\$7,220	\$2,022
Other Real Estate Owned	\$1,238	\$0	\$1,238
Other Assets	<u>\$10,188</u>	<u>\$11,944</u>	<u>(\$1,756)</u>
Total Assets	\$453,444	\$407,738	\$45,705
Liabilities & Capital			
Non Interest Bearing Deposits	\$14,876	\$17,673	(\$2,797)
Interest Bearing Deposits	<u>\$289,614</u>	<u>\$273,893</u>	<u>\$15,720</u>
Total Deposits	\$304,489	\$291,566	\$12,923
Fed Funds Purchased	\$1,009	\$0	\$1,009
Borrowed Funds	\$107,634	\$80,891	\$26,742
Other Liabilities	<u>\$8,073</u>	<u>\$8,207</u>	<u>(\$134)</u>
Total Liabilities	\$421,205	\$380,665	\$40,540
Capital	<u>\$32,239</u>	<u>\$27,073</u>	<u>\$5,166</u>
Total Liabilities & Capital	\$453,444	\$407,738	\$45,705

Income Statement

	<u>2007</u>	<u>2006</u>	<u>Difference</u>
Interest Income	\$29,383	\$24,126	\$5,258
Interest Expense	<u>(\$14,136)</u>	<u>(\$10,284)</u>	<u>(\$3,852)</u>
Net Interest Margin	\$15,248	\$13,842	\$1,405
Provision for Loan Losses	<u>(\$1,635)</u>	<u>(\$970)</u>	<u>(\$665)</u>
Net Interest Margin After Provision	\$13,613	\$12,872	\$740
Non Interest Income	\$5,336	\$4,463	\$873
Non Interest Expense	<u>(\$12,210)</u>	<u>(\$11,454)</u>	<u>(\$755)</u>
Net Overhead	(\$6,873)	(\$6,991)	\$118
Net Income Before Taxes	\$6,739	\$5,881	\$858
Applicable Taxes	<u>(\$1,461)</u>	<u>(\$1,462)</u>	<u>\$0</u>
Net Income After Taxes	\$5,278	\$4,419	\$859