

## Consolidated Statement of Income

	(000's omitted, except per share data) Year Ended December 31		
	2007	2006	2005
<b>Interest Income</b>			
Loans - Including fees	\$ 24,426	\$ 27,217	\$ 24,090
Debt securities:			
Taxable	2,047	2,563	2,926
Tax-exempt	754	795	882
Other	2,174	669	321
<b>Total interest income</b>	<b>29,401</b>	<b>31,244</b>	<b>28,219</b>
<b>Interest Expense</b>	14,721	14,514	10,774
<b>Net Interest Income</b>	<b>14,680</b>	<b>16,730</b>	<b>17,445</b>
<b>Provision for Loan Losses</b> (Note 3)	11,997	2,026	1,680
<b>Net Interest Income After Provision for Loan Losses</b>	<b>2,683</b>	<b>14,704</b>	<b>15,765</b>
<b>Non-interest Income</b>			
Service charges - Deposits	1,717	1,739	1,617
Gain-on-sale of mortgage loans	436	509	511
Loss-on-sale of investment securities	-	(99)	-
Other	1,250	1,129	1,299
<b>Total other operating income</b>	<b>3,403</b>	<b>3,278</b>	<b>3,427</b>
<b>Non-interest Expenses</b>			
Salaries and employee benefits (Note 7)	7,413	7,751	7,477
Occupancy and equipment	1,852	1,679	1,630
Other	6,162	3,985	3,881
<b>Total other operating expenses</b>	<b>15,427</b>	<b>13,415</b>	<b>12,988</b>
<b>(Loss) Income - Before income taxes</b>	(9,341)	4,567	6,204
<b>Income Tax (Recovery) Expense</b> (Note 6)	(3,413)	1,354	1,784
<b>Net (Loss) Income</b>	<b>\$ (5,928)</b>	<b>\$ 3,213</b>	<b>\$ 4,420</b>
<b>Earnings (Loss) per Share - Basic</b>	<b>\$ (4.87)</b>	<b>\$ 2.51</b>	<b>\$ 3.45</b>

See Notes to Consolidated Financial Statements

