

Consolidated Statement of Income

(000's omitted, except per share data)

Year Ended December 31

Interest Income	2008	2007	2006
Loans - Including fees	\$ 19,602	\$ 24,735	\$ 27,217
Debt securities:			
Taxable	2,022	2,047	2,563
Tax-exempt	655	754	795
Other	518	2,174	669
Total interest income	22,797	29,710	31,244
Interest Expense	8,837	14,721	14,514
Net Interest Income	13,960	14,989	16,730
Provision for Loan Losses (Note 4)	17,300	11,997	2,026
Net Interest Income (Expense)			
After Provision for Loan Losses	(3,340)	2,992	14,704
Noninterest Income			
Service charges - Deposits	1,548	1,717	1,739
Mortgage banking activities	344	435	509
Loss on sale of investment securities	(71)	-	(99)
Other	899	942	1,129
Total other operating income	2,720	3,094	3,278
Noninterest Expenses			
Salaries and employee benefits (Note 9)	6,826	7,413	7,751
Occupancy and equipment	1,751	1,852	1,679
Other	9,239	6,162	3,985
Total other operating expenses	17,816	15,427	13,415
(Loss) Income - Before income taxes	(18,436)	(9,341)	4,567
Income Tax Expense (Benefit) (Note 8)	1,777	(3,413)	1,354
Net (Loss) Income	\$ (20,213)	\$ (5,928)	\$ 3,213
Earnings (Loss) per Share - Basic	\$ (17.47)	\$ (4.87)	\$ 2.51

See Notes to Consolidated Financial Statements

